SUPPORTING STATEMENTS

APPEAL BY McCARTHY & STONE RETIREMENT LIFESTYLES LTD AGAINST THE REFUSAL OF HAVANT BOROUGH COUNCIL TO REFUSE PLANNING PERMISSION FOR THE DEMOLITION OF EXISTING BUILDINGS AND REDEVELOPMENT TO FORM 42 No RETIREMENT APARTMENTS FOR OLDER PERSONS INCLUDING COMMUNAL FACILITIES, PARKING PROVISON AND ASSOCIATED LANDSCAPING; AND 2 No COMMERCIAL UNITS

SITE AT:

38-44 LONDON ROAD
PURBROOK
WATERLOOVILLE
PO7 5LJ

PINS REF: TBC
LPA REF: APP/15/00896

SUPPORTING STATEMENTS

Statement by David Beardmore on Design and Heritage Matters

Statement by Paul Sedgewick on the 5 Year Housing Land Supply Position

Statement by Paul Basham Associates Regarding Highway Matters

Statement by Alder King on Development Viability Issues

Statement by Alder King Regarding Employment Land Issues

SUPPORTING STATEMENT 1

Statement by David Beardmore on Design and Heritage Matters

SS1/1

SUPPORTING STATEMENT

BY

DAVID BEARDMORE

ON

DESIGN AND HERITAGE MATTERS

AGAINST THE REFUSAL OF HAVANT BOROUGH COUNCIL TO REFUSE PLANNING PERMISSION FOR THE DEMOLITION OF EXISTING BUILDINGS AND REDEVELOPMENT TO FORM 42 No RETIREMENT APARTMENTS FOR OLDER PERSONS INCLUDING COMMUNAL FACILITIES, PARKING PROVISON AND ASSOCIATED LANDSCAPING; AND 2 No COMMERCIAL UNITS

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LAND AND BUILDINGS AT LONDON ROAD, PURBROOK, HAMPSHIRE

The proposed development and its context

The proposed design

The development proposed on the site is well illustrated and explained in the Design and Access Statement (DAS) that accompanied the application.

In plan form the building is generally 'U' shaped with frontages to London Road and Stakes Road and an internal wing along the eastern boundary facing towards the western wall of the Methodist Church. It will 'read' as a structure where only two faces are likely to be visible from public viewpoints at any one time. It is proposed that the corner between London Road and Stakes Road will be a double fronted return forming a three storey element that acknowledges the importance of the junction but does not dominate either the location or its neighbours. In fact this element would not 'read' as a full three storeys to either street as it would be slightly 'dug in' by almost half a storey.

This compares with the existing site frontage to Stakes Road which is largely undeveloped and dominated by the large vehicular access into the current builder's yard. This entrance gives wide and unrestricted views south across the open storage that takes up most of the undeveloped body of the site. Apart from the fact that this is an unsuitable use in this local centre it also represents a highly damaging element in the local townscape and is harmful to the local environment and its prevailing character. By way of contrast the proposed design introduces an appropriate (in terms of layout and scale) linear frontage to Stakes Road.

The proposed building frontage to Stakes Road is well designed in terms of proportion, modelling and materials. This starts at three storeys in height at the corner with London Road (but due to the partially 'dug in' corner this makes it 'read' as two and half storeys) and reduces to two storeys at the eastern end of the site frontage. The effect of this is to allow the Methodist Church (immediately to the east) to maintain its dominant place in this stretch of townscape. Generally windows in the proposed building would be 'paired' to give a strong impression of individual houses and this is reinforced by the way that the roofline is varied, fenestration is organised and materials are used. The exception is the eastern element of the proposed frontage where this is expressed as a double fronted single 'house' with windows on either side of the main ground floor entrance. This provides a 'bookend' at the end of this range which gives both balance and a clear 'full stop' to the built form on this part of the site's frontage to Stakes Road.

To London Road the façade would 'read' as five separate stepped elements dropping down the slope of the street from north to south. These would again form an apparent series of terraced houses designed with slight elevational differences but still designed in a 'family' manner to give a clear and appropriate organic and vernacular style. The fenestration would also have a vertical rhythm that would give the elevations a clear and well-proportioned tertiary scale with a strong 'solid to void' ratio in keeping with both the design ethos and of the surrounding area. Materials would be a mix of red brown brick and matching roof tiles with emphasis given to the key corner gables and part of the ground floor by the use of knapped flints which occur in the existing, on-site former vicarage and the listed buildings within the nearby conservation area. Render would be used sparingly to emphasise the other gable ends and the first floor of the southernmost element of the London Road frontage.

Overall the design would successfully produce a well-modulated, sympathetic and mixed use development that would be wholly appropriate in this location and develop and reinforce the local character and distinctiveness of the area as required by the Framework, section 7 (Requiring Good Design), paragraph 58 which states that new development should:

- *respond to local character and history, and reflect the identity of local surroundings and materials, while not preventing or discouraging appropriate innovation;*

This point was clearly accepted by the Council's officers in their Committee report when they analysed the impact of the appeal proposal and assessed the likely benefits.

The proposed development and its effect on designated heritage assets

The Conservation Area

Taking that part of the conservation area that fronts London Road the effect (looking across the street from the corner of London and Stakes Road) will be to largely reflect the form of the existing development, although the overall height and mass of the building will be slightly increased. The built form however will be far more coherent and replicate the best traditions of vernacular, organic development. It is acknowledged that the redevelopment of the former vicarage (although not even a non designated heritage asset) represents a very small loss of historic context to the adjoining conservation area. The visual impact of the proposed building on this part of the conservation area will not be dominant or appear to be overbearing in relation to the designated heritage asset and not cause harm despite the modest increase in height, mass and footprint. The impact on the conservation area would be largely neutral and in some respects moderately positive by virtue of providing greater continuity and better design in the street scene. Similarly the view looking south down London Road from around the corner with Stakes Road will also be broadly consistent with the existing street scene and in will again achieve a measure of 'urban mending.' Neither will the view up London Road from the southern boundary of the application site be adverse since it will maintain the overall setting, character and appearance of the conservation area. Thus while there will be change this should not be conflated with harm and it should not have any adverse impact on the heritage significance of the conservation area.

Listed Buildings

The sheer mass and scale of the Church makes it a dominant feature in the townscape and the visual centre piece of both the conservation area and this part of Purbrook in general. This gives it a robust setting which makes it resilient to impact from new development. To a slightly lesser extent this also applies to the smaller form of the former school. Thus while there will be change to the setting of these listed buildings it should not have any adverse impact on their setting or their heritage significance. Overall and on balance the impact is likely to be neutral or moderately positive and will satisfy the statutory duty of section 66 of the 1990 Planning Act to have 'special regard' to the setting of listed buildings when determining applications for new development.

The effect on the wider townscape

At the present time the current uses and buildings on the appeal site make a negative contribution to the local townscape – see the photographs in both the submitted DAS and Heritage Statement. In particular the poor quality of some of the existing buildings towards the southern section of the site and the open storage at the northern end, together with a lack of continuous frontages all contribute to the poor quality of the existing street scene. This then needs to be set against Policy CS 11 of the adopted (March 2011) Council's Core Strategy which states that **PLANNING PERMISSION WILL BE GRANTED FOR DEVELOPMENT THAT:**

1. **ENSURES THE KEY LANDSCAPE AND BUILT FORM PRINCIPLES SET OUT IN THE HAVANT BOROUGH TOWNSCAPE, LANDSCAPE AND SEASCAPE CHARACTER ASSESSMENT ARE PROTECTED AND WHERE POSSIBLE ENHANCED.**

Judged against this policy there can be little doubt that when judged against any objective assessment the appeal proposal satisfies the requirements of this policy.

Beardmore URBAN

23rd February 2016

SUPPORTING STATEMENT 2

Statement by Paul Sedgewick on the 5 Year Housing Land Supply

SS2/1

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HAVANT BOROUGH

Overview of Housing Land 5 Year Supply 2015-2020

For McCarthy and Stone

February 2015
sa/pks/4722

1. PLANNING POLICY BACKGROUND

1.1. The adopted development plan comprises the Havant Borough Local Plan Core Strategy and Allocations DPDs. The Core Strategy DPD was adopted on 1 March 2011 and the Allocations DPD was adopted on 23 July 2014.

1.2. It is relevant that the CS was prepared and adopted under the former regime on national planning policy and predates the publication of the National Planning Policy Framework in March 2012.

1.3. The Framework, at §47, introduced the requirement that in order to boost significantly the supply of housing, local authorities should:

- *use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in this Framework, including identifying key sites which are critical to the delivery of the housing strategy over the plan period;*

- *identify and update annually a supply of specific deliverable11 sites sufficient to provide five years worth of housing against their housing requirements with an additional buffer of 5% (moved forward from later in the plan period) to ensure choice and competition in the market for land. Where there has been a record of persistent under delivery of housing, local planning authorities should increase the buffer to 20% (moved forward from later in the plan period) to provide a realistic prospect of achieving the planned supply and to ensure choice and competition in the market for land;*

1.4. Policy CS9 of the Core Strategy establishes a requirement for the LPA to achieve the delivery of 6,300 new dwellings between 2006 and 2026. In his report on the examination of the CS, dated 29 December 2010, the inspector states at §23:

'The overall housing target of 6,300 new dwellings in the period to 2026 was justified by evidence which supported the Option 1 figures put forward by PUSH to the examination for the SEP and which remains valid today....'

1.5. Following the Allocations DPD EiP the Inspector confirmed that that element of the local plan passed the test of being in general conformity with the CS, and indeed she had no power to go behind the CS policies[1].

1.6. Section 6 of the Framework sets out the government's policies for housing based on the objective to boost significantly the supply of housing. This includes meeting in full the objectively assessed housing needs derived from the evidence base for the housing market area and identifying specific deliverable sites sufficient to meet a rolling 5-year supply, including a 5% or 20% buffer to ensure choice and competition in the market for land.

1.7. In the section on plan-making, §158 of the Framework requires local plans to be based on adequate and up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area. Local planning authorities should ensure that their assessment of and strategies for housing, employment and other uses are integrated, and that they take full account of relevant market and economic signals.

1.8. At §159 the Framework notes that local planning authorities should have a clear understanding of housing needs in their area including, *inter alia*, meeting household and population projections, taking account of migration and demographic change and catering for housing demand and the scale of housing supply necessary to meet this demand.

1.9. PPG provides the government's further guidance on planning policy. In the section 'Housing and Economic Development Needs Assessments' it deals with the full objectively assessed housing requirement. It makes clear that:

[1] See Gladman v. Wokingham [2014] EWHC 2320 (Admin) §§58-69 Appendix SA1

- Constraints should not be applied to the overall assessment of need;
- The starting point for assessment should be the DCLG household projections;
- Adjustments can then be made as necessary to reflect local circumstances and market signals.

1.10. This approach is further explained in the section on Housing and Economic Land Availability Assessment :

- Local authorities should prepare a Strategic Housing Market Assessment to assess their full housing needs;
- Once need has been assessed, the local planning authority should prepare a Strategic Housing Land Availability Assessment to establish realistic assumptions about the availability, suitability and the likely economic viability of land to meet the identified need for housing over the plan period;
- In so doing take account of any constraints such as Green Belt, which indicate that development should be restricted and which may restrain the ability of an authority to meet its need;
- Considerable weight should be given to the housing requirement figures in adopted Local Plans, which have successfully passed through the examination process, unless significant new evidence comes to light. It should be borne in mind that evidence which dates back several years, such as that drawn from revoked regional strategies, may not adequately reflect current needs; and
- Where there is no robust recent assessment of full housing needs, the household projections published by the Department for Communities and Local Government should be used as the starting point, but the weight given to these should take account of the fact that they have not been tested (which could evidence a different housing requirement to the projection, for example because past events that affect the

projection are unlikely to occur again or because of market signals) or moderated against relevant constraints (for example environmental or infrastructure)

1.11. The absence of an OAN also has consequences for the delivery of a rolling 5-year supply of housing in the district. The Framework, at §47 requires local plans to meet the full, objectively assessed needs for market and affordable housing in the housing market area. In the absence of a local plan setting out the OAN there is no adequate housing need policy against which to judge the supply. Thus it is not possible for the LPA to satisfy the requirements of §47 and therefore the relevant policies for the supply of housing cannot be considered up-to-date, as is noted in §49 and in consequence this is another route to engaging the presumption in favour of sustainable development as set out in §14's 4th bullet point.

1.12. This approach is consistent with recent judgements in the Court of Appeal and High Court and an increasing number of recent appeal decisions[2].

1.13. In St Albans v. Hunston Properties, the Court of Appeal considered the approach to deriving housing requirements set out in the Framework heard on 12/12/2013 . In §32 of his judgement Sir David Keene stated[3]:

> *'Where this inspector went wrong was to use a quantified figure for the five year housing requirement which departed from the approach in the Framework, especially paragraph 47. On the figures before her, she was obliged (in the absence of a local plan figure) to find that there was a shortfall in housing land supply.'*

1.14. In the High Court on 30/04/2014, in Gallagher vs. Solihull , Mr Justice Hickinbottom heard a case relating to a site at Tidbury Green, in Solihull metropolitan district.

1.15. Ground 1 of the application to the High Court stated[4]:

[2] Appendix SA2 for appeal decision letters
[3] Appendix SA3
[4] Appendix SA4

The Council adopted a plan that was not supported by a figure for objectively assessed housing need, contrary to the requirements to (i) have regard to national policies issued by the Secretary of State (section 19(2)(a) of the 2004 Act), and (ii) adopt a sound plan (sections 20 and 23 of the 2004 Act).

In making his judgement on this ground, the Judge concluded:

'100 This is not a reasons case, because the approach adopted by the Inspector is in my view clear from his report: indeed, the fact that the Inspector unfortunately failed to grapple with this important issue of housing need is, in my view, betrayed in the report. When the report is read as a whole, far from full objectively assessed housing need being a driver in terms of the housing requirement target – as the NPPF requires – it is at best a back-seat passenger. Nowhere is the full housing need in fact objectively assessed. As I have said, the reference to the work done by the WM RSS Phase 2 Revision Panel does not assist, because there is no evidence that they assessed such need either. In any event, the Inspector appears to accept that the WM RSS Phase 2 Revision Panel target did not fully meet all housing needs (paragraph 53).

Further, in paragraph 10 (quoted at paragraph 64 above), he says:

"There is insufficient evidence to demonstrate that Solihull does not intend to full meet its objectively assessed housing requirements ...".

All of this makes clear, in my view, that the Inspector erred in his approach to this issue: he failed to have proper regard to the policy requirements of the NPPF.

101. For those reasons, I do not consider that the Inspector's approach to the policy requirements of the NPPF in relation to housing provision was correct or lawful. As a result, he failed to comply with the relevant procedural requirements; and the SLP with modifications, which he endorsed and the Council adopted, is not sound because it is not based on a strategy which seeks to meet objectively assessed development requirements nor is it consistent with the NPPF.

102. Therefore, on this ground, the Claimants succeed.'

1.16. In a planning appeal for development of up to 120 dwellings on land at Fairford, in Cotswold district[5] the inspector's decision letter was issued on 22 September 2014. The issue of housing land supply is dealt with in §§7-27. In that case the district did not have an OAN as required by the Framework §159 but relied on the Secretary of State's proposed changes to the draft Regional Spatial Strategy for the Southwest, which was a was based on a constrained approach to the 2003 Sub National Household Projections.

1.17. The inspector observed at §22 that it is not the role of an Inquiry into a section 78 appeal to establish what is the OAN for a district. That is for the examination into the Council's local plan, which would be informed by a great deal more evidence, including the input of those making representations to the local plan, than is even before this Inquiry. It would be wrong for her to seek to establish the OAN on the basis of the limited information before her and she did not give any particular endorsement to the calculations of OAN produced on behalf of the appellants.

1.18. The conclusion on this issue is set out succinctly in §27 of the decision letter:

> *The Council accepts that it does not have an OAN. The figures it has produced for housing requirement do not represent the OAN for the district, and do not take account of employment considerations or market signals, as required by the PPG. Consequently, in the absence of an OAN I conclude that the Council is unable to demonstrate a five-year supply of deliverable housing sites.*

1.19. In a more recent decision relating to development of land for 250 dwellings near Darlington, County Durham , the Inspector draws a similar conclusion. At §17 of the decision letter set out, concluding that the housing requirements set out in policies predating the Framework and including the revoked regional plan were not an appropriate basis for the housing requirement. Then in §18 the inspector states:

[5] PINS Ref 2213318 given in Appendix SA2

'Unfortunately the Council did not make an assessment of the Borough's FOAN at the time that it prepared the CS and has not done so since. The Framework requires local planning authorities to identify and update annually a supply of specific deliverable sites sufficient to provide five years' worth of housing against their housing requirements with an additional buffer. Without an objective assessment of their housing requirements, as a starting point, they are unable to do this and demonstrate a five years supply of deliverable housing sites, regardless of the amount and quality of the data on the supply side. Paragraph 49 of the Framework is consequently once again engaged'

1.20. In the light of these very clear statements of the planning approach required to meet the Framework's housing delivery requirements, and comparable statements in the other appended appeal decisions it is necessary to consider whether the development plan housing requirements are based on a full, objectively assessed housing need.

1.21. The source of the Policy CS9 requirement of 6,300 is the South East Plan 2006 – 2026. The CS Inspector states:

'23. The overall housing target of 6,300 new dwellings in the period to 2026 was justified by evidence which supported the Option 1 figures put forward by PUSH to the examination for the SEP and which remains valid today....'

1.22. SEP explains at §7.7 that:

"The scale of demand and need for housing in the region, together with the importance of the South East to the national economy and its interrelationship with London necessitate that the RSS sets out a housing provision that makes a sufficient response to these strategic needs. This Plan has gone some way towards this goal but at 32,700 dwellings per year, the level that is set here is still significantly below the forecast growth of households and even more so by the more recent 2006-based population projections.

The current short term market conditions are not expected to help alleviate the worsening housing affordability in the longer term and the supply range recommended for the South East in the independent advice from the National

Housing and Planning Advice Unit (NHPAU) is significantly higher than the level of housing provision set in the Policy H1."

1.23. This makes it clear that the housing requirement set in SEP not an objectively assessed need (OAN) but has been influenced by policies, including restraint on development land. It is therefore a 'policy on' figure.

1.24. SEP (save for two policies) was revoked in January 2013. This means that the 'top down' housing requirement figures set out in the regional plan were no longer in force and it is for local planning authorities to derive their own 'objectively assessed housing need' in conformity with the National Planning Policy Framework (the Framework), which was published in March 2012, and the daughter publication Planning Practice Guidance (PPG).

1.25. In the light of this factual information it is evident that Havant Council does not have an OAN and therefore cannot demonstrate a 5 years supply of housing land. This means that the housing related policies of the CS and the subsequent Allocations DPD are out of date and that the Framework's §14 is engaged.

1.26. The direction of decision making from this point is considered in a recent appeal decision at Oval Way, Gerrards Cross[6]. This is another case where the housing requirement was derived from SEP and not from an up-to-date OAN. It is stated in §8 of the decision letter:

'Consequently, there is little merit in concluding on whether a 5 year supply exists, when set against the housing requirements of the CS. For the reasons set out in the examining Inspector's letter, those requirements are out of date and do not relate to the OAN for the area, as required by paragraph 47 of the Framework. Both parties accepted this point at the hearing. In the absence of an up-to-date OAN it is not possible, from the evidence before me, to calculate a housing requirement against which a five-year supply can be set. Such an exercise would be beyond the scope of a section 78 appeal and the

[6] PINS Ref 3003534 given at Appendix 2

evidence base in relation to the OAN for the area will need to be properly examined through the Local Plan process.' (my emphasis)

1.27. This is congruent with the situation in Havant borough and is relevant to the determination of the application.

2. HOUSING DELIVERY PERSPECTIVE

2.1. Despite the conclusion of the policy assessment in the previous section that in the absence of an OAN, the housing related policies of the adopted development plan are out-of-date, I have considered three scenarios in the context of the current PUSH SHMA 2014 projections. They are presented here as Tables SA1, SA2 and SA3[7]

2.2. The starting point has been the council's own assessment of housing land supply, the latest information on which is in the Havant Borough Council Monitoring Report 2015[8]. Table 5.1 of the report provides net annual house completions information for the period 2006/07 to 2014/15. Table 5.2 provides a forecast of annual housing completions for the subsequent 5 year period 2015/6 – 2020/21.

2.3. Table SA1 considers delivery against the CS Policy requirement of 6,300 new homes in the period 2006 – 2026, equivalent to 315 additional homes a year. It uses the Sedgefield method of including the shortfall of housing against the requirement in the next 5 year period and adds in the 5% default buffer required by the Framework. As the LPA has only met the annual housing requirement twice since 2006/07 this is an accumulated deficit of 1032 dwellings against the SEP housing delivery trajectory this amounts to entrenched underperformance and should be addressed by including a 20% buffer of housing land.[9] Whilst it is noted that there has been a significant improvement in annual house completion rates in 2014/15 the Council's anticipated completion of 2949 dwellings in the current 5 year period is 220% greater than that the 1340 dwellings achieved in the previous 5 year period. The need to achieve this delivery rate is a strong indication that the additional choice of sites provided by the 20% buffer is essential.

[7] Appendix SA5
[8] Appendix SA6
[9] See also §78 of Appendix SA7

2.4. Using the LPA's own assumptions on housing land supply and new homes completions (which are discussed further at 2.13 below) there is an 8.1 year supply of housing land or 7.1 years using the 20% buffer.

2.5. Since the CS was adopted, the PUSH authorities have published a Strategic Housing Market Assessment based on the 2011 Interim Sub National Population Projections prepared by ONS which informs the discussion on housing requirements to 2036.

2.6. Appendix U of the SHMA[10] sets out a range of housing needs for each of the PUSH districts based on a number of different assumptions which for Havant give a range of annual need for new housing in the range 415 dwellings to 637 dwellings. Since the report was published the 2012 based household forecasts have been published by ONS and the SHMA is being revised to be based on these the new household forecasts, which are the most up-to-date forecasts and therefore will be the starting point for deriving the OAN. However, until that work has been completed the best information relating to housing needs is in the SHMA.

2.7. It is pertinent that in the recently published report by the Inspector carrying out the EiP of the Eastleigh Borough Local Plan found that plan to be unsound as it took insufficient account of the demographic projections of PROJ 2 of the SHMA, which in that case indicated a demographic need of 615 dwellings a year. The local plan proposed only 564 dwellings a year, but that was based on the South Hampshire Strategy 2012 and was not an OAN or compliant with the Framework.

2.8. As noted above, the SHMA suggests that annual housing requirements for Havant district will be in the range 415 dwellings (PROJ 2) and 637 dwellings (PROJ B). Tables SA2 and SA3 explore the housing land supply for these two projections.

10 Given at Appendix SA8

2.9. For PROJ 2, which is the SHMA preferred demographic projection, on the basis of the housing delivery assumptions used by the LPA[11] and the 20% buffer, the housing land supply falls to 4.3 years.

2.10. Matters other than demographic change are to be taken into account in determining an OAN. In particular, housing market signals, including affordable housing requirements, and economic growth will all inform the eventual derivation of the 'policy-off' OAN.

2.11. On affordable housing, it is noted from Tables 28 and 29 of the SHMA Appendix X[12] that in Havant for the period 2013 – 2036 there are 2,581 existing households in need of affordable housing and a projected newly emerging need of 9,306 households, giving a total in need of affordable housing of 11,887 households for the period 2013-2036. The total requirement of new houses for that period identified in PROJ 2 is 10,367 homes. Clearly, the large need for affordable housing will influence the derivation of the OAN.

2.12. It is also necessary for the OAN to be informed by economic growth scenarios, as economic growth will require the accommodation of the workforce, and if commuting is required this will impact on the OAN of other districts. PROJ 2 includes a 0.3% growth in employment a year but other projections show that greater housing numbers are required if employment growth of either 0.6% (PROJ A) or 0.8% (PROJ B) are found to be more appropriate. Of these, the rate of employment growth used in PROJ B is most likely to lead to additional commuting flows and impact on other districts within PUSH and beyond unless increased housing delivery is achieved. In the absence of an OAN tested in a local plan EiP, the precautionary approach should be adopted and the PROJ B rate of new housing planned for unless the OAN established on the basis of tested evidence indicates otherwise.

[11] In preparing this report, no assessment has been made of the deliverability or contribution of the sites in the LPA's assessment of supply. There is therefore the potential that the housing land supply would be lower than that used in this assessment.
[12] Appendix SA8

2.13. Reference was made in §2.4 above to the assumptions on housing delivery. In the 2013/14 AMR, net completions in the period 2006/7 to 2013/14 average 234 dwellings a year. The delivery for the subsequent 5 years was assumed and they average 638 dwellings a year. For the first year of that period, growth of completions to 613 dwellings was expected. It is now known from the recently published 2014/15 AMR that the number of completions in 2014/15 was 492 dwellings. Whilst this was higher than in preceding years it still fell significantly below the 613 dwellings that the LPA had expected that year in the previous annual monitoring report.

2.14. In Tables SA1, SA2 and SA3 the LPA's own projected house completions rates are used, even though these rise as high as 727 in 2015/16 and 887 in 2016/17.

2.15. It follows, therefore that the LPA will need to do everything in its power to achieve the very high levels of house completions that it needs if it is to improve the deliverable housing supply. In practice this will include the diversification of its housing land supply to ensure a wide range of dwellings types and values are delivered by as wide a range as possible of housebuilders on a wide choice of location and size of site. If this fails, it will harm the prospects of economic growth and may result in the net out-migration of the more mobile sector of the community.

3. CONCLUSIONS

3.1. This assessment leads to the following conclusions on housing land supply.

3.2. The Council does not have an OAN, relying as it does on the historic, policy-on requirement originally established in SEP. This was recognised by its authors as being a restricted supply of housing, constrained by policy. It is not an OAN meeting the requirements of the Framework §47. In these circumstances, the LPA cannot show that it has a 5 year supply of housing, and planning applications must be determined against the Framework's policies, including the §14 presumption in favour of sustainable development.

3.3. Even if the council were more advanced in its policy formulation, the best information it has on which to base its housing requirements is in the SHMA published in 2014. If those requirements are taken into account, even on the basis of very optimistic assumptions about the growth in housing completions, the council only has a housing land supply in the range of 2.9 – 4.3 years. However, those projections need to be refined by taking into account housing market signals, including the very large need for affordable housing, and employment growth expectations.

3.4. It is quite possible, even probable, that the assumed sustained growth in housing completions will not occur and the deliverable supply of housing land will fall below the 2.9-4.3 year range discussed above.

3.5. The critical assumptions on the growth of housing completions indicate that the council must provide every incentive for housing development, including the 20% buffer, in order to provide a wide range of sites meeting the requirements of a diverse population of home buyers and other occupiers on one hand and on the other housebuilders of all scales from small local businesses and self-builders to major developers capable of bringing large numbers of dwellings to the market each year.

SS2/17

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HAVANT BOROUGH

Overview of Housing Land 5 Year Supply 2015-2020

Appendices to Report

For McCarthy and Stone

February 2015
sa/pks/4722

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Appendix SA1

Gladman v. Wokingham

Neutral Citation Number: [2014] EWHC 2320 (Admin)

Case No: CO/1455/2014

IN THE HIGH COURT OF JUSTICE
QUEEN'S BENCH DIVISION
PLANNING COURT

Royal Courts of Justice
Strand, London, WC2A 2LL

Date: Friday 11th July 2014

Before :

MR JUSTICE LEWIS

Between :

GLADMAN DEVELOPMENT LIMITED	**Claimant**
- and -	
WOKINGHAM BOROUGH COUNCIL	**Defendant**

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Official Shorthand Writers to the Court)

Mr Paul Tucker QC and Mr Martin Carter (instructed by **Irwin Mitchell**) for the **Claimant**
Ms Saira Kabir Sheikh QC (instructed by **Wokingham Borough Council**) for the **Defendant**

Hearing dates: 1st & 2nd July 2014
Judgment
As Approved by the Court

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I direct that pursuant to CPR PD 39A para 6.1 no official shorthand note shall be taken of this Judgment and that copies of this version as handed down may be treated as authentic.

.....

MR JUSTICE LEWIS

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INTRODUCTION

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

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

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

THE LEGAL FRAMEWORK

The Statutory Framework

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

> "**13 Survey of area**
> "(1) The local planning authority must keep under review the matters which may be expected to affect the development of their area or the planning of its development.
>
> "(2) These matters include–
> (a) the principal physical, economic, social and environmental characteristics of the area of the authority;
> (b) the principal purposes for which land is used in the area;
> (c) the size, composition and distribution of the population of the area;

(d) the communications, transport system and traffic of the area;
(e) any other considerations which may be expected to affect those matters;
(f) such other matters as may be prescribed or as the Secretary of State (in a particular case) may direct.

"(3) The matters also include–
(a) any changes which the authority think may occur in relation to any other matter;
(b) the effect such changes are likely to have on the development of the authority's area or on the planning of such development.

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

....."

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

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

6. Section 15(2)(aa) of the 2004 Act provides that the local development scheme must specify which local development documents are to be "development plan documents".

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

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

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

.....

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

8. Section 20 of the 2004 Act deals with the independent examination of every development plan document and provides as follows:

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

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

(a) they have complied with any relevant requirements contained in regulations under this Part, and
(b) they think the document is ready for independent examination.

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

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

"(5) The purpose of an independent examination is to determine in respect of the development plan document–
(a) whether it satisfies the requirements of section 19(1) and 24(1) and, regulations under section 17(7) and any regulations under section 36 relating to the preparation of development plan documents;
(b) whether it is sound; and
(c) whether the local planning authority complied with any duty imposed on the authority by section 33A in relation to its preparation.

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

"(7) Where the person appointed to carry out the examination—
(a) has carried it out, and
(b) considers that, in all the circumstances, it would be reasonable to conclude—
(i) that the document satisfies the requirements mentioned in subsection (5)(a) and is sound, and
(ii) that the local planning authority complied with any duty imposed on the authority by section 33A in relation to the document's preparation,
the person must recommend that the document is adopted and give reasons for the recommendation.

"(7A) Where the person appointed to carry out the examination—
(a) has carried it out, and
(b) is not required by subsection (7) to recommend that the document is adopted,
the person must recommend non-adoption of the document and give reasons for the recommendation.

"(7B) Subsection (7C) applies where the person appointed to carry out the examination—
(a) does not consider that, in all the circumstances, it would be reasonable to conclude that the document satisfies the requirements mentioned in subsection (5)(a) and is sound, but
(b) does consider that, in all the circumstances, it would be reasonable to conclude that the local planning authority complied with any duty imposed on the authority by section 33A in relation to the document's preparation.

"(7C) If asked to do so by the local planning authority, the person appointed to carry out the examination must recommend modifications of the document that would make it one that—
(a) satisfies the requirements mentioned in subsection (5)(a), and
(b) is sound.

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

9. Section 23 of the 2004 Act provides, so far as material, that:

"(2) If the person appointed to carry out the independent examination of a development plan document recommends that it is adopted, the authority may adopt the document—
(a) as it is, or
(b) with modifications that (taken together) do not materially affect the policies set out in it.

"(2A) Subsection (3) applies if the person appointed to carry out the independent examination of a development plan document—
(a) recommends non-adoption, and
(b) under section 20(7)C recommends modifications ("the main modifications").

"(3) The authority may adopt the document—
(a) with the main modifications, or
(b) with the main modifications and additional modifications if the additional modifications (taken together) do not materially affect the policies that would be set out in the document if it was adopted with the main modifications but no other modifications.

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

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

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

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

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

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

> "(3) For the purposes of any other area in England the development plan is
>
> ,....
>
> (b) the development plan documents (taken as a whole) which have been adopted or approved in relation to that area;
>
> (c) the neighbourhood plan documents (taken as a whole) which have been adopted or approved in relation to that area.
>
> .....
>
> "(5) If to any extent a policy contained in a development plan for an area conflicts with another policy in which the development plan the conflict musts be resolved in favour of the policy which is contained in the last document to become part of the development plan."

The Framework

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

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

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

> "To boost significantly the supply of housing, local planning authorities should:
>
> - use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in this Framework, including identifying key sites which are critical to the delivery of the housing strategy over the plan period;
>
> - identify and update annually a supply of specific deliverable sites sufficient to provide five years worth

of housing against their housing requirements with an additional buffer of 5% (moved forward from later in the plan period) to ensure choice and competition in the market for land. Where there has been a record of persistent under delivery of housing, local planning authorities should increase the buffer to 20% (moved forward from later in the plan period) to provide a realistic prospect of achieving the planned supply and to ensure choice and competition in the market for land;

- identify a supply of specific, developable sites or broad locations for growth, for years 6-10 and, where possible, for years 11-15;

- for market and affordable housing, illustrate the expected rate of housing delivery through a housing trajectory for the plan period and set out a housing implementation strategy for the full range of housing describing how they will maintain delivery of a five-year supply of housing land to meet their housing target; and

- set out their own approach to housing density to reflect local circumstances."

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

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

> "158. Each local planning authority should ensure that the Local Plan is based on adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area. Local planning authorities should ensure that their assessment of and strategies for housing, employment and other uses are integrated, and that they take full account of relevant market and economic signals.
>
> "159. Local planning authorities should have a clear understanding of housing needs in their area. They should:
>
> - Prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. The Strategic Housing Market Assessment should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which:

- meets household and population projections, taking account of migration and demographic change;

- addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes); and

- caters for housing demand and the scale of housing supply necessary to meet this demand;

- prepare a Strategic Housing Land Availability Assessment to establish realistic assumptions about the availability, suitability and the likely economic viability of land to meet the identified need for housing over the plan period."

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

> "The Local Plan will be examined by an independent inspector whose role is to assess whether the plan has been prepared in accordance with the Duty to Cooperate, legal and procedural requirements, and whether it is sound. A local planning authority should submit a plan for examination which it considers is "sound" – namely that it is:
>
> - **Positively prepare** – the plan should be prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development;
>
> - **Justified** – the plan should be the most appropriate strategy, when considered against the reasonable alternatives, based on proportionate evidence;
>
> - **Effective** – the plan should be deliverable over its period and based on effective joint working on cross-boundary strategic priorities; and
>
> - **Consistent with national policy** – the plan should enable the delivery of sustainable development in accordance with the policies in the Framework."

THE FACTS

The Core Strategy

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

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

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

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

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

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

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

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

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

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

The MDD

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

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

> "1.10. The objectives in the MDD take forward and develop the objectives laid down in the Core Strategy and the earlier version (Draft Options) of the MDD (June 2011) as set out in the following paragraph. The MDD is consistent with the Core Strategy, as well as taking into account the National Planning Policy Framework. Where relevant, it also takes account of other plans, programmes and strategies, including those produced by WBC. Specifically, the purpose of the MDD is to:
>
> i. Allocate sites for residential development. The Core Strategy already seeks to concentrate the majority of residential development (circa 9,900 dwellings) in four key locations called Strategic Development Locations (SDLs). However, it is also necessary to allocate further sites outside the SDLs to meet overall housing requirements set out in the Core Strategy
>
> ii. Allocate sites for other uses, including commercial development such as retail development
>
> iii. Set boundaries, which can be seen on the Policies Map for issues such as development limits (settlement boundaries)
>
> iv. Provide additional detailed policies to use when considering development proposals."

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

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

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

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

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

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

> "In brief, I consider it is necessary to include recognition that the [strategic housing market assessment], on which the Core Strategy was based, is out-of-date and the figure of 'at least 13,230 dwellings (2006-2026)' may be an under-estimate. This suggests that para 4.5 et seq requires some revision. I am also concerned that there is no recognition that my initial conclusions advised there is no doubt that there has been

> underperformance and there is clear evidence that there should be a buffer of 20%. It would appear that the Council can show that a 20% buffer can be brought forward from later in the plan period. In this context I do not believe that para 4.9 (which was not the subject of a Main Modification) sits easily following the new paragraph. In particular the second sentence should be deleted. (Separately, it would be helpful to know the latest position regarding the various applications for planning permission submitted during the examination period – effectively an update on the position shown in Appendix 3 to the SHLAA, April 2013, CD/03/03.02)."

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

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

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

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

> "10. The NPPF was published in March 2012 replacing previous Government planning policies and guidance, at which time the MDD was at an advanced stage of preparation. The Council carried out a compatibility self-assessment, using the PAS checklist. Whilst the overall conclusion was that there were no significant issues relating to compatibility, the presumption in favour of sustainable development,which is a golden thread running through both plan making and decision-making, has not been addressed satisfactorily and is a subject of consideration in this report (para 22).
>
> "11. In addition to the NPPF, the partial revocation of the South East Plan is a further change to the context within which the MD has been prepared. The development plan now consists of the local plans produced by each LPA. Reg 8(4) of the Town and Country Planning (Local Planning) (England) Regulations 2012 requires a local plan to be consistent with the adopted development plan which, in this instance, includes the adopted

Wokingham Core Strategy. Although there is provision for policies in adopted plans to be superseded under reg 8(5), in this instance, the CS provides a spatial vision for the Borough within which the MDD has been developed to provide an important part of the means for implementing the provisions of the CS. For this reason consistency with the CS is an important consideration. No convincing evidence has been submitted to show that the strategy is fundamentally flawed and, as a consequence, there is no need for this Examination to re-visit the basis for the spatial vision or the principle of concentrating development in four Strategic Development Locations, which have been examined, found sound and adopted."

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

> **"Issue 1 – Whether the MDD has a clear strategy for allocating adequate and appropriate land for development purposes, including meeting the full, objectively assessed housing needs and ensuring a supply of specific deliverable sites sufficient to provide five years worth of housing.**
>
> ***Housing requirement***
>
> "13. The council has used the housing numbers in the CS for the purposes of calculating the requirement. This is appropriate since the CS has been relatively recently adopted. The numbers comprise the requirement from the South East Plan (SEP), together with a shortfall against the former Berkshire Structure Plan, totalling 13,232 dwellings, equating to just over 660 dpa for the Plan period.
>
> "14. The Council has been criticised for the absence of an up-to-date Strategic Housing Market Assessment (SHMA) on which to base its housing requirement. The existing SHMA for Berkshire dates from 2007 [WBC/28]. However, it did not offer conclusions on the overall requirement for housing within Berkshire, indicating that this would be set by the SEP. As the CS is based on the SEP requirement, and was adopted 2010, it clearly provides the most recent assessment of the overall requirement.
>
> "15. No other credible basis for calculating an alternative overall level of housing need has been suggested. The 2008 based national projections, indicating an annual increase of 955 households per annum for the period 2006-2026 [WBC/11, Table 2] suggests a serious under-estimation of the housing requirement. However, the national projections vary from a potential requirement. However, the national projections vary from a potential requirement of 242 dpa (2003) to 733 dpa

(interim 2011). This suggests that reliance on a single projection would be unwise. Recent performance of around 330 dwellings completed per annum shows that even if the requirement were to be based on a higher estimate, it is unlikely that this could be achieved, in the short term at least. For these reasons and in this particular local context it is appropriate to continue to rely on the CS numbers."

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

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

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

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

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

"20. Raising the annual rate of housing delivery from the 401 achieved in 2012-2013 to the 990 annual rate anticipated for the 5-year period 2013-2018, or the 1,000 annual rate anticipated

from 2014 would present a substantial challenge to all parties. Against this, the risk of harm to the overall strategy through the allocation of more sites outside the SDLs, to provide flexibility in terms of delivery, significantly outweighs any potential benefit. Accordingly, I conclude that, in all the relevant local circumstances, the MDD is not unsound in this respect."

And

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

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

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

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

41. The text in the MDD as adopted reads:

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

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

THE ISSUES

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

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

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

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

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

(5) should the Claimant be given permission to amend the claim to allege that the Defendant's failure to adopt the MDD with the modifications proposed by them in response to the inspector's letter of 20 October 2013?

THE FIRST ISSUE – THE INSPECTOR'S APPROACH

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

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

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

therefore, to indicate that the inspector was considering whether the Core Strategy housing figure continued to represent the objectively assessed need for housing.

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

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

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

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

THE SECOND AND THIRD ISSUES – THE INSPECTOR'S APPROACH TO THE ASSESSMENT OF SOUNDNESS

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

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

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

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

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

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

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

Discussion

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

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

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

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

62. The structure of the 2004 Act is, therefore, consistent with a situation where one development plan document is giving effect to another earlier such document. It may be that the earlier development plan document needs up dating, and may need to make further and additional provision for development in the future. There is, however,

nothing in the statutory framework to suggest that a development plan document, such as the MDD here, cannot be adopted simply because another development plan document, such as the Core Strategy, may need to be updated to include additional provision, for example additional housing.

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

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

65. Properly read, however, the Framework does not require a development plan document which is dealing with the allocation of sites for an amount of housing provision agreed to be necessary to address, also, the question of whether further housing provision will need to be made.

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

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

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

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

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

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

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

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

THE FOURTH ISSUE – HOUSING LAND SUPPLY

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

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

THE FIFTH ISSUE – THE ADDITIONAL GROUND

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

76. In my judgment, permission to amend should be refused. First, the alleged ground demonstrates no arguable ground of error on the part of the Defendant. It was invited by the inspector to comment on certain issues. It did so. As is clear from the

accompany covering letter, and the text provided, the Defendant was providing a response to the inspector's queries and it did so by way of showing possible changes to the text of the MDD which would address any queries. The Defendant was not giving assurances that it would make any changes. The inspector, having received the comments, could have decided that the MDD would not be sound unless the proposed modifications were made. He did not do so. There is no arguable error on the part of the Defendant in not incorporating its responses to the inspector into the adopted version of the MDD. Secondly, the correspondence was made publicly available in November 2103. The adoption report published by the Defendant in February 2014 made it clear that there were background documents, including correspondence, available on the Defendant's website. The Claimant did not indicate that it would seek any amendment until it provided its skeleton argument dated 10 June 2014. No adequate explanation is given for the fact that the Claimant did not investigate this issue earlier and apply to amend earlier. Given that the proposed amendment discloses no arguable ground and was raised extremely late without any adequate explanation, permission to amend is refused.

CONCLUSION

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

SS2/43

Appendix SA2

Appeal Decision Letters

Appeal Decision

Hearing held on 15 April 2015

Site visits made on 14 & 15 April 2015

by Chris Preston BA (Hons) BPl MRTPI

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

Decision date: 04 June 2015

Appeal Ref: APP/X0415/W/15/3003534
28 and 32 Oval Way, Gerrards Cross, Buckinghamshire SL9 8QB

- The appeal is made under section 78 of the Town and Country Planning Act 1990 against a refusal to grant planning permission.
- The appeal is made by Ortus Homes Ltd against the decision of Chiltern District Council.
- The application Ref CH/2014/1540/FA, dated 22 August 2014, was refused by notice dated 25 November 2014.
- The development proposed is: Erection of detached building comprising 10 age exclusive apartments including basement parking, revised accesses and landscaped grounds.

Decision

1. The appeal is dismissed.

Procedural Note

2. The Council's decision notice listed four reasons for refusal. The fourth reason related to the lack of a legal agreement to secure a financial contribution towards the provision of affordable housing. The Council accepted that a contribution was not viable, based on the appellant's financial appraisal, but sought an obligation that would, in effect, seek to recover a contribution if viability of the scheme altered in future.

3. However, within its hearing statement, the Council stated that it no longer wished to pursue the fourth reason for refusal, having regard to published advice on viability in the Planning Practice Guidance (PPG), and a recent appeal decision. The parties agreed that the matter was not in dispute within the signed statement of common ground that was submitted at the Hearing. I see no reason to depart from that agreed position and have considered the appeal on that basis.

Main Issues

4. In view of the above, the main issues in relation to the appeal are:

   i) Whether the Council is able to demonstrate a five year supply of deliverable housing land and the extent to which the proposal would contribute towards the supply of housing, taking account of the contribution of the existing permitted use as a care home;

ii) The effect of the proposal on the character and appearance of the area, and whether the proposal would affect the setting of the Gerrards Cross Conservation Area;

iii) The effect of the proposal on the living conditions of all existing and future residents, with particular regard to the relationship between the proposed development and number 34 Oval Way; and

iv) Whether the development of the site for purposes other than a residential care home would be acceptable, having regard to the requirements of the development plan and other material considerations;

Reasons

Whether the Council is able to demonstrate a 5-year supply of deliverable housing land

5. Paragraph 47 of the National Planning Policy Framework (the Framework) requires, amongst other things, that Councils should use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs (OAN) for market and affordable housing within the housing market area. It also requires Councils to identify a supply of deliverable sites sufficient to meet 5 years worth of housing against their housing requirements, with an additional buffer of 5% to ensure choice and competition, rising to 20% where there is a record of persistent under-delivery. Paragraph 49 makes clear that relevant policies for the supply of housing should not be considered up-to-date if the local planning authority cannot demonstrate a five-year supply of deliverable housing sites.

6. The Council maintains that it can demonstrate between 8.4 and 9.9 years supply based upon the housing requirements of the Core Strategy for Chiltern District, which was adopted in November 2011 (the CS). The appellant disputes those figures and considers that the demonstrable supply amounts to 4.6 years, when set against the requirements of the CS. However, the housing requirement within the CS was a constrained figure that did not seek to meet the needs of the district in full, as required by the Framework. Neither is the CS housing requirement based upon an up-to-date OAN.

7. In his letter to the Council, dated 24 November, the examining Inspector in relation to the Delivery Development Plan Document for Chiltern District concluded that the absence of a recent OAN to support the housing requirement within that plan was a fundamental weakness. He also noted evidence that suggested a significant amount of unplanned housing need, in the region of 4,000 dwellings. As such, he concluded that the targets within the CS were not soundly based or compliant with the requirements of the Framework. Having accepted this conclusion, the Council withdrew the Delivery Development Plan Document.

8. Consequently, there is little merit in concluding on whether a 5 year supply exists, when set against the housing requirements of the CS. For the reasons set out in the examining Inspector's letter, those requirements are out of date and do not relate to the OAN for the area, as required by paragraph 47 of the Framework. Both parties accepted this point at the hearing. In the absence of an up-to-date OAN it is not possible, from the evidence before me, to calculate

a housing requirement against which a five-year supply can be set. Such an exercise would be beyond the scope of a section 78 appeal and the evidence base in relation to the OAN for the area will need to be properly examined through the Local Plan process.

9. Therefore, on the evidence presented, the Council is unable to demonstrate a five-year supply of deliverable housing land, in accordance with paragraph 47 of the Framework. Moreover, in accordance with paragraph 49, any policies for the supply of housing should be considered up-to-date.

10. The Framework aims to boost significantly the supply of housing. In the absence of a demonstrable five-year supply the benefit of the proposal to the local supply of housing is a matter that weighs positively in support of the proposal. The age-specific apartments would replace a single dwelling and the disused care home which had bedrooms to accommodate 13 people. The Council contend that the loss of accommodation within the care home should be weighed against the number of dwellings proposed when considering the net contribution of the proposal to the supply of housing. The Planning Practice Guidance (PPG) states that local planning authorities should count accommodation falling within Use Class C2 *Residential Institutions* against their housing requirements[1]. It also states that the approach taken in this regard should be set out in the Local Plan.

11. No methodology for assessing the contribution of C2 bed spaces is included within the CS and the Council acknowledge that this is a matter that will need to be examined through the Local Plan process. In the absence of such a methodology it is extremely difficult to calculate how the 13 bed spaces in the former care home should be apportioned into an equivalent number of dwellings. The Council suggests a one to one equivalent on the basis that people living in care will free up accommodation elsewhere in the district. On that ratio, the proposal would result in a net loss of dwellings, over and above the existing permitted use.

12. However, I am not satisfied that this approach is reflective of the nature in which care is provided in residential institutions. As suggested by the appellant, care beds may commonly be occupied by one of an elderly couple, with the other remaining at home; by people who previously lived with caring relatives; or by people whose main home is outside the district[2]. To my mind, each of these scenarios is perfectly plausible and the suggestion that each occupant within a care home would free up a dwelling within the district appears unrealistic and over-emphasises the contribution that individual bed spaces would make to local housing supply.

13. Furthermore, I am also mindful that the care home at Stowe Lodge has been closed for approximately 5 years and has been sold by the previous owners; Buckinghamshire County Council, following a review of facilities provided under 'Project Care'. The current owners have no intention of using the building as a residential institution and consider that it is too small to function adequately as an extra care facility. Consequently, there would appear to be no immediate prospect of re-use as a residential institution within Class C2. Therefore, in terms of the supply of housing, having regard to footnote 11 to paragraph 47

[1] Paragraph 37 Reference ID: 3-037-20150320
[2] Paragraphs 3.12 and 3.13 of the Town Planning Assessment *Housing Land Availability in Chiltern District* prepared by Sedgwick Associates, produced at Appendix 4 of the Appellant's statement

of the Framework, it seems to me that the unit is not presently available for use within C2, notwithstanding any arguments regarding local planning policies that seek to protect community facilities.

14. In view of the lack of a clear mechanism for establishing how the contribution of care beds towards local supply should be calculated, and the current ownership of the building, I conclude that the proposal would contribute a net gain of 9 dwelling units towards housing supply, taking account of the loss of the existing bungalow.

15. Moreover, it is common ground between the parties that there is substantial unmet need for age-specific accommodation for the elderly, as evidenced within the report submitted at Appendix 5 of the appellant's statement[3]. Whilst interested parties have pointed to a number of apartment developments within the surrounding area, and the prevalence of 'for-sale' signs outside those developments, that does not amount to evidence of an over-provision of age-related accommodation. The fact that a unit is for sale does not indicate that it is unoccupied or unneeded and no evidence has been provided to suggest that the nature of existing accommodation would appeal specifically to older age groups, unlike the proposal before me which has clearly been designed to meet that specific demographic.

16. Paragraph 50 of the Framework identifies that local planning authorities should plan for a mix of housing based on current and future demographic trends and the needs of different groups in the community, including older people. This aim is reinforced within the PPG, which identifies a 'critical' need for housing for older people, including suitable forms of housing for those who are not in need of care. The proposal is specifically designed to cater for the ageing population. Whilst no specific condition or obligation has been put forward that would impose control over the age of future occupants, the appellant forms part of the McCarthy and Stone group which has a long history in providing specialist forms of accommodation. The scheme is described as age-exclusive accommodation and I have no reason to doubt that the proposal would cater for that market, should planning permission be granted.

17. Therefore, whilst the numerical contribution may be small when set against the overall housing supply for the district, in the absence of a demonstrable 5-year supply, the aim of the Framework to achieve a significant boost in housing numbers, and the agreed need for age-related accommodation, the contribution that the scheme would make to local housing supply is a matter to which I attach considerable weight.

The effect of the proposal on the character and appearance of the area and whether the proposal would affect the setting of the Gerrards Cross Conservation Area

18. In a planning policy context, the site lies within an *Established Residential Area of Special Character* (ERASC), as defined by policy H4 of the Chiltern District Local Plan (1997) (the Local Plan). The Townscape Character Assessment (2011) identifies that the site falls within Character Area 10: North Park. This identifies that the area has a high sensitivity of townscape character, with large houses, set within large plots, with a range of distinctive architectural styles and details and an attractive leafy streetscape. I find this to be an accurate

[3] Appendix 5: Contact Consulting report, dated December 2014 and paragraph 3.12 of the SoCG

assessment of the immediate vicinity of the appeal site where the individual and varied design of dwellings and the mature landscaping, within private and public realm, combine to create a verdant and attractive suburban environment.

19. The site is close to the administrative boundary between Chiltern District and South Bucks District Council; the neighbouring authority. The boundary follows an irregular line, cutting across Oval Way to the south of the site, with little to distinguish the change in local authority area when viewed on the ground. The properties on Oval Way within South Bucks District fall within the Gerrards Cross Centenary Conservation Area. The northern extent of that Conservation Area is up to the boundary between the two authorities and the site, along with other properties immediately to the north of the administrative boundary fall outside the designated heritage asset.

20. However, in terms of the baseline character of the area, the properties at Oval Way, and Latchmoor Avenue, immediately to the north of the designated boundary are consistent with the layout, style and appearance of those dwellings within the Conservation Area immediately to the south. The Conservation Area Appraisal undertaken by South Bucks District Council summarises the special interest of the area noting, amongst other things, the Arts and Crafts influence, the aesthetic value and pleasing appearance of buildings, the relationship between houses and gardens and the over-riding 'garden village' character. The Appraisal also notes the scale of houses which are nearly all of two storeys, with occasional attic storeys. To my mind, No 24 Oval Way (immediately to the south of the appeal site), Stowe Lodge, No 34 Oval Way, Nos 21-27 Oval Way (on the opposite side of the carriageway) and the dwellings at the junction between Latchmoor Way, share these characteristics, being individually designed properties in the Arts and Crafts style, fitting into the garden village character. There is no readily apparent change in character between the designated and non-designated areas.

21. I acknowledge that Chiltern District Council could have considered Conservation Area status, working jointly with the neighbouring authority. It is not for me to consider the merits of that course of action or to speculate as to why that did not occur at the time of designation. The site falls outside the designated boundary and I must judge the proposal accordingly, applying the relevant statutory tests. Nonetheless, regardless of the designated status, the site falls within an extremely attractive residential suburban environment; a townscape that is highly sensitive, as defined in the Townscape Character Assessment.

22. Given the close proximity to the Conservation Area boundary, and the consistency in style and layout, it is clear that the site falls within the setting of the designated asset. The English Heritage document *The Setting of Heritage Assets* describes setting as the surroundings in which a heritage asset is experienced. Whilst the photograph representations provided by the appellant are useful indicators of fixed viewpoints they do not reflect how the Conservation Area is experienced. That experience is not static but more likely to be gained by those moving through the area, be it on foot, bicycle or in vehicular transport; whether for recreational purposes, or as part of a more general routine. By moving through the area one can appreciate the variety in housing style, the wider ambiance of the area and the importance of trees and landscaping.

23. In its existing form I consider that the site contributes positively to the character of the area and the setting of the Conservation Area. Although extended unsympathetically to the rear, Stowe Lodge retains a domestic scale with a strong Arts and Crafts influence set amongst mature planting. Its scale is commensurate with the prevailing pattern of two-storey, detached, dwellings. The relatively modern bungalow is not in keeping with the prevailing two-storey Arts and Crafts theme but mature landscaping helps to reduce its prominence. The domestic scale of the respective plots of the bungalow and Stowe Lodge are broadly consistent with the surrounding dwellings. As one moves along Oval Way to and from the Conservation Area the appeal site, particularly Stowe Lodge, has a positive influence by maintaining the prevailing theme of attractive detached dwellings. Whilst falling outside the designated asset it forms part of the same broad character area.

24. In contrast, the scale of the proposed development would fail to reflect the domestic scale of this established pattern. The amalgamation of two plots into one would create a plot size that would be at odds with that domestic scale, as is clearly depicted in the proposed figure and ground plan at page 14 of the Design and Access statement.

25. Furthermore, the width, depth and height of the building would be substantially greater than the scale of neighbouring dwellings and the prevailing pattern of two-storey properties. The ridge height across the full span of the building would be 2.6 metres above that of the existing building at Stowe Lodge, having the scale of the third storey. The rear wings of the building would extend far deeper into the rear garden than any neighbouring property. The scale of the building would be fully appreciated as one moved across the frontage of the site and the butterfly plan would not disguise the depth of the rear wings which would be visible through gaps in the vegetation.

26. Consequently, whilst the building would sit within substantial grounds, its overall scale would not be consistent with the pattern of residential development in the immediately surrounding area. The proposal would not appear as a large dwelling but the overall scale would reflect the proposed function as a substantial apartment block. Whilst there are examples of larger structures in the vicinity, notably the school and apartment blocks adjacent to Packhorse Road, those examples do not reflect sympathetic forms of development that justify a departure from the prevailing scale and form of development at the appeal site.

27. The site is within a run of dwellings on a stretch of Oval Way that assimilates seamlessly with the scale of dwellings within the Conservation Area. The scale would be out of kilter with the prevailing pattern and the structure would appear incongruous as a result. I acknowledge that a great deal of care has been taken in the design detail of the proposal, to reflect the Arts and Crafts style. However, sympathetic detailing would not off-set the harm caused by the inappropriate scale of the proposal. The Council acknowledged that their case was very simple; that the building was too large for the surrounding context. I find the case no less convincing for its simplicity and fully concur with that view. Accordingly, I consider that the proposal would cause significant harm to the character and appearance of the area.

28. It would also have an adverse effect upon the setting of the Gerrards Cross Centenary Conservation Area. The significance of the Conservation Area lies

within its origins as a domestic 'garden village', as described in the Conservation Area Appraisal. The appeal site contributes to the setting and significance of the asset by virtue of its close proximity and the harmony in scale and design to the wider pattern of development. That harmony would be substantially eroded as a result of the proposal which would have a substantial and dominant presence on the approach to the designated asset. The appeal site forms part of the same suburban environment, albeit slightly outside the designated area. The development of the site in a manner that is substantially out of proportion to the adjacent dwellings would cause harm to the legibility of the Conservation Area and the way it is interpreted by those passing along Oval Way.

29. In the terms defined by the Framework, the harm to the setting of the designated asset would be less than substantial; the proposal would affect the approach to one aspect of the Conservation Area and would not cause harm to the significance of the asset in its entirety. Where any harm would be less than substantial, paragraph 134 of the Framework requires that harm to be weighed against any public benefits. I have considered that exercise as part of my overall assessment of the planning balance, set out later in my decision.

30. For the above reasons I consider that the proposal would cause considerable harm to the character and appearance of the area, contrary to the design related criteria within saved policies GC1 (a, b, c and d) and H4 (i, ii, iii, iv, and vii) of the Local Plan and saved policy CS20 of the Core Strategy. The Framework places great importance on good design which is a key aspect of sustainable development. The proposal would not accord with that aim for the reasons set out above.

31. Paragraph 58 requires that local and neighbourhood plans should develop robust and comprehensive policies that set out the quality of development that will be expected for the area, based on an understanding and evaluation of its defining characteristics. Despite their age, policies GC1 and H4 are comprehensive policies aimed at guiding development, as considered appropriate at a local level. Whilst both policies contain specific and detailed criteria I can find nothing to suggest that this is contrary to the aims of the Framework or to preclude innovation for any given scheme. Consequently, in accordance with paragraph 215 of the Framework I am satisfied that the policies remain consistent with national policy and afford them weight accordingly.

32. Furthermore, the proposal would also conflict with the requirements of policy H6 of the Chalfont St Peter Neighbourhood Plan (the Neighbourhood Plan), a document that both parties agree can be afforded substantial weight, given the advanced stage in preparation, and endorsement through a recent referendum.

Effect on the Living Conditions

33. The rooms on the south facing side of No 34 are dual aspect, having windows to the front and to the side; overlooking the boundary with the existing bungalow at No 32. At ground floor level, the side facing lounge and dining room look onto the side facing boundary at relatively close proximity, such that the outlook is relatively restricted. Given the proximity of the existing boundary to those windows, outlook across the appeal site is limited and the presence of the proposed development would not significantly affect the outlook or living conditions enjoyed within those rooms.

34. However, at first floor level the front and rear bedrooms contain side windows with an open aspect looking onto the flat roofed extension to the rear of the bungalow. Whilst this is an unusual arrangement, No 34 was clearly in existence prior to the erection of the bungalow and the south facing outlook is part of the established environment within the dwelling. The bay window to the front bedroom was clearly designed to take in the southerly aspect and benefit from afternoon sunlight, as was in evidence at the time of my site visit. Although the room is dual aspect, the bay window is a prominent feature.

35. The bay window serving the kitchen area in the closest units (the ground and first floor flats in the north-west corner) would be just over 13 metres from the bay window of the front bedroom of No 34. Whilst the angle of view would be off-set to a degree, the nature of the bay windows is such that occupants benefit from a relatively wide field of view. The respective windows in these rooms serve habitable spaces where residents could reasonably expect a high degree of privacy. In my view, the separation distance would not be sufficient to prevent overlooking between rooms to a degree that would have an unacceptable impact upon residents in the respective unit units, particularly those of No 34 who are presently accustomed to a relatively private outlook. In that respect, I consider that the overlooking would not simply be 'perceived' as alleged by the Council but that a real loss of privacy would occur. The relationship of windows to the rear bedroom would be less direct and at a greater distance such that privacy in that room would be adequately protected.

36. Furthermore, given the height of the building, its proximity to the side of No 34, and its orientation, directly to the south, the structure would have a dominant and oppressive outlook from upper floor windows, in contrast to the open outlook that exists at present. This loss of outlook would cause harm to the living conditions for residents of No 34. I have taken account of the butterfly plan of the dwelling which would result in the building being splayed away from the adjacent dwelling but this would not be sufficient to overcome the overbearing impact of the structure stemming from the overall bulk and proximity.

37. For these reasons, I find that the proposal would harm the living conditions of the residents of No 34, and provide unacceptable levels of privacy for future residents of the closest units within the proposed development, contrary to the aims of saved policy GC3 of the Local Plan and a core principle of the Framework which is to ensure that development provides a good standard of amenity for all existing and future occupants of land and buildings.

Whether the development of the site for purposes other than a residential care home would be acceptable, having regard to the requirements of the development plan and other material considerations

38. Stowe Lodge, which occupies part of the appeal site, was last in use as a home for the rehabilitation of adults with learning difficulties before closing in 2010, as part of a restructure of local residential care arrangements under the banner of *Project Care,* a partnership between Buckinghamshire County Council, Housing Solutions, and the Freemantle Trust. As part of this reorganisation, Stowe Lodge was deemed surplus to requirements and was subsequently sold to a private developer by the County Council.

39. Policy CSF2 of the Local Plan states that planning permission will not be granted for the loss of a community service or facility unless a number of

criteria are satisfied. The preamble to the policy, at paragraph 12.14 makes clear that residential care homes fall within the definition of community facilities for the purposes of the policy. The exception at point (i) allows for the loss of a facility where a replacement building and/or other land can be provided in an equally convenient location. From the evidence presented, it appears to me that the rationale behind the closure of the facility was to enable enhanced or replacement facilities elsewhere within the local area under the *Project Care* programme[4].

40. In that sense, I can find no obvious conflict with policy CSF2. The intention of the policy is clearly to retain local services and facilities to ensure an adequate level of provision for the benefit of the community. In this case, residential care services have clearly been subject of a significant investment programme to ensure that local provision responds to the needs of the area. When viewed in the context of the improved and/or replacement provision elsewhere I am satisfied that the loss of Stowe Lodge would not be in conflict with policy CSF2.

41. The wording of policy CS29 of the Core Strategy is somewhat different, stating that the loss of community facilities will only be permitted in exceptional circumstances. The parameters of what may constitute exceptional circumstances are not set out. However, the explanatory text identifies that the planning process has a role to play in helping to provide inclusive communities by helping to ensure that everybody has access to a broad range of facilities. To my mind, as explained above, the fact that the facility at Stowe Lodge was closed as part of a wider re-organisation of adult residential care services indicates that the previous use was no longer considered to be the optimum way of providing residential care for those with learning difficulties. Whilst the proposed development, of itself, does not propose any replacement provision, the sale of the building follows on from the local review of services and is clearly linked to that programme of work.

42. Moreover, I find a clear distinction between the considered re-organisation of care facilities that resulted in the closure of Stowe Lodge and the examples referred to by the Council involving the loss of facilities which were of a different nature and not part of a wider programme of replacement or enhancement elsewhere. I also concur with the appellant's submission that the small scale of the building is unlikely to make it attractive or viable as an extra care facility with the full range of associated services.

43. In addition, I give significant weight to the provisions of policy LC1 of the Neighbourhood Plan which identifies a list of facilities that the Parish will seek to protect. This list includes a number of residential care homes but not Stowe Lodge; an indication that the facility was not seen as an important community facility at the local level.

44. Thus, taken in the round, the evidence before me suggests that there are exceptional circumstances to justify the loss of the community facility at the site. In the context of the aim of policy CS29, the loss of the use will not result in any significant harm in terms of the ability of the community to access a range of services, taking account of the replacement provision under *Project Care* and the fact that a full range of local community facilities have been identified for protection within the Neighbourhood Plan. In this regard, the

[4] As explained at paragraphs 6.5 and 6.6 of the appellant's statement of case

proposal would comply with the aims of policies CSF2 of the Local Plan and CS29 of the Core Strategy.

Other Matters

45. The location of the appeal site in relation to the school is such that it falls within a section of Oval Way that will experience peaks and troughs in traffic levels at periods of the day. I was able to observe this pattern in two visits to the site; an unaccompanied visit in late afternoon, after the 'school run', and an accompanied visit on the following day that coincided with the afternoon school-run. It is clear that there is a significant rise in the level of traffic and on-street parking at such times. Nonetheless, the question before me is whether the appeal proposal would be detrimental to those existing conditions to a material degree.

46. Sufficient parking would be available within the site to accommodate the needs of residents and visitors and the trip generation resulting from the number of units would be modest in comparison to existing traffic flows. That consideration must also be balanced against the fact that the building could be occupied lawfully under the established use, with resultant traffic movements. In that context, the proposal would not add any significant pressure on the local highway network in terms of parking or trip generation. I am also satisfied that the proposed layout plan would provide for a safe means of access onto the highway.

Planning Balance and Conclusions

47. I have concluded that the proposal would cause significant harm to the character and appearance of the area, contrary to the design related criteria within saved policies GC1 (a, b, c and d) and H4 (i, ii, iii, iv, and vii) of the Local Plan and saved policy CS20 of the Core Strategy. I am satisfied that those policies accord with the Framework and afford them substantial weight. Paragraph 56 of the Framework identifies that the Government attaches great importance to good design. Achieving high quality design is a core principle of the Framework and a fundamental component of both the social and environmental dimensions of sustainable development outlined at paragraph 7 of the Framework. For the reasons given, the proposal would not accord with the social and environmental aims of achieving good design.

48. The proposal would also cause harm to the setting of the Gerrards Cross Centenary Conservation Area; harm that would be less than substantial in the context of the asset taken as a whole. Nonetheless, protection of the historic environment is a key component of the environmental role of sustainable development and the harm that I have identified would be contrary to these aims.

49. Furthermore, the proposal would cause an unacceptable degree of harm to the living conditions of the adjacent residents at No 34 Oval Way, and the living conditions of residents within the units closest to No 34, contrary saved policy GC3 of the Local Plan and one of the core principles of the Framework which is to seek to secure a good standard of amenity for all existing and future occupants of land.

50. It is common ground that the Council cannot demonstrate a five-year supply of deliverable housing land, as required by paragraph 47 of the Framework.

Consequently, in accordance with paragraph 49, relevant policies for the supply of housing should be considered out of date and the presumption in favour of sustainable development, as set out at paragraph 14 of the Framework is applicable. Where the development plan is absent, silent, or relevant policies are out of date, as is the case with the Council's housing supply policies, the presumption dictates that planning permission should be granted unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits.

51. The Framework aims to boost significantly the supply of housing and to meet the need of different groups in the community, including older people. This aim is supported by the PPG which identifies a critical need for age-related accommodation. In the context of the identified need for such accommodation, and the lack of an adequate five-year housing supply, I attach considerable weight to the benefits of the proposal in terms of the contribution the local housing supply for age-related accommodation, notwithstanding the modest scale of the proposal. This would amount to a social benefit under the terms of paragraph 7 of the Framework.

52. The proposal would also result in direct and indirect economic benefits resulting from construction activity and subsequent spending from residents in the local economy. I attach moderate weight to these benefits, commensurate with the scale of development proposed. The re-use of a brownfield site within a sustainable location is also an environmental factor that weighs in favour of the proposal.

53. Paragraph 134 of the Framework requires that, where a development would cause less than substantial harm to the significance of a designated heritage asset, that harm should be weighed against any public benefits. The harm to the overall significance of the asset would be less than substantial. The benefits of the proposal, as outlined above, are substantial. Purely taken in isolation, in respect of the effect on the Conservation Area, the benefits of the scheme could be considered to outweigh the less than substantial harm.

54. However, when assessed against the policies of the Framework, taken as a whole, I conclude that the adverse impacts of the proposal would significantly and demonstrably outweigh the benefits. In addition to the effect on the setting of the Conservation Area, the proposal would cause significant harm to the character and appearance of the local area by virtue of its scale and design. The shortfall in local housing supply, and the need for further accommodation do not, in my view, justify a building of a scale that would be completely at odds with the attractive and established character of the surrounding area. The proposal would be contrary to the relevant policies in the development plan in this regard; policies that are consistent with the Framework. In that context, I consider that the harmful effect on the character and appearance of the area would, of itself, be sufficient to significantly and demonstrably outweigh the benefits of the proposal.

55. Added to those concerns are my conclusions in relation to the effect on the living conditions of the residents at No 34 Oval Way. Reading the Framework, as a whole, the proposal would not represent a sustainable form of development as a result of the environmental and social harm to the character and appearance of the area, designated heritage assets, and neighbouring

amenity. Thus, the adverse impacts would significantly and demonstrably outweigh the benefits.

56. Accordingly, for the reasons given, and having regard to all other matters raised, I conclude that the appeal should be dismissed.

Chris Preston

INSPECTOR

Appeal Decision

Inquiry held between 11 and 14 November 2014
Site visit made on 13 November 2014

by M Middleton BA (Econ) DipTP Dip Mgmt MRTPI

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

Decision date: 12 January 2015

Appeal Ref: APP/N1350/A/14/2217552
Land off Sadberge Road, Middleton St George, Darlington, County Durham, DL2 1JT

- The appeal is made under section 78 of the Town and Country Planning Act 1990 against a refusal to grant outline planning permission.
- The appeal is made by Gladman Developments Ltd against the decision of Darlington Borough Council.
- The application Ref 13/00940/OUT, dated 18 November 2013, was refused by notice dated 4 March 2014.
- The development proposed is residential development, up to 250 dwellings, landscape, open space, highway improvements and associated works.

Decision

1. The appeal is allowed and planning permission is granted for residential development, up to 250 dwellings, landscape, open space, highway improvements and associated works on land off Sadberge Road, Middleton St George, Darlington, County Durham, DL2 1JT in accordance with the terms of the application, Ref 13/00940/OUT, dated 18 November 2013, and the plans submitted with it, subject to the conditions in the attached schedule.

Procedural matters

2. The application is in outline with all matters apart from the access to Sadberge Road reserved for subsequent approval. It is accompanied by a Design and Access Statement and a Development Framework Plan (Drawing No. 5632-L-02-G, dated November 2013). This shows development details on a notional layout that includes four housing areas, separated by hedges/landscaped belts and areas of open space. It also outlines a road network that indicates a method of internal circulation and the proposed access to the site. It is agreed that the development would be carried out in general accordance with the details shown on this plan and the planning permission could be conditioned to that effect.

3. The configuration of the access to Sadberge Road is shown on a separate plan (Drawing No. 1356/10/A, dated February 2014). There are no objections to these details, which are agreed with the Council's Highway Engineers. This aspect of the development was not discussed at the Inquiry and apart from in the conditions, I do not refer to it any further in my decision.

4. The Appellant submitted a signed Agreement made under Section 106 of the Town and Country Planning Act 1990 between itself, the land owners and

Darlington Borough Council. In this document the Appellant and the land owners agree, if planning permission is granted, to make financial contributions towards the provision of improvements to local education facilities, off-site highway works, a pedestrian/cycle route and local sports pitches, as well as to offer to fund the purchase of a bus pass for the owner of each dwelling. They also agree to provide and manage public open space in accordance with details to be approved and to establish a management company to be responsible for the future maintenance of this open space.

5. I discuss the details of the matters proposed in the Agreement and their appropriateness, in the body of my decision letter. The Deed includes a clause that says that the covenants and obligations shall not apply or be enforceable, if I state in the decision letter that such obligations are incompatible with or otherwise fail to meet the relevant statutory tests. However, I am satisfied that the measures, as set out and commented on below, comply with the provisions of Paragraph 204 of the Framework, are necessary to make the development acceptable in planning terms and meet Regulation 122 of the *Community Infrastructure Levy Regulations* (CIL) 2010.

Planning Policy

6. The Development Plan (DP) for the area now consists of the Darlington Local Development Framework Core Strategy (CS), which was adopted in May 2011 and the saved policies of the Darlington Local Plan (LP) 1997, which was adopted following alterations in 2001. The CS seeks to meet the Borough's housing and employment needs up to 2026.

7. The Locational Strategy, as set out in Policy CS1 and elsewhere, seeks to encourage growth in sustainable locations within the main urban area, on a sequential basis, in order to achieve a more sustainable community. The overall thrust of the development policies, in the context of housing provision, seeks to concentrate most new residential development within or on the edge of Darlington town, particularly in two strategic locations on the urban fringe.

8. Outside of the main urban area, development that supports the vitality and viability of villages is to be supported within the defined limits of development. Middleton St George is specifically referred to in this context. However the appeal site is outside of the development limits, as defined under LP Policy E2, and is technically within the open countryside. The proposal is not for any of the exceptions allowable in the open countryside under LP Policies H7 and H10 or for other identified rural needs allowed under Policy CS1. I therefore conclude that the proposal is contrary to Policy CS1 and LP Policies E2 and H7 and is not supported by LP Policy H10.

9. Nevertheless, in order to support vitality and viability, the CS at Policy CS1 does anticipate some development in larger villages such as Middleton St George. Under Policy CS10 it also envisages development adjacent to such settlements in circumstances where the development strategy is delivering 80% or less of the average proposed net additions to the existing stock. Darlington has not achieved 80% of its proposed net additions since the strategy was adopted in 2011 and the Council has already begun a process of releasing appropriate land at the urban fringe to boost supply.

10. Whilst the appeal site is outside of the defined development limits, as these were defined for the purpose of accommodating housing development up to

2006 and they have not been subsequently reviewed, they cannot be considered to be up to date in 2014. As they are not up to date, I consider Policy CS1 and LP Policies E2 and H7, in as much as they prevent development adjacent to the existing settlements, to be out of date.

11. However, as LP paragraph 3.11 explains, the Development Limits were also defined to protect the Borough's unspoilt countryside and to safeguard its character and appearance. Additionally LP paragraph 4.31 says that development outside of the development limits is strictly controlled in order to make the best use of existing infrastructure and community provision and to minimise essential travel requirements. The thrust of LP Policies E2 and H7 is consequently to protect the countryside from unnecessary development and to promote sustainable development, which is expressly recognised in the Framework at paragraph 17.

12. I therefore consider those aspects of the policies to be in conformity with the Framework and capable of attracting some weight. However, given the acceptance that greenfield land is required for future development, it is clearly inappropriate to rigidly apply LP Policies E2 and H7 to every part of the countryside, as previously defined. This particularly applies to land that is adjacent to the existing settlement limits. To refuse planning permission for all proposals within this area, just because they do not meet the criteria in these policies, is inappropriate. Nevertheless, even in a period when the housing supply policies are not up-to-date, the degree of harm to the countryside's character and appearance, the importance of affected views of and from the countryside and the impact of a particular proposal on its character, need to be assessed and weighed in the balance when considering the appropriateness of sites for development.

13. Paragraph 14 of the National Planning Policy Framework (Framework) says that where the relevant DP Policies are out of date, planning permission should be granted for sustainable development unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits when assessed against the policies in the Framework taken as a whole or specific policies in the Framework indicate that development should be restricted. The DP Policies that regulate the supply and location of housing within the Borough of Darlington are time expired and/or out of date. Paragraph 14 of the Framework is consequently engaged in the context of this appeal.

Main Issues

14. Draft issues were circulated before the Inquiry and were discussed at its beginning. In the above context and from all that I have read, heard and seen I consider the main issues to be:

    a) Whether Darlington now has a five year housing land supply;

    b) Whether the proposal is sustainable development within the meaning of the National Planning Policy Framework and if so

    c) Whether the benefits of the proposal are significantly and demonstrably outweighed by any harm to the character and appearance of the local countryside and any other harm attributable to the development such that the presumption in paragraph 14 of the Framework to favourably consider applications for sustainable development is outweighed.

Reasons

15. The site is a somewhat rectangular arable field. Its longer, southern boundary abuts the course of the former Stockton and Darlington Railway, which is now a local heritage trail and a part of the national cycle network. Beyond this lies the urban part of Middleton St George. Most of the area close to the appeal site was developed in recent decades and I was told at the Inquiry that much of the land, which the dwellings on these sites occupy, was previously developed land. To the north, the site is adjacent to the A67, which is a fast road linking Darlington with Stockton. To the west, beyond Sadberge Road, are allotment gardens and to the east the Whinneys, a local nature reserve.

Housing land supply

16. Housing land supply is made up of two components, the overall housing need and the supply of available land on which to meet that need at a specific point in time. The Framework, whilst encouraging Local Planning Authorities to boost significantly the supply of housing in paragraph 48, also says that their local plans should meet the fully objectively assessed needs (FOAN) for housing and affordable housing in the Housing Market Area (HMA). The National Planning Practice Guidance NPPG gives further advice on how a FOAN analysis should be undertaken. Darlington Borough is the major part of an HMA that probably extends into adjacent parts of North Yorkshire, as well as County Durham. Nevertheless, a high proportion of the population of this area live within the Borough so, for Darlington's purposes, it is reasonable to base any assessment of housing need on the population of the Borough.

17. The Housing requirement for Darlington in the CS is derived from the North East Regional Plan, which has now been revoked. That requirement included a significant element of planned population redistribution, in favour of the inner parts of the North East's conurbations, to support regeneration and the redevelopment of brown field sites. Darlington's medium and long term targets were consequently constrained. Regardless of the appropriateness of the housing targets in the CS, at the time of their production, they were a top down imposed housing requirement and never an objective assessment of the needs of the area. They significantly fell short of the likely FOAN of the HMA at the time of their imposition and their context has totally changed following the repeal of the Regional Plan, the adoption of the Framework as National Planning Policy and the publication of its daughter document the National Planning Policy Guidance (NPPG). They are consequently not an appropriate basis for the housing requirement element of housing land supply in 2014, particularly as Darlington has no cooperative arrangements with the Teesside authorities, to promote the diversion of some of its growth to that area, as envisaged in the Regional Plan.

18. Unfortunately the Council did not make an assessment of the Borough's FOAN at the time that it prepared the CS and has not done so since. The Framework requires local planning authorities to identify and update annually a supply of specific deliverable sites sufficient to provide five years' worth of housing against their housing requirements with an additional buffer. Without an objective assessment of their housing requirements, as a starting point, they are unable to do this and demonstrate a five years supply of deliverable housing sites, regardless of the amount and quality of the data on the supply side. Paragraph 49 of the Framework is consequently once again engaged.

19. The Council commissioned a Strategic Housing Market Assessment in 2012 that suggested a corrected growth in households of 422 per annum. However, it now considers this to be optimistically too high because it was based on 2008 data, which is out of date. That analysis, however, only represents the first part of the three stage process to establish FOAN as outlined in the NPPG. It does not adjust the household projections to allow for economic growth rates or assess that result in the context of market signals. The CS seeks to facilitate sustainable economic growth by promoting a range and continuous supply of employment development opportunities. Furthermore, the indigenous working age population is forecasted to decline. In such circumstances, it is reasonable to expect there to be net inward migration and for the additional households that this would bring to Darlington, to require the provision of additional dwellings.

20. Such employment led inward migration clearly occurred at Darlington in the decade that preceded the onset of the recession in 2008. In such circumstances it is not unreasonable for the Appellant to suggest that there is likely to be a return to such trends in the future. The Council has a responsibility to plan properly for this, particularly when it is clearly promoting a growth agenda itself, as evidenced by its commitment to encourage growth in Policy CS1.

21. The Appellant has commissioned the preparation of a FOAN that follows the guidance in the NPPG. It finds that the FOAN for the period 2011-26 is 505 dwellings per annum (dpa). The Council were critical of this work, particularly the levels of inward migration and the calculation of the number of additional households that would result. In closing it suggested a reworked figure of 388 dpa, pointing out that this is extremely close to the Council's CS figure (350). I do not consider a figure that is more than 10% higher to be extremely close.

22. It is not a part of the function of a Section 78 appeal to establish the FOAN of a housing market area. That should be done through a thorough rigorous testing at a DP examination. Nevertheless, whilst I share some of the Council's concerns in the context of the levels of inward migration and headship rates contained in the Appellant's analysis, given the spectrum of supporting evidence that is before me I would be surprised if the FOAN was not significantly above 400 dpa when it is eventually established following appropriate testing.

23. As well as a rate of house-building based on FOAN, the Framework requires local planning authorities to add a buffer to the five years supply to ensure choice and competition in the market for land. It has also become established practice, now reinforced by guidance in the NPPG, to add any previous under-delivery during the plan period into the equation.

24. Before the onset of the recession in 2008, Darlington only once failed to meet its housing target in the previous 10 years. Overall there was a very healthy surplus of dwellings during this period. Although the CS housing targets have not been met since 2008 that is not untypical. The building industry has been in recession, largely because of the financial situation and the shortage of mortgages that resulted, as well as the prudence of some potential home owners in a period of financial austerity. In such circumstances and in the absence of any evidence to suggest that low completion rates have been a

product of housing land shortages, I am not persuaded that it is appropriate to apply a buffer greater than 5%.

25. In its assessment the Council has deferred the provision of the under-delivered dwellings to the latter part of the plan period. The NPPG suggests that any back-log should be added into the first five years where possible. This backlog has resulted from an under provision in the recent past for the reasons discussed above. That has not removed the need for the dwellings and once the market is functioning normally again, unless there are good reasons not to do so, they should be provided as soon as possible and not in five or ten years' time. The Framework specifically says at paragraph 47 that local planning authorities should boost significantly the supply of housing.

26. The only circumstances that I can foresee overriding this are where there is clear evidence of incapacity in the local building industry to achieve the amount of development required to meet the uplifted targets. In the period 2005-08, the house building industry in Darlington delivered more than 530 dpa. In Darlington's case it is agreed that the shortfall is only to be calculated over a three year period so it is not overly large. Unless the front loading of all of the previous under provision would result in this delivery rate being exceeded, then I can see no justification for not following the 'Sedgefield' method and seeking to make up for the shortfall within the first five years.

27. If the figure of 388 dpa, latterly advanced by the Council, is used as the basis for establishing need and allowing for a 5% buffer and the making up of the short-fall within the first five years, then there would be a requirement to supply in excess of 2,600 dwellings.

28. The Council originally put forward a supply of 1,942 dwellings, which was endorsed by the Darlington Strategic Housing Land Availability Steering Group (DSHLASG) in 2013 and agreed by the Appellant in the Statement of Common Ground. In its proof of evidence this figure was increased to 2,805. In discussion with the Appellant during the course of the Inquiry, this was reduced to 2,725. The Appellant's assessment suggests that there is only a potential supply of 2,006.

29. The Council's uplift includes additional dwellings from committed sites and a significant increase in the numbers provided from windfalls and other identified sites. A number of these relate to Council owned land where a resolution to dispose has now been obtained. The Appellant was very critical of the ability of some of the new sites to deliver the numbers of new dwellings forecasted by the Council, if any.

30. It is not the purpose of a Section 78 appeal to undertake a forensic site by site analysis of the Council's alleged housing land supply. Nevertheless, about 40% of the houses that are assumed to be delivered within five years do not have planning permission. These dwellings would be built at emerging sites, suitable, available and deliverable sites and windfalls. I accept that there is evidence that justifies the inclusion of additional windfalls in later years. Although some development may be achieved on emerging sites, if the Council takes a liberal view in granting planning permission in advance of the adoption of its Making and Growing Places DPD, their early development is by no means a certainty. Given the level of historic objections to some of them, legal challenges cannot be ruled out and significant infrastructure requirements will undoubtedly cause delays at some sites.

31. There was a distinct lack of credible hard evidence to justify the projections for some of these sites and consequently it would be unwise to place too much reliance on the potential for delivering a significant amount of the housing requirement from such sources. Matters such as environmental impact, contamination, protected species and traffic assessments have still to be determined at some of the sites, notwithstanding the need to relocate existing occupiers from more than one of the sites, including a cattle market. Over 20% of the identified dwellings are meant to come from the emerging sites. I am not persuaded that the evidence confirms that such optimism is justified.

32. The 2013 analysis was prepared in full consultation with the development industry. It appears to have been far less involved, if at all, with the more recent analysis. DSHLASG has not approved the revised figures and does not appear to have been formally consulted about the additional sites. The NPPG says that the advice of developers and local agents will be important in assessing lead-in-times and build-out rates by year. This further undermines the confidence that I can have in the findings.

33. Among other concerns, the Appellant specifically pointed out that there are potentially unstable gypsum deposits beneath Neasham Road. As a result, the proposed residential development at this site and the relocation of the cattle market to it seems unlikely in the short term. These two sites were meant to contribute 172 dwellings to the supply. Their exclusion alone would reduce the Council's supply total to about 2,550, which is appreciably less than a supply in excess of 2,600 that would be required if the Council's suggested annual need of 388 dpa were to be used as the basis for the housing need calculations.

34. I conclude that the Council has not demonstrated a five year supply of deliverable housing sites. Paragraph 49 of the Framework says that in such circumstances relevant policies for the supply of housing should not be considered up-to-date. The presumption in favour of sustainable development in paragraph 14 therefore applies.

Sustainable development

35. At paragraph 14 the Framework says that at its heart there is a presumption in favour of sustainable development. At paragraph 6 it points out that the policies in paragraphs 18 to 219, taken as a whole, constitute the Government's view of what sustainable development means for the planning system. It further points out at paragraph 7 that there are three dimensions to sustainable development: economic, social and environmental. The three roles are mutually dependent and should not be taken in isolation (paragraph 8). The considerations that can contribute to sustainable development, within the meaning of the Framework, go far beyond the narrow meaning of locational sustainability. As portrayed, sustainable development is thus a multi-faceted, broad based concept. The factors involved are not always positive and it is often necessary to weigh relevant attributes against one another in order to arrive at a balanced position. The situation at the appeal site in this respect is no exception.

Economic role

36. Economic growth contributes to the building of a strong and competitive economy, which leads to prosperity. Development creates local jobs in the construction industry, as well as business for and jobs in the building supply

industry. These support sustainable economic development to deliver the homes, business and infrastructure that the country needs. This is particularly important in times of economic austerity and is emphasised in paragraphs 17 and 18 of the Framework. Whilst such jobs and business could be generated by development anywhere and in the context of Darlington there may well be locations that are more locationally sustainable than the appeal site that is not the issue. At the present time this Borough appears to be falling short of its requirements in terms of housing construction. In such circumstances, the availability of any site that could contribute to house building and economic development, in the short term, should attract some weight.

37. The appeal site is available. There is evidence that at least one well-established building company, with a track record of delivering new dwellings, is interested in acquiring the site to undertake a development in the short term. A condition could ensure that reserved matters are expedited without undue delay so that development could commence at an early date and thereby make a positive contribution to the need to boost the supply of housing now.

38. Shopping and community provision in Middleton St George is good for a settlement of its size, there being a number of shops, including a chemist as well as a variety of services that include a health centre and a dentist. Additional population, residing in the appeal development, would undoubtedly generate more expenditure to support these types of business, which in many rural communities are under threat.

39. There would be benefits to the local economy through increased expenditure in the form of wages and material purchases during the construction period. An unspecified number of jobs would be created for the duration of the development but not all of these would be based or recruited locally. Nevertheless, these economic benefits of the development, as discussed above, weigh in favour of the proposal in the sustainability balance and I find that the proposal would contribute positively to the economic dimension of sustainability. These considerations attract moderate weight in the overall sustainability balance.

Social Role

40. The proposal would contribute to the supply of housing at a time when there is an urgent need to increase the supply. Through a condition it would provide 20% of the dwellings as affordable housing, which is in accordance with Policy CS11. The Council through a proactive engagement with the Homes and Communities Agency appears to have been very successful in attracting funding from that source to meet some of the Borough's identified need. Nevertheless, the provision at the appeal site would contribute further to the meeting of this need and at a time when the means to create affordable housing on a large scale are limited. Despite the Borough's success, this undoubtedly weighs in favour of the proposal.

41. The Section 106 Agreement would provide funding to extend the local primary school, improve local sports pitch provision and secure the extension and improvement of a pedestrian cycle route between the appeal site and the centre of the village. Whilst these aspects of the proposal would primarily meet need generated by the new residents and are necessary to enable the development to be acceptable in planning terms, they would also improve

facilities for the benefit of existing residents and in the circumstances they do attract some weight in the sustainability balance. They are all CIL compliant.

42. Middleton St George is a socially sustainable settlement. As well as the facilities referred to above there appears to be a thriving local community with numerous activities taking place throughout the week. There is a railway station with a half hourly service to Darlington and Teesside (hourly on Sundays) and a bus service with similar frequencies to Darlington. Both are within easy walking distance of the appeal site as are the village shops, services and facilities.

43. The Framework at Para 38 identifies primary schools and local shops as key facilities that should be located within walking distance of most residential properties. Both are within walking distance of much of this site, as are the other facilities. The Appellant also proposes, through a CIL compliant Section 106 contribution, to improve the pedestrian/cycle connection between the appeal site and the centre of the village as well as extensions to the school to increase its capacity. The residents of the appeal development would enjoy a social provision that is equal to, if not better than, that in many urban areas.

44. Housing provision at the appeal site would be socially sustainable. This consideration attracts moderate weight in the overall sustainability balance.

Environmental role

a) Countryside

45. Whilst policy CS14 seeks to protect the distinctive character of the Borough's natural landscapes, in the context of the appeal site, its thrust, in the context of the appeal site, is to protect the separation and the openness of the strategic A66/A67 corridor between Darlington, Middleton St George and Stockton. The definition of this area on the Key Diagram is imprecise and the appeal site does not lie between the A66 and A67. If it were within the corridor then the policy concern would be the loss of openness and not a valued landscape.

46. However, Policy CS1 promotes development at the eastern urban fringe in a location that is clearly within the strategic corridor. This suggests that Policy CS14 is focussed on protecting the open character of the swathe of countryside between the two roads and away from existing built development. It could imply that necessary residential development, on the edge of the corridor and adjacent to existing built development, takes preference over the loss of openness in such locations. This reduces the weight that I should give to Policy CS14 in the circumstances of this appeal.

47. The Framework at paragraph 49 seeks to ensure that the need for housing does not take second place to other policy considerations. Nevertheless, that does not mean that those other considerations, including the protection of the countryside, should be disregarded altogether.

48. The importance of recognising the countryside's intrinsic character and beauty is one of the Framework's core principles, as set out at paragraph 17, and paragraph 109 seeks to ensure that valued landscapes are protected and enhanced. The protection of the environment, in its widest sense, is one of the three 'dimensions' of sustainability, as set out in paragraph 7. The LP at Policies E2 and H7 is broadly consistent with these aims.

49. The appeal site does not lie within any designated area of special landscape value. However, that does not mean that it has no value or that it is not valued by local people. Nothing in the Framework suggests that non designated countryside may not be valued or protected. Indeed many everyday landscapes are treasured by people and are as much a part of the identity of communities as are outstanding landscapes. It therefore seems to me that the countryside protection policies should be weighed in the sustainability balance against other relevant considerations. Having said that, all landscapes are likely to be valued by someone and there is no dispute that some areas of countryside will have to be lost to development if the Borough's development needs are to be met.

50. The effect of the proposal on the character and appearance of the countryside and the setting of the village was central to the refusal of planning permission. The Council thought that the development of the appeal site would be detrimental in terms of the loss of open views across the rural landscape, particularly from the route of the former Stockton to Darlington railway, which is now a well-used footpath/cycleway. The resultant changes to the character and appearance of the countryside and the Appellants' mitigation proposals were discussed at length during the Inquiry.

51. Middleton St George is located within the Tees Lowlands landscape character area. This is characterised as a broad low-lying and open plain of predominantly arable agricultural land. When combined with the low woodland cover and large fields, this creates an open landscape with long views in all directions to distant skylines.

52. However, the appeal site is surrounded by unmaintained hedges that contain an abundance of native trees and shrubs, some of them evergreen. In consequence views into and out of the site are limited and in that respect this arable field is not typical of the wider landscape of which it is a part. Additionally it is located between the built up area of Middleton St George and the A67, a heavily trafficked main road and consequently detached from the wider countryside landscape.

53. The LP text at paragraph 3.11 refers to the countryside's well defined boundaries. Although the recreational route is an obvious boundary between the built-up and rural areas, the somewhat alien A67, with its hard surfacing, street lights and constant flow of vehicles, probably better fits the terminology of 'well-defined'.

54. The part of this character area, immediately adjacent to the appeal site, is more undulating than the landform in the wider area so that extensive views are only readily available from the high points. Hedges, adjacent to public thoroughfares have a restraining influence on the views from many viewpoints. Consequently, in the vicinity of the appeal site, it is only clearly seen from one point along a footpath to the north-east of Highfield, which does not appear to be well used. However, even from here, the vegetation either side of the A67 has a screening effect and the buildings on higher land in Middleton St George are more in evidence than the appeal site itself.

55. From further afield the appeal site and the existing village appear even less obvious. Were additional landscaping to take place within the appeal site, then following its establishment, there is no reason why views of the built development on the appeal site and the wider settlement could not have less of

an impact on the wider countryside than the existing buildings have now. In such circumstances, in the context of the wider landscape, the appeal proposal, although by definition adverse, would only have a very minor impact.

56. The majority of the receptors on the A67 are in vehicles and travelling at speed. As a result, the appeal site only has a momentary impact on their experience. Whilst pedestrians no doubt use the footpath on its southern side, there is no evidence to suggest that it is well used. However, even from here, there are only glimpses of the appeal site and the existing development within Middleton St George is clearly in evidence beyond it when they do occur. These are not fundamentally views of the countryside but of an urban area across a field. Guidance in the Framework says that where necessary, appropriate mitigation and enhancement should be secured by conditions. The strengthening of the existing roadside planting within the adjacent parts of the appeal site could mitigate most of the additional harm to the A67 experience that would result from the appeal site's development. This could be secured through the landscaping condition.

57. The route of the former Stockton to Darlington railway is in a shallow cutting for most of its length adjacent to the appeal site. Its northern boundary consists of a somewhat outgrown hedge that contains a succession of trees and evergreen shrubs as well as ivy. Consequently, for much of its length, even in winter, the appeal site is not easily visible from the footpath. There are nevertheless occasional views into the site but where they exist the views are of an arable field, bounded on its northern side by a mature belt of planting (adjacent to the A67). Views of the wider countryside are very limited from these vantage points.

58. The existing planting could be strengthened by additional vegetation, and there could be further planting within the appeal site to improve the screening. The use of native evergreens within the species mix would assist this in winter. Nevertheless, I was told that there is a utility easement immediately to the north of the boundary where planting would not be possible. In such circumstances and in order to create adequate screening, it may be necessary to have a wider buffer, between the appeal site's southern boundary and the dwellings, than the notional layout plan suggests. Similar care and attention would also need to be given to the extent of the landscaped buffer on the northern side of the site and the relationship between the dwellings and the A67, if a near neutral impact on the visual experience for travellers along that road is to be achieved. These considerations could have a bearing on the overall capacity to accommodate dwellings and the actual number may not be as high as 250.

59. Although additional landscaping, if correctly designed and satisfactorily implemented, could screen much of the housing from the footpath/cycleway, there would be unavoidable views into the appeal site at the two locations where pedestrian links are suggested. No amount of planting could totally obscure the development at these points and there would be an adverse visual impact on the footpath/cycleway at these locations and also at the site's vehicular entrance along Sadberge Road.

60. However, at the present time the rural aspect of the heritage trail, adjacent to the appeal site, is compromised by the repeated appearance of dwellings and their paraphernalia immediately to its south. In places there appears to have

been little attempt to screen this development from users of the former track bed. There is land on the southern side of the hard surface, which is owned by the Council and upon which additional planting that would filter some of the unsightly views of the existing development, could be introduced. The Appellant has agreed to a condition that would secure this. In my view this mitigation would do much to compensate for the impact of the development of the appeal site on the visual experience of users of the footpath/cycleway and Sadberge Road. Consequently, the overall impact on it need not be any more than minor adverse.

61. The appeal site is clearly visible from a secondary path within the Whinnies nature reserve that is close to its western boundary. However, there are again obvious views of the residential development within the existing village above the former railway line so that this is not a rural experience. If landscaping akin to that illustrated on the notional layout is successfully implemented on this part of the site, then there is no reason why the potential adverse impact on views out of the western side of the Whinnies could not be successfully mitigated. Given time, the planting would not only screen the proposed development but also much of the existing development within Middleton St George that is clearly visible beyond the footpath/cycleway at the present time. In the long term this could be a positive benefit.

62. There are no important views of the surrounding countryside that this development would obliterate or important views of the urban edge of Middleton St George that would be removed, indeed the proposal presents an opportunity to improve the character of this edge to the village when seen from the footpath/cycleway and the A67/wider countryside to its north.

63. With the improvements to the site's landscaping discussed above, this development could create an appropriate edge to the built development in this part of Middleton St George, improving its setting. The development would not adversely impact upon the more distant views from the public footpaths and at the same time it could enhance the landscape character of this edge to the village's built up area, including some of the existing development. Although there would be a reduction in openness, for the reasons discussed in paragraph 46 above, the harm to Policy CS14 would not be significant and the proposal need not cause any more than minor long term harm to the character and appearance of the local countryside. In these circumstances the weight that I should attach to saved LP Policies E2 and H7 must be significantly reduced.

b) Accessibility

64. A development of up to 149 new homes would generate significant movement. Nevertheless, the provision of facilities and public transport in Middleton St George are good, even by comparison to some of the more urban parts of the Borough. In consequence, the purchase of bus passes, which is also a part of the Section 106 Agreement, and is CIL compliant, is likely to be successful in persuading a disproportionate number of the appeal site's residents to use a sustainable means of movement for many journeys.

65. Nevertheless, employment and facilities in Middleton St George are not sufficient to sustain the local population. Consequently, most residents of the appeal site would travel elsewhere for work, as well as for comparison shopping and they would also be likely to visit larger supermarkets elsewhere for many of their convenience purchases. However, the appeal site is close to large

developing employment areas on the south-eastern fringe of Darlington. In fact it is closer to this area than are many parts of the town. There is also quick and convenient access to this area as well as to Darlington Town Centre by public transport.

66. Paragraph 34 of the Framework says that decisions should ensure that developments that generate significant movement are located where the need to travel can be minimised and the use of sustainable transport modes can be maximised. The appeal proposal, although not within the Darlington urban area, would nevertheless meet this requirement. Overall I find that the site's locational advantages have moderate sustainability benefits.

c) Other environmental considerations

67. On balance there would be net gains to ecology, on a site that currently has little in the way of flora and fauna, through the use of some of the amenity open space by wildlife. Other positive measures that the Appellant could implement, as a part of the development and which could be ensured through conditions, could also provide ecological benefits. These weigh in favour of the proposal.

68. There is no dispute that through the discharge of appropriate conditions, the development could create a high quality built environment that would make efficient use of land and could reflect the distinctive characteristics of the area. The detailed design and layout could be pursued, in accordance with these conditions, resulting in a development that was of a high quality, safe, sustainable and inclusive in accordance with the requirements of Policy CS2.

69. Overall I conclude that the harm to the countryside landscape could be reduced by mitigation but not totally offset by this and the benefits to environmental sustainability provided by the ecological and off-site landscape and footpath improvements as well as the accessibility advantages of the location. Nevertheless the overall long term environmental harm is only small. This consideration attracts only minor weight in the overall sustainability balance.

Sustainability conclusion

70. The Council point out that the NPPF does not indicate that any one element should represent a trump card. I agree with it in the context of not giving supplementary weight to the economic benefits of a proposal such that they outweigh the harm, regardless of the weight that the negative considerations attract. However, equally, that does not mean that a proposal has to pass all three of the sustainability tests to be acceptable and that any of the three roles can act as a trump card against any development. The Framework is clear, economic, social and environmental gains should be sought jointly and simultaneously through the planning system. It is rare for any development to have no adverse impacts and on balance many fail one of the roles. For the Framework's sustainability test to have meaning then, all of the competing considerations have to be assessed together and an overall balanced conclusion reached.

71. I have found that the proposal would make a positive contribution to the economic aspects of sustainable development through its contribution to economic development and regeneration. I have also found that it would contribute positively to housing supply and other aspects of social

sustainability. These along with the locational sustainability of the site, together, weigh significantly in favour of the proposal. The proposal would undoubtedly have a negative impact on the environment but with the implementation of mitigation measures, this could be reduced to minor harm. It is therefore my judgement that the economic and social benefits would significantly and demonstrably outweigh the environmental harm so that the appeal proposal would deliver sustainable development within the meaning of paragraphs 18-49 of the Framework. Consequently the provisions of Para 14 apply.

Planning balance and overall conclusions

72. This is an outline application and I only need to be satisfied that the development could be satisfactorily accommodated on the site and without adversely affecting the character and appearance and openness of the countryside to an extent that when weighed in the balance against all of the other positive and negative attributes of the scheme, did not tip the scales against the proposal.

73. I have found that on balance the proposal is sustainable development within the overall meaning of paragraphs 18 to 219 of the Framework. Nevertheless despite the proposed mitigation there would still be some harm to the character and appearance of the countryside and there would be a reduction in its openness within the A66/A67 corridor. The proposal is clearly contrary to the countryside protection elements of LP Policies E2 and H7 as well as being contrary to CS14. However, if Darlington's overall housing needs are to be met then it will be necessary to develop greenfields on the edge of the countryside somewhere.

74. In addition to having housing policies that are now out of date, Darlington cannot demonstrate that it has a five year supply of housing land and the Framework urges every effort to boost the supply of housing. Despite the Council's recent efforts to boost the supply of housing land, the evidence suggests that there is not a five year supply. Policy CS10 says that where the strategy is delivering 80% or less of the average net additions to existing stock required, windfall housing in appropriate locations at the urban fringe and then within or adjacent to the larger villages may be permitted, provided that early delivery of such development is secured by planning conditions.

75. Whilst I understand the Council's desire to maintain a sequential approach to the distribution of new housing sites, the fact remains that there is no site allocations plan and in its absence the market, despite the Council's laudable efforts to dispose of land for residential development, has been unable to bring sufficient land forward to meet the need within or on the edge of the urban area. The strategy has delivered little more than 50% of the target during the last three years and there is no evidence to suggest that the shortfall could be delivered on the urban fringe or within the defined limits of one of the larger villages in the short term. Middleton St George is a larger village and the appeal site is on its edge. As discussed above the site is sustainable, in some respects more so than some sites on the edge of the urban area. The proposal is therefore supported by Policy CS10. These considerations should attract significant weight in favour of the appeal proposal.

76. Any potential harm to the character and appearance of the local countryside could be reduced by conditions requiring the improvement of the boundary

screening along the edges of the site, and other landscaping within the parts of the site to be developed. Consequently any harm to the countryside aspects of saved LP Policies E2 and H6 and Policy CS14 would not be significant and is outweighed by the proposal's clear benefits. Any potential harm to education and highways within Middleton St George could be overcome by the contributions that would be delivered through the Section 106 Agreement or by planning conditions.

77. I do not consider the disadvantages of the scheme, including its conflict with the Development Plan, carry sufficient weight to significantly and demonstrably outweigh the presumption in favour of sustainable development set out in the Framework, when considered alongside the benefits provided for the supply of affordable and market housing in Darlington at an early date and the other material considerations in favour of the proposal discussed above. I therefore find for the reasons discussed above and having taken account of all of the other matters raised, including the representations that local residents put to me both at the Inquiry and in writing beforehand that the appeal should be allowed subject to conditions.

Other decisions

78. I was referred to a number of recent appeals that dealt with similar situations where there was not an up-to-date DP or a five years supply of housing land. I have not referred to any of these in my decision as it is rarely the case that other appeal decisions are so similar as to significantly influence the outcome of an appeal. In my view that situation does not apply to this appeal. I have determined it on the merits of the evidence put before me by all of the parties and have given minimal weight to the overall outcome of the other appeals referred to me.

79. I was also referred to a number of high Court decisions, which I have had regard to in formulating my decision. However, apart from the matters of law that some of them resolved and which I have followed, the respective cases were not so similar to the appeal proposal to further influence the outcome of this appeal.

Conditions

80. The Council's seventeen suggested conditions were considered in the context of the Framework and the advice in the NPPG. All of the conditions are agreed by the parties. They include the time limits for commencement, phasing and the submission and approval of details that are routinely applied to outline planning permissions.

81. To enable the developments to meet Development Plan policies that seek to achieve sustainable development and protect the living conditions of the developments' and nearby residents, conditions concerning, landscaping, biodiversity protection and enhancement, interpretation, sustainable construction and drainage, archaeology, affordable housing, a green travel plan, contamination, construction management and the implementation of the vehicular access, parking and off-site pedestrian improvements have been suggested and agreed.

82. I have considered the need for these conditions in the context of the six tests contained in paragraph 206 of the Framework and the advice contained in the

NPPG. As one of the reasons for allowing this appeal concerns the site's alleged ability to significantly contribute to housing provision within the next five years, it is appropriate to reduce the time limits for the submission of details and the commencement of development from the norm. As discussed above I also consider a condition requiring the Appellant to prepare and implement a scheme of environmental mitigation along the southern side of the heritage footpath to be appropriate.

83. These conditions are necessary in order to ensure that the development is of a high standard, creates acceptable living conditions for existing and future residents within the development and area as a whole, is safe and sustainable and minimises the impact on the environment.

M Middleton

INSPECTOR

Appeal Decision

Inquiry opened on 29 July 2014
Site visit made on 6 August 2014

by Sara Morgan LLB (Hons) MA Solicitor (Non-practising)

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

Decision date: 22 September 2014

Appeal Ref: APP/F1610/A/14/2213318
Land south of Cirencester Road Fairford GL7 4BS

- The appeal is made under section 78 of the Town and Country Planning Act 1990 against a refusal to grant outline planning permission.
- The appeal is made by Gladman Developments Ltd against the decision of Cotswold District Council.
- The application Ref 13/03097/OUT, dated 16 July 2013, was refused by notice dated 18 November 2013.
- The development proposed is residential development (up to 120 dwellings), access, parking, public open space, landscaping and associated infrastructure (all matters reserved other than means of access).
- The Inquiry sat for 7 days on 29-31 July, 1 August and 4-6 August.

Decision

1. The appeal is allowed and planning permission is granted for residential development (up to 120 dwellings), access, parking, public open space, landscaping and associated infrastructure (all matters reserved other than means of access) on Land south of Cirencester Road Fairford GL7 4BS in accordance with the terms of the application, Ref 13/03097/OUT, dated 16 July 2013, subject to the conditions set out in the Schedule at the end of this decision.

Preliminary

2. The application was in outline, with all matters reserved for future determination other than means of access.

3. The plans before the Council when it reached its decision were a site location plan 2013-006-PT-004, a proposed access plan TPMA 1033 005 Rev B, and a development framework plan 5514-L-03 Rev D. At the Inquiry, the Appellants requested that replacement site location plan 2013-006-PT-004 Rev D and development framework plan 5514-L-03 Rev E should be substituted for the originals. The differences between the original and proposed plans are very minor and address landownership issues. I am satisfied that no injustice would be caused to any party if the appeal were to be considered on the basis of these revised plans.

4. As the application is in outline, with only means of access to be considered at this stage, the proposed development framework plan will be regarded as illustrative.

5. At the Inquiry the appellants submitted a completed unilateral undertaking dated 5 August 2014 and made under section 106 of the 1990 Act. This makes provision for the future maintenance of open space, the provision of affordable housing and the payment of financial contributions to Gloucestershire County Council in respect of education and a travel plan.

Main Issues

6. The main issues are:

(i) whether the Council is able to demonstrate a five-year supply of deliverable housing sites;

(ii) the effect of the proposed development on the setting of the listed building Burdocks, on the setting of the town of Fairford and on the setting of the Fairford Conservation Area;

(iii) the effect of the development on flooding and drainage within the local area;

(iv) the effect of the development on the local highway network;

(v) whether the development would make adequate provision for affordable housing, education, libraries, travel and other local infrastructure;

(vi) whether the proposed development would amount to sustainable development.

Reasons

Housing land supply

7. The Development Plan for the district comprises the saved policies of the Cotswold District Local Plan (LP) adopted in April 2006. That plan covers the period 2001 to 2011, and consequently does not make provision for housing after 2011. The LP was not adopted in accordance with the requirements of the Planning and Compulsory Purchase Act 2004.

8. Paragraph 47 of the National Planning Policy Framework ("the Framework") requires local planning authorities to ensure that their Local Plan meets the full, objectively assessed needs (OAN) for market and affordable housing in the housing market area. They are also required to identify and update annually a supply of deliverable sites sufficient to provide five years' worth of housing against their housing requirements, with an additional buffer of 5%, or in the case of persistent under delivery of housing, 20%.

9. The Council says that it can demonstrate a five year supply of housing sites. There is no dispute between the Council and the appellants that the number of deliverable housing sites which could be provided within the relevant five-year period is 2,680, or 536 annualised. The delivery rate over the past three years has been 439 on average. However, Mrs Wood, the Council's planning policy witness, agreed in cross-examination that the Council did not have an OAN, and did not have a clear understanding of housing needs in their area, as required by paragraph 159 of the Framework. Consequently, it is difficult to see how the Council can demonstrate, as required by paragraph 49 of the Framework, that the number of sites that can be delivered constitutes a five-year supply, in the absence of an understanding of what the OAN is.

10. Up to the start of the Inquiry, the Council was relying in demonstrating its five-year supply on the Secretary of State's proposed changes to the draft Regional Spatial Strategy for the Southwest, that Cotswold should be required to provide 345 dwellings per annum. However, at the Inquiry the Council accepted that this figure was not now specifically relied on, because it was based on a constrained approach to the 2003 Sub National Household Projections (SNHP), as can be seen from the Examination in Public Panel's report.

11. The Council now considers that figure to represent the bottom of the range of what might be the OAN[1]. It suggests the top of the range to be 400 dpa, slightly below the 411 dpa which would be derived from the 2008 household projections alone[2]. But these are not figures which are based on any methodical assessment of the OAN, they are not figures which have been approved by the local planning authority, and they have not been subject to consultation or testing through any local plan examination.

12. The Council accepts that in calculating its annual requirement it needs to add a 20% buffer because of persistent under delivery, and should seek to meet the backlog in housing supply within five years (the Sedgefield approach). Fairford Town Council has argued that only a 5% buffer should be applied. However, the Secretary of State concluded in February 2013 that there had been a record of persistent under delivery in the district by comparison with the annualised structure plan requirement, which itself was below the proposed amended RSS requirement, and that decision survived a High Court challenge.[3] In these circumstances, I see no reason to disagree with the Council's position that it is necessary to apply a 20% buffer. Its suggested range for unadjusted OAN of 345 - 400 would give an adjusted supply of 5.77 years to 5.1 years.

13. According to Mrs Wood, using the 2008 based household projections alone would suggest an annual adjusted five-year requirement of 543 units of housing, indicating that the Council has 4.9 years supply[4]. The 2011 interim household projections, which reflect the 2011 Census results and project for 10 years up to 2021, would suggest an adjusted five-year requirement of 362 dwellings per annum (dpa) and 8.2 years supply.

14. The national Planning Practice Guidance (PPG) advises that household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need. But as they are trend based they may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends, such as the suppression of household formation rates by undersupply and worsening affordability of housing[5]. It is clear from the PPG that the assessment of OAN needs to reflect the consequences of past under delivery of housing, and a view needs to be formed on the extent to which household formation rates may have been constrained by supply.

15. It is likely that the 2011 interim household projections reflect the economic recession, which began in 2008, and the lack of affordability of housing. Both of these factors would be likely to suppress household formation rates. Guidance published by the Cambridge Centre for Housing and Planning

[1] Council's closing submissions
[2] Before adjusting for persistent under delivery and meeting the backlog.
[3] *Cotswold DC v SSCLG and others* [2013] EWHC 3719 (Admin) relating to land at Highfield Farm Tetbury
[4] Applying a 20% buffer for persistent under-delivery and the Sedgefield approach to the backlog.
[5] Paragraph 2a-015-20140306

Research suggests that planning should be on the basis of household formation patterns assumed in the 2008 projections unless there is strong local evidence to the contrary as to the likely long-term trend.

16. Nonetheless, there was agreement between Mrs Wood and Mrs Collins (giving evidence on OAN on behalf of the appellants) that a combination of the two sets of household projections should be used, rather than one or the other. Mrs Collins suggested a range of between 207 and 315 dpa based only on meeting demographic need. I have not been able to reconcile those figures with the Council's.

17. However, the appellants have gone on to consider the effect of long-term employment trends in the district, using the outputs from a recognised model, "POPGROUP", which models future housing demand. The appellants' evidence indicates that there will be a reduction in the working population of the district due to ageing, but a forecast trend based growth in jobs, so that job growth in the district is likely to exceed labour supply. They argue that if this is not taken into account in the assessment of OAN it would give rise either to unsustainable in-commuting or a harmful effect on local businesses in terms of their ability to attract labour.

18. Mrs Collins suggests as a result a requirement of between 500 and 580 dwellings per annum to meet in full demographic and employment needs. As only limited information has been provided as to the assumptions fed into the model, this outcome must be treated with some caution

19. On the other hand, the Council has not provided a figure for OAN which takes account of employment trends. The Council argues that the advice in the PPG[6] does not require local planning authorities to increase their figure for OAN to reflect employment considerations, but only to consider how the location of new housing or infrastructure development could help address the problems arising from such considerations. I disagree. In my view, the PPG requires employment trends to be reflected in the OAN, as they are likely to affect the need for housing. They are not "policy on" considerations but part of the elements that go towards reaching a "policy off" OAN, before the application of policy considerations. There is no evidence that the Council's figures reflect employment considerations.

20. The PPG also advises, at paragraph 2a-019, that the housing need number suggested by household projections should be adjusted to reflect appropriate market signals and other market indicators of the balance between the demand for and supply of dwellings. The Council has not produced a figure which purports to do this.

21. In Cotswold, the affordability ratio of house prices to earnings is one of the worst in the south-west. In addition, the appellants produced evidence derived from Census data of concealed families, overcrowded households and the numbers of young adults living with their parents. Their evidence points to a growing level of affordable housing need in the district. The appellants suggest that in view of these market signals, 150 dpa should be added to the lower end of their suggested range of 500 to 580; that would produce a figure of 650 dpa. The aim of this would be to achieve a modest reduction in house prices. They suggest that a more ambitious approach to tackling affordability would be

[6] At paragraph 2a-018-20120306

to add around 440 dpa to the lower end of the range, producing a total of 940 dpa.

22. The only evidence before the Inquiry which attempts to establish the OAN for the district taking into account economic evidence and market signals is that produced by the appellants. It is not the role of an Inquiry into a section 78 appeal to establish what is the OAN for a district. That is for the examination into the Council's local plan, which would be informed by a great deal more evidence, including the input of those making representations to the local plan, than is even before this Inquiry. It would be wrong for me to seek to establish the OAN on the basis of the limited information before me, and I do not give any particular endorsement to the calculations of OAN produced on behalf of the appellants.

23. However, I do need to consider the extent to which the Council has been able to show a five-year supply of land for housing. That is in order to determine whether the advice in paragraph 49 of the Framework, that the relevant policies for the supply of housing should not be considered up to date if the local planning authority cannot demonstrate a five-year supply of deliverable housing sites, should apply here.

24. The appellants' evidence suggests that even on the basis of demographic and employment projections alone, and paying no regard to market signals, the OAN is likely to be higher than the 411 dpa which would have been required if applying only the 2008 household projections. The annualised requirement having taken account of the need to clear the backlog and with a 20% buffer for underperformance would be even higher. On the basis of the 2008 projections alone, there is only 4.9 years of supply[7].

25. The Council has argued that, given the difference between the appellant's demographic-only figures for housing need and the figures the Council is relying on, the Council's figures build in substantially larger assumptions and capacities for growth whether demographic or economic. But that assertion is not supported by any evidence, as the Council has not carried out the assessment exercise. In the absence of a proper assessment exercise to justify the OAN range suggested by the Council, that range could not be described as robust.

26. As the Council has not taken into account economic evidence and market signals in reaching its suggested range of 345 - 400 per annum, it seems likely that the OAN once those matters have been taken into account will be well over 400 per annum. According to Mrs Woods, the tipping point for the Council between being able to show a five-year supply, and not, is 405 per annum. That all points to the Council not having a five-year supply of deliverable housing sites.

27. The Council accepts that it does not have an OAN. The figures it has produced for housing requirement do not represent the OAN for the district, and do not take account of employment considerations or market signals, as required by the PPG. Consequently, in the absence of an OAN I conclude that the Council is unable to demonstrate a five-year supply of deliverable housing sites.

[7] Document 11.

The implications for local plan policies

28. Saved policy 19 of the LP permits development appropriate to a rural area outside defined development boundaries, subject to certain specified criteria. One of these is that it should not result in new build open market housing other than that which would help to meet the social and economic needs of those living in rural areas. The appeal site lies outside the defined development boundaries for Fairford and, as 50% of the housing would be new build open market housing, the development would conflict with policy 19.

29. Paragraph 49 of the Framework requires housing applications to be considered in the context of the presumption in favour of sustainable development contained in paragraph 14. For decision-making, that means, where the development plan is absent, silent or relevant policies are out of date, granting permission unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits when assessed against the policies in the Framework taken as a whole[8].

30. Policy 19 is part of an adopted plan making provision for housing only up to 2011. The settlement boundaries referred to were consequently drawn up on the basis of the housing requirements contained in that local plan up to 2011. Those settlement boundaries, and the restraint policy contained in policy 19, can no longer be up-to-date or reflect the current OAN (whatever that might be), now that the plan is time expired.

31. In addition, paragraph 49 advises that relevant policies for the supply of housing should not be considered up to date if the local planning authority cannot demonstrate a five-year supply of deliverable housing sites. In this case the local planning authority cannot demonstrate a five-year supply of deliverable housing sites.

32. As policy 19 seeks simply to restrict development outside settlement boundaries it is a policy for the supply of housing. So even if the plan was not time expired, to the extent that policy 19 seeks to establish the principle that no open market housing development should take place outside settlement boundaries, it would be out of date. Indeed, in a number of recent appeals relating to proposed housing developments in the district, the Secretary of State and Inspectors have reached the conclusion that the Council could not show a five-year supply of housing sites, and that policy 19 was consequently out of date in that respect[9].

The effect of the development on the setting of the listed building Burdocks

33. The appeal site comprises a large field which at the time of the site visit was in arable use. Adjoining the appeal site are the grounds of Burdocks, a Grade II listed building. Burdocks is described in the list description[10] as a country house in Cotswold Queen Anne style, constructed in 1911. It was designed by Sir E. Guy Dawber, a prominent Arts and Crafts architect.

34. Burdocks is set in extensive grounds, the dwelling itself being 100 metres or more from the appeal site boundary. What is described in the list description

[8] It is not argued by the Council that the second limb of this part of paragraph 14 ("specific policies in this framework indicate development should be restricted") applies in this case.
[9] E.g. APP/F1610/A/11/2165778, APP/F1610/12/2173305, APP/F1610/A/12/2173963, APP/F1610/A/12/2173097
[10] Where it is called Claremont House.

as the main elevation to the garden faces south, away from the appeal site, and is somewhat grander and more elaborately designed than the rear north elevation. This is plainer but nonetheless contains the formal entrance to the dwelling. The formal entrance is approached by a tarmac entrance drive, which sweeps round from the lane to Marston Meysey at the south and into an entrance court delineated by stone walls with gate piers. There is then a large area of open lawn between the tarmac drive and the northern boundary, which adjoins the appeal site.

35. I consider that the significance of Burdocks as a designated heritage asset arises from its architectural interest - it is described in the list description as "a good example of early C20 taste" - and in its historical interest as a building designed as part of the country house tradition.

36. Miss Davis, the Council's Conservation and Design Officer, argued that the building had two main elevations, south and north. The north elevation is the entrance elevation, containing the main door, as noted above. But it is plainer in design than the south elevation, and the central block of windows in the elevation all serve halls or corridors rather than principal rooms. The entrance courtyard outside is functional in appearance and the entrance drive itself leads not only to the entrance courtyard and main entrance of the house, but also to the secondary range of buildings to the east. The principal room that I was able to enter on the ground floor, and the bedroom on the top floor, both extended for the full width of the house, and both had a window looking towards the appeal site and a window facing south over the formal garden.

37. Taking all of these matters into consideration, I consider that architecturally the north elevation is of somewhat lesser importance to the building than its southern elevation, and that the main orientation of the house is towards the south. Despite the previous existence of an avenue of trees to the north, this appears always to have been the case, judging from the historical photographs and illustration produced to the Inquiry.

38. The boundary between the grounds of Burdocks and the appeal site is marked by a belt of mixed deciduous and evergreen trees. My site visit took place in the summer, when the trees were all in leaf. Consequently, it was virtually impossible to see the main part of Burdocks' north elevation from the appeal site, and there were only slight glimpses of the subordinate attached range of buildings to the east of the main building. There were glimpses of the lawn to the north of Burdocks beneath the tree canopies from the appeal site, but these were mainly from points very close to the appeal site boundary. Further away from the boundary, very little could be made out of the grounds of Burdocks.

39. Similarly, from within the main dwelling at Burdocks looking towards the appeal site only glimpses were available of the closest part of the appeal site to Burdocks beneath the boundary tree canopies. Early maps show an avenue of trees extending from the entrance court to the northern boundary, but those trees are not shown on the 1977 Ordnance Survey map. All of the historical maps show trees along the boundary between Burdocks and the appeal site. But there are no photographs or other evidence to indicate the extent of that tree belt at the time when the formal avenue was in place. Consequently, it is unclear whether the original design contemplated a long view along the avenue

and into or across the appeal site, or whether what was contemplated was a view terminating at the appeal site boundary.

40. Whatever the historical situation, there were no extensive views into the appeal site from inside Burdocks at the time of my site visit. Indeed, close to the appeal site boundary immediately to the north of the listed building there is a compound surrounded by a close boarded fence around 2 m high, which prevents any views at all beneath the tree canopies onto the appeal site in this location. There are, however, glimpses beneath the tree canopies of the appeal site beyond the hoarding. From outside the listed building, from various points within the grounds there are glimpses across the appeal site towards Cirencester Road. The development under construction to the north of Cirencester Road as well as traffic on the road could be seen from some viewpoints.

41. The situation is likely to be somewhat different during the winter months. Photographs in the Landscape and Visual Impact Assessment submitted with the appeal application show a somewhat greater level of intervisibility between the appeal site and Burdocks when there are no leaves on the deciduous trees. The evergreen trees on the northern boundary of Burdocks still create something of a screen, but I consider that there would be more extensive views both into and out of Burdocks during the winter months, albeit that they would still only be glimpses. The wooden fence surrounding the compound would be effective to block some views at all times of the year.

42. The Council argues that the openness of the appeal site as an undeveloped field, and views across it from the house and grounds, make an important positive contribution to the setting of Burdocks, both currently and probably historically. I accept that part of the significance of the listed building is its nature as a country house, which carries the implication of a location in the countryside. However, the building has always been located within a reasonable proximity to Fairford, rather than in a completely isolated position.

43. At the time of my site visit, because of the limited intervisibility between Burdocks and the appeal site, there was only a limited perception from within Burdocks of the rural nature of the appeal site. I cannot be certain of the historical relationship between Burdocks and the appeal site. But recent owners of Burdocks appear to have gone to some lengths to prevent public views into the grounds.

44. The Framework defines "setting" of the heritage asset as the surroundings in which the heritage asset is experienced. Its extent is not fixed and may change as the asset and its surroundings evolve. In the case of Burdocks, the presence of the house is barely perceptible from the appeal site when leaves are on the trees. At the time of my site visit it was not possible to see, let alone appreciate the significance of, Burdocks from the appeal site. In my judgment there would only be a very limited perception of it at other times. Similarly, the undeveloped and arable nature of the appeal site is barely perceptible from within the grounds of Burdocks. Consequently, I conclude that the role of the appeal site in the setting of the listed building is limited.

45. The appeal proposal is in outline, and consequently there are no details of siting or design before the Inquiry. Domestic development, and typical domestic boundary treatments, close to the boundary with Burdocks would be likely to be perceived, and significantly detract, from the setting of the building

particularly outside the summer months. But it would be possible to lay out the development so that the domestic curtilages were sufficiently far from the boundary so as not to be particularly visible from within Burdocks. Appropriate planting along the boundary would also assist in screening the development. Given the very limited intervisibility between Burdocks and the appeal site at present, additional planting which would limit further what little can be seen would not of itself harm the building's setting

46. A development on the appeal site would increase the level of activity, both of people and vehicles, on the appeal site, where the only activity at the moment would be agricultural. The Council has also expressed concern about the effect of street and domestic lighting on the setting of the listed building. The absence of activity on the appeal site at the time of my site visit was perceptible, but traffic noise along the Cirencester Road was clearly audible from the grounds of Burdocks. The area was not, therefore, completely tranquil.

47. There would be likely to be some perception of vehicle noise in connection with the proposed development, as well as an increased level of activity by residents. However, housing estates are not especially noisy places in general. Provided the houses and the estate roads on the site were set sufficiently far back from the boundary with Burdocks, the effect on Burdocks' setting would be limited and slight. Similarly, the introduction of appropriately designed lighting would be unlikely to be overly perceptible from Burdocks through the tree screen, given that there is likely already to be some perception of light on Cirencester Road and from the edge of the town.

48. Miss Davis argued that the roofs of the dwellings proposed would be visible above the trees on the boundary. However, she produced no evidence to support this contention. Whether or not the roofs would be visible, and to what extent, would, of course, depend upon the ridge heights and siting of those buildings. Roofs would "give away" the absence of openness and the presence of buildings on the appeal site. But views of the roofs of buildings set well back into the appeal site, particularly if (as seems likely) they were only visible from upper windows of the northern elevation of the building, would only cause slight harm to the setting of the listed building. This is because the buildings would be so far away in the Fairford direction, even taking into account that ground levels on the appeal site rise further away from the Burdocks boundary.

49. Therefore, I conclude that although the character of the appeal site would change radically, from an agricultural field to a residential development, with appropriate design and landscaping that change need only have at the most a slight detrimental effect on the setting of Burdocks, because of the limited role the appeal site plays in that setting at the moment. Similarly, it would only have a slight harmful impact, if any, on the historical significance of the listed building as a country house.

Effect of the development on the setting of the town of Fairford

50. The appeal site lies to the west of the edge of the settlement, and is separated from the existing built edge, and the conservation area boundary, by a small paddock. On the opposite side of Cirencester Road from the appeal site, at the time of my site visit residential development was well underway on the sites being developed by Bloor Homes and Linden Homes. These have effectively extended the edge of the settlement westwards on the northern side of the

road beyond the development boundary to which LP policy 19 refers. However, on the southern side of the road the appeal site and the adjoining fields to the east and south are visually part of the open countryside.

51. One of the core planning principles set out in the Framework requires account to be taken of the different roles and character of different areas and recognition given to the intrinsic character and beauty of the countryside. Paragraph 109 of the Framework requires the planning system to contribute to and enhance the natural and local environment by protecting and enhancing valued landscapes.

52. The appeal site is not subject to any specific landscape quality designation. Nor has it been identified in any pre-existing landscape assessment as being of qualitative value. No doubt the appeal site is valued by local residents as an open field, and Fairford Planning Watch has pointed to the presence of traces of a historic drove road on the footpath to the south of Cirencester Road, which would be cut into by the proposed access road. But the appeal site itself is a fairly flat field bounded by hedgerows, with no particular features of landscape interest. In the absence of any formal designation or identification of particular landscape features worthy of protection, I am not satisfied that the appeal site is a "valued landscape" in the terms intended by paragraph 109.

53. The *Study of Land surrounding Key Settlements in the Cotswold District* by White Consultants (2000) identifies areas considered as important settings to the settlement of Fairford. These do not include the appeal site or the adjoining field to the east. The study does not identify any important views or vistas on the western side of Fairford, either into or out of the town. However, views towards some of the identified important settings from Cirencester Road would involve looking across the appeal site, and views of the appeal site from Horcott Road would involve looking across an identified important setting. There is therefore a connection between the appeal site and the areas identified. The White study notes that extensions of the town into the larger scale agricultural landscape that surrounds the town would be a prominent extension and would not be suitable.

54. To the extent that the appeal site forms part of the approach to the town, and lies on the other side of the road from an area under development, it forms part of the town's setting. On the appeal site side of the road, existing development within the conservation area is low-density, comprising former agricultural buildings, beyond which is the paddock separating the conservation area from the appeal site.

55. The main impact of public views of the proposed development would be likely to be on those walking along the existing public footpath which partly runs along one boundary of the appeal site, and those using Cirencester Road itself. Clearly, the major change to the appeal site that would result from built development would be very apparent from these viewpoints. Built development need not of itself be visually unattractive. However the enjoyment of the public footpath as a countryside path would be largely lost, however carefully the footpath was landscaped, because it would no longer be in the countryside

56. From Cirencester Road immediately adjoining the appeal site, the principal feature at present is the openness of the site, in contrast to the built development taking place on the other side of the road. The development

would be visible above the boundary hedgerow and the feeling of openness would be lost, even with the development being set back from the road. That loss of openness would be somewhat harmful to the appearance of the area, although an attractively designed development could mitigate that harm. In these views, the observer would be conscious of the developments on the land opposite. The current rural character of the site would be lost, however good the design. But it would be possible with good design to avoid creating the "tunnel" effect (in combination with the Bloors and Linden Homes developments) feared by some objectors to the proposal.

57. The effect of the change of view would be likely to be perceived by the occupiers of the houses fronting onto Cirencester Road opposite the site, and the loss of openness would be likely to detract from their views. I consider that the development on the appeal site would also be likely to be visible from the dwellings at The Mere, from where they would have a similar effect on views. The occupiers of the Old Piggery, on the edge of the conservation area, would also probably be able to see the development above the hedge between the paddock and the appeal site, but this hedge, although gappy in places, would provide something of a screen, particularly in the summer.

58. There is a clear change in the character of the area at the junction of Cirencester Road with the lane to Marston Meysey. Trees on either side of the road create an impression of narrowing at this point. To the west, the ground rises and field sizes are far larger, by comparison with the somewhat smaller field sizes between the junction and the edge of the conservation area.

59. When approaching Fairford from west of this point, the appeal site is visible directly ahead and in these views it appears to have no visual connection with any built development. Those views would change, as the buildings on the site would be visible to those driving along the road from some distance away. This would be to a greater extent than the existing substation close to the junction, which although unattractive does not stand out in these views.

60. Development on the appeal site would have no visual connection with the Bloor Homes and Linden Homes developments, which cannot be seen at present from this vantage point. Indeed, when travelling eastwards along the Cirencester Road the Bloor Homes and Linden Homes developments only gradually become visible, because they are set back into their sites. Consequently development on the appeal site would appear somewhat isolated. However, as the Bloor Homes and Linden Homes developments come into view, it becomes clear that one is entering the town. At this point there would be a visual relationship between the town and the proposed development, and it would cease to appear isolated.

61. There are more distant views from Horcott Road. In these views development on the appeal site would be visible across the land identified in the White report as important to the setting of the town. It would appear isolated and unconnected from other built development, and consequently somewhat incongruous. Again, the harm would be capable of mitigation with good design.

62. Turning to more distant viewpoints, from footpath BFA/7/2 views of the Bloor development are very prominent, and little if anything could be seen of the appeal site. If anything could be seen of any development on the appeal site, it would be in this context. Consequently, views from this direction would not

harm the town's setting. From footpath BFA/6/1 the appeal site appears to be part of the countryside, detached from the town. The development would be visible from this viewpoint, and would not appear particularly well related to the town, although there would be some glimpses of the Bloor Homes development in these views. But the views would be over a considerable distance, which would lessen their impact.

63. Mr Overall, the Council's landscape consultant, argued that the development would create an abrupt, non-permeable edge to Fairford which would replace the current permeable relationship between the town and the rural area. The development would intrude into the current countryside setting of the town. But the flow of rural landscape from the west into the town, referred to by Mr Overall, is not an especially visually obvious part of the town's setting. The replacing of part of this setting with a well designed and laid out development reflecting the site's location on the edge of a rural Cotswold town would only have a slight adverse impact on that setting.

64. In conclusion, development on the appeal site would be visible and indeed prominent when viewed from a number of locations. There would be a clear change from open undeveloped farmland to built development. Development on the appeal site would from a number of these viewpoints appear detached from other development in the town, which would give it an isolated and somewhat incongruous appearance. The harm caused would be capable of being mitigated by an appropriate layout and good design and landscaping, but would not be removed completely. This would have a slight to moderately harmful effect on the town's setting. There would be some additional conflict with LP policy 19, in that because of this harm the development would not relate well to existing development.

The effect of the development on the setting of the Fairford Conservation Area

65. The Council has referred in its reason for refusal to the duty relating to conservation areas set out in section 72(1) of the Listed Buildings Act[11]. The section 72 duty only applies to buildings or land in a conservation area, and so does not apply in this case as the site lies outside the conservation area. However, paragraph 132 of the Framework requires great weight to be given to the conservation of a designated heritage asset when considering the impact of the proposed development on the significance of that asset. Paragraph 132 makes it clear that the significance of a designated heritage asset can be harmed by development within its setting. In these circumstances, in line with the approach of the Secretary of State[12], I consider it prudent to pay special attention to the desirability of preserving or enhancing the character or appearance of the conservation area, in considering the effect of the development on its setting.

66. In addition, Policy 15 of the LP requires development within or affecting a conservation area to preserve or enhance the character or appearance of the area. Annex 1 of the Framework requires due weight to be given to this policy according to its degree of consistency with the Framework. The Council does not argue that the harm it alleges would be substantial. Consequently, paragraph 134 of the Framework requires a balancing exercise to be carried out, in which the harm is weighed against the public benefits of the proposal.

[11] Planning (Listed Buildings and Conservation Areas) Act 1990
[12] In appeal decision APP/Y2430/A/13/2191290 Former Asfordby Mine, Melton.

That balancing exercise does not appear in policy 15; the final sentence of paragraph 1 requires the character or appearance of the area not to be compromised, which is not the same as balancing the harm against the benefits. I conclude that policy 15 is not consistent with the Framework, which limits the weight I can give to it.

67. Fairford Conservation Area takes in much of the historic market town of Fairford and includes some larger areas of open space. It is centred on the marketplace and High Street, which is some distance from the appeal site. The closest part of the conservation area to the appeal site is Milton End, the other side of the River Coln Valley from the main part of town. Along Cirencester Road, the conservation area includes a listed building, a collection of business units in what appears to have been once a farm complex, and on the very edge of the conservation area a dwelling formed out of a converted agricultural building (the Old Piggery). These buildings have a distinct agricultural character and appearance, typical of buildings often found on the edge of rural settlements, reflecting the relationship of this part of the conservation area to the countryside.

68. The Council argues that in this part of the conservation area the market town has maintained its historic relationship to its rural settings, because, on the southern side of the Cirencester Road at any rate, there has not been any 20th-century development beyond these buildings. I agree that, on this side of the road, there is an aesthetically pleasing transition from the Old Piggery to the countryside, via the adjoining paddock with its stone wall and the appeal site. That has been diluted somewhat by the construction of the Linden Homes and Bloor Homes developments on the other side of the road, but those developments because of their set-back do not dominate the character of the road at this point. The relationship with the countryside still exists, and indeed the edge of the conservation area is very strongly rural in character. This reflects the historical role of Fairford as a market town set in the countryside landscape.

69. Due to the trees and the hedgerows which line the appeal site and form a boundary between the appeal site and the paddock, from within the conservation area little of the development would be seen if it were to be set back from the road, whatever the time of year. The development would only be likely to come into view to any great extent on leaving the conservation area. These views would be likely to be clearer in the winter, when the hedge on the boundary of the appeal site with the paddock would provide less of a screen.

70. The viewer travelling westwards would be aware of the Bloor and Linden Homes developments on the north side of Cirencester Road, although they do not stand out overly because of their set-back from the road. But there would be a slight dilution of the relationship between the conservation area and the wider countryside beyond, once the appeal site was reached and modern estate development became visible.

71. When approaching the conservation area from the west, development on the appeal site would be visible before the junction with the lane to Marston Meysey, but at that point the conservation area itself is not visible. In views from before the junction the setting of the conservation area would not be directly affected.

72. Once the bend had been turned, there would be clear views of the development on the appeal site, regardless of how far back into the site it was set. In these views the development would form the foreground and the conservation area would form the background, albeit that the conservation area would be at some distance at first. The Bloor Homes development and then the Linden Homes development only gradually come into view, but the current openness of the appeal site would be lost as would the current feeling of being on the edge of the countryside. Approaching the conservation area from this direction, there would be built development on both sides of the road. The retention of the paddock as an open field, together with the views across the paddock to the countryside beyond to the south, would act as a reminder of the conservation area's relationship with the countryside. But again, the dilution of that relationship would also be apparent.

73. My conclusion is that the development would detract to a slight degree from the conservation area's setting. The harm to the setting of the conservation area could be mitigated to an extent by good design. However, because there would be harm, albeit slight, the development would fail to preserve or enhance the setting, and consequently it would conflict with policy 15 of the LP. I discuss the consequences of that finding and the balancing exercise required by the Framework below.

The effect of the development on flooding and drainage within the local area

74. The appeal site is located within Flood Zone 1. The Council has not raised any objection to the development on the grounds of its effect on flooding and drainage. It considers that matters relating to drainage can be dealt with satisfactorily through the imposition of conditions. However, the Rule 6 Party, Fairford Planning Watch, argues that the development would have a harmful effect on the area because the town's sewerage infrastructure cannot cope with existing pressures. It argues that no more new developments in the town should be approved until the existing infrastructure has been upgraded and modified.

75. It is clear from the evidence that there have been a number of highly distressing flooding events in the town over recent years. According to Fairford Planning Watch, the Environment Agency has implemented a flood alleviation scheme to address river flooding. But that scheme does not address issues arising out of the lack of capacity in the sewerage system. Fairford Planning Watch say that the problem arises because most of the sewers are combined sewage and surface water sewers and that at times when groundwater levels are high surface water over-fills the drains and sewers and causes them to flood.

76. The Environment Agency has not objected to the proposed development, subject to conditions being imposed requiring (amongst other matters) the implementation of an approved scheme to dispose of foul sewage, and subject to surface water run-off not increasing flood risk to the development or to third parties. This, they say, should be done by using sustainable drainage systems[13].

77. Thames Water advised that it had identified an inability of the existing wastewater infrastructure to accommodate the needs of the proposal. It

[13] Appellants' document CD61

requested a "Grampian style" condition to be imposed requiring that no new development should take place until a drainage strategy detailing any on and/or off site drainage works had been approved by the Council in conjunction with the sewerage undertaker. The condition it suggested would also prohibit any discharge of foul or surface water into the public system until those drainage works had been completed. With regard to surface water drainage, Thames Water advised that storm flows should be attenuated or regulated into the public network through on or off-site storage[14]. It has not, however, advised that planning permission should be refused.

78. The PPG advises that in areas with inadequate wastewater infrastructure the timescales for works to be carried out by the sewerage company do not always fit with development needs. In such cases it will be necessary to consider how new development can be phased, for example so that it is not occupied until any necessary improvements to public sewage treatment works have been carried out[15]. Policy 18 of the LP also advises in the case of residential development that the number of dwellings proposed should be commensurate with the level of infrastructure available within the settlement. In sentiment this reflects advice in the PPG.

79. On the basis of the information before me I consider that the problems of flooding that have arisen in recent years have arisen as a result of the existing sewerage system being unable to cope at times of high-intensity rainstorms. The appellants say that the development would increase existing foul flows in Fairford by only around 7%. That suggests that it is unlikely that under normal circumstances the sewerage system would lack capacity. However, Thames Water's concerns are that at local pinch points in the sewerage network new flows from the development could worsen flooding to properties already at risk, and potentially extend the reach of flooding.

80. Under section 106 of the Water Industry Act 1991, the developer has a statutory right to connect new sewers to existing public sewers. The sewerage undertaker can only refuse permission in very limited circumstances. The sewerage undertaker itself (here Thames Water) has a duty under section 94 of the 1991 Act to provide, improve and extend public sewers so as to ensure the area is and continues to be effectually drained. The cost of that is borne by the sewerage undertaker through sewerage and infrastructure charges. It is therefore the responsibility of Thames Water to address and seek to resolve any existing problems with regard to the capacity of the sewers, as well as to make capacity for new development.

81. Thames Water has pointed out[16] that the rights to connect to the public system granted under the 1991 Act can be exercised on 21 days' notice, which is too short a period of time for the sewerage undertaker to ensure sufficient capacity exists. The appellants' estimate of the time scale for the development is that the first occupations may commence during 2017. Consequently, Thames Water would have adequate warning of the need to take action. It is clear from the evidence of Fairford Planning Watch that Thames Water is well aware of the capacity issues, and has been for some time.

[14] Appellants' document CD62
[15] Ref ID: 34-020-20140306
[16] Document 29

82. Having regard to all of these matters, and particularly that the level of foul water produced by the development would not have a material impact on the sewerage network capacity under normal circumstances, I consider that there are no good grounds for refusing planning permission for the development on the grounds of lack of capacity of the sewerage system.

83. However, bearing in mind the advice of the PPG, I consider that it is both reasonable and necessary to impose a condition to require details of the means of disposal of foul sewage to be provided and approved, and for the approved details to be implemented before the development is occupied. That condition ought to require a drainage impact study and drainage strategy, given the risk that at periods of high rainfall the development might exacerbate existing problems. This is because no detailed drainage impact study and drainage strategy has yet been prepared which would allow the risks of flooding from the sewers to be properly assessed, this being an outline application.

84. Without such a condition the developer would be able to exercise the right to connect to the public system, even where there were legitimate reasons relating to lack of capacity for not wishing to increase the load on the public sewers. In such a situation (which may, it is true, result from the statutory undertaker not fulfilling its statutory duties) the outcome could be that properties elsewhere in Fairford would be at greater risk of flooding from overloaded sewers than they would be if the development had not taken place. That outcome would not in my view accord with the advice of the PPG.

85. Concern has been expressed on behalf of the appellants that such a condition would impose an unjustifiable burden on the developer, for example by forcing him effectively to fund any inadequacies in the sewerage because the sewerage undertaker was not prepared to fulfil its statutory obligations in a timely manner. But the original Foul Drainage Strategy submitted by the appellants[17] identified a technical solution if there was any delay in Thames Water implementing any required upgrading works. That suggests such concerns are unfounded. However, any such technical solutions should be subject to approval through the imposition of a condition, which would require a proper assessment of both the effects of the development on the sewerage system and the practicality of any technical solutions.

86. With regard to surface water, the Flood Risk Assessment (FRA) submitted with the application proposes as an outline drainage strategy the use of either infiltration techniques and/or a storage pond as the most appropriate surface water drainage solutions, but with the possibility of the need also for attenuation of any surface water flow that cannot be infiltrated. This has been subject to criticism by Fairford Planning Watch, who notes that it fails to demonstrate how the drainage would operate when groundwater levels are high. Representations from local residents have also drawn attention to seasonal flooding of the boundary ditch between the site and Burdocks.

87. However, on the basis of the information provided, I am not satisfied that there is no technical solution to the disposal of surface water from the development, although I recognise the concerns of local residents. But a condition should require the submission and approval of a drainage impact study and strategy to investigate fully the surface water drainage implications of the development, and the strategy should be implemented before the development is occupied.

[17] Appellants' Document CD 2.6

It is both necessary and reasonable for these implications to be understood and mitigated, in order to ensure that the development does not lead to a worsening of existing surface water flooding issues.

Highways

88. Gloucestershire County Council, the highway authority, has entered into a statement of common ground with the appellants. The County Council raises no objection to the development, subject to conditions and the securing of a payment towards the Transport Plan by way of section 106 undertaking. The County Council has accepted that the appeal site can be accessed safely, and that traffic generated by the development will not give rise to any unacceptable harm.

89. Fairford Planning Watch has criticised the adequacy of the appellants' Transport Assessment. However, this was prepared following discussions with the local highway authority, and has been accepted by that authority. The report states that it is consistent with the Department for Transport's Guidance for Transport Assessment. Under the circumstances, I consider that the Transport Assessment can be relied on.

90. Concerns have been expressed as to the impact of this development, together with other developments already granted permission, on highway conditions on the A417. The A417 is very narrow in places through the town, and at one point, at the junction with High Street, only effectively has a single carriageway width. I saw on my site visit that this, and road narrowing caused by on street parking of cars and delivery vehicles elsewhere on the A417, does cause congestion from time to time.

91. However, the County Council has expressed the view that the additional traffic likely to be generated by both the committed developments and the appeal proposal during peak hours would not cause significant delay at this junction. This view is based on a technical assessment of the number of vehicles currently using the junction, the number of vehicles likely to be generated by committed developments and the appeal development, and the way in which the junction works at present. There is no technical evidence which would lead me to disagree with the highway authority's conclusion on this matter.

92. The access into the site has been designed in accordance with current national and local standards. There is no technical evidence to suggest that the visibility displays that would be provided would be inadequate, or that the relationship of the site access to the bend to the west, the proposed pedestrian island and the accesses to the Bloor Homes and Linden Homes sites would be prejudicial to highway safety. Under those circumstances, I see no reason to disagree with the County Council's assessment of the proposed site access.

93. Fairford Planning Watch has argued that the site is not accessible by sustainable modes of transport. However, the County Council recommended that, subject to the provision of a new footway, pedestrian access to schools, a convenience store, pharmacy, bank and other amenities would be within walking distances recommended by the Chartered Institute of Highways and Transportation (CIHT).

94. Fairford has a good range of facilities and shops, and is a sustainable settlement. There is a dispute over the distances between the appeal site and

various of the facilities in the town, which I am not able to resolve, although I note that the primary and secondary schools are some distance from the site at the north-east edge of the town. They would be very much at the outer edge of acceptable walking distance, although the distance would be reasonably cycleable. I recognise that, in practice, occupiers may prefer to take the car rather than to walk to the facilities in the town centre, which appears to be further than the "preferred maximum" distance for walking to town centres recommended by the CIHT. But that may also be true of the occupiers of the new developments on the north side of Cirencester Road, which are only marginally closer than the appeal site.

95. Bus services are relatively infrequent, although the site would be within easy reach of a bus stop; and according to Fairford Planning Watch journeys to Swindon would involve changing buses. I see no reason, however, to dispute the County Council's assessment that the local bus services could be considered suitable for transport to work where normal working hours apply.

96. A pedestrian refuge is to be provided as part of the Bloor Homes development. With these provisions, I am not satisfied that crossing Cirencester Road would be as much of a deterrent to walking as is argued, even for parents with young children.

97. The appellants have agreed in the unilateral undertaking to make a financial contribution to the County Council towards a travel plan, and that would involve implementation of measures to encourage the use of alternative means of transport to the car.

98. Drawing all these considerations together, I conclude that the access to be provided would accord with relevant standards and would have adequate visibility, and that the additional traffic generated by the development would not have an unacceptably harmful effect on highway safety. Fairford is a sustainable settlement with all the necessary facilities, albeit that the appeal site because of its location on the edge of the town is not particularly close to those facilities. That may lead occupiers of the appeal site to use the private car, but that tendency should be mitigated by the travel plan contribution.

Whether the proposed development would make adequate provision for affordable housing, education, libraries, travel and other local infrastructure

99. The Council's third reason for refusal related to the absence of a legal agreement to secure affordable housing, financial contributions towards education and libraries, and a travel plan. LP policy 49 provides that in order to achieve sustainable development, proposals will only be permitted if the social, economic and environmental impacts of the development are satisfactorily mitigated, or compensated for, and the service and infrastructure needs generated by the development are fully met.

100. At the Inquiry, the appellants submitted a completed unilateral undertaking making provision for 50% of the total number of dwellings constructed on the appeal site to be affordable housing; for the management and maintenance of open space within the site; and for the payment to Gloucestershire County Council of financial contributions towards primary education and a travel plan. The Council has agreed that a contribution towards libraries is no longer required, and that the completed undertaking addresses and overcomes its third reason for refusal.

101. It is clear from the evidence that there are serious problems of housing affordability in Cotswold. The affordable housing that this site would provide would make a valuable contribution towards the district's need for this type of housing. It would also satisfy the requirements of LP policy 21 and the Council's Affordable Housing Supplementary Planning Document which aim to achieve up to 50% of affordable units on developments in areas including Fairford.

102. Gloucestershire County Council, the education authority, has indicated that the appeal proposal would give rise to the need for a number of primary school places, and that there are insufficient spaces at the local primary school, Fairford Church of England primary, to accommodate the numbers of pupils likely to be generated. The contributions secured under the unilateral undertaking would satisfy Gloucestershire County Council's requirements in this regard, and the amount of the contribution would be directly related to the number of primary school places likely to be generated by the development and the cost estimated by the County Council of providing those places.

103. Fairford Planning Watch has expressed concern that the proposed development would present difficulties for the primary school which could not be resolved without the school being extended and more staff being provided. Concerns are also expressed about increased class sizes.

104. However, the County Council, which is the statutory education authority, has not objected to the development on these grounds, provided that the financial contribution towards education is secured. I have also noted the comments made by one of the governors of the school. Taking all of these matters into account, I consider that the education contribution secured by the unilateral undertaking would satisfactorily mitigate the impact of the development of local schools, and would satisfy the requirements in this regard of LP policy 49.

105. The appellants submitted an interim Travel Plan as part of the application submission, which was considered acceptable to Gloucestershire County Council, the highway authority. The County Council has agreed that, subject to the payment of the financial contribution set out in the unilateral undertaking, it would be responsible for implementing the Travel Plan, which sets out measures to promote and encourage sustainable travel. The County Council agrees that this would overcome that part of the third reason for refusal relating to transportation.

106. It is agreed in the statement of common ground between the appellants and the County Council, that the amounts secured towards the residential travel plan would accord with the County Council's transport planning advice on residential travel plans.

107. The proposed development would only be acceptable in principle with a satisfactory appearance, including the provision and long-term maintenance of appropriately laid out open space. Consequently, the provisions in the unilateral undertaking relating to open space and its future management are necessary, proportionate and directly related to the development.

108. Having regard to all these matters, I am satisfied that the planning obligations contained in the unilateral undertaking are necessary to make the development acceptable in planning terms, directly related to it and are fairly and reasonably related in scale and kind to the development. They therefore

satisfy the requirements of Regulation 122 of the Community Infrastructure Levy Regulations 2010.

109. Concerns have been expressed as to the adequacy of the existing water supply to Fairford. But the developer is able to require Thames Water, by requisition, to provide a water main to supply sufficient water to the development for domestic purposes. I am satisfied, therefore, that issues relating to water supply would not represent a constraint to the appeal proposal going ahead.

110. NHS England has confirmed that the Fairford surgery has the capacity to cope with the development of the appeal site. That, also, would not represent a constraint on the appeal development.

111. For these reasons, I conclude that the proposed development would make adequate provision for affordable housing, education, libraries, travel and other local infrastructure. It would not, therefore, conflict with LP policy 49.

Other matters

112. Concerns have been expressed at the limited amount of employment in Fairford itself. However, the assessment of housing need looks at the district as a whole, and (as indicated above) should take into account employment trends, also on a district wide basis. In a largely rural district such as Cotswold where large areas have constraints on development because of their locations within the Area of Outstanding Natural Beauty or within conservation areas, there is unlikely to be an exact match between housing and employment locations, and consequently commuting to work is likely to happen.

113. The Council has approved a significant amount of new housing in Fairford recently. Its emerging distribution strategy indicates an envisaged amount of new housing for the town which would be exceeded if development were to be allowed on the appeal site. But very little weight can be given to work carried out in connection with the emerging local plan, given its early stage. The Council's March 2014 SHLAA[18] assessed the appeal site as unsuitable for development. But its SHLAA review of October 2012 had identified the appeal site as "Suitable longer term", giving a timescale of 16-20 years, after the land to the north had been developed. That land is now being developed. In view of this contradiction little weight can be attached to either SHLAA assessment.

114. Fairford's location within the Cotswold Water Park, as well as its inherent attractiveness, makes it a destination for tourists. But there is no convincing evidence to support suggestions, and indeed no reason to suppose, that tourists would be in any way deterred from visiting either Fairford itself or the Water Park if the development took place.

115. The site lies within a "settlement protection boundary" defined in accordance with policy UT.2 of the LP. The policy relates to activities at the Cotswold Water Park and its objective is to protect residential amenities and landscape settings of settlements from disturbance caused by the more disruptive after uses. It is permissive of amelioration measures such as tree planting and bunding, but does not permit sport, recreation and tourism which would damage residential amenities and the setting of the settlement. It has not

[18] Strategic Housing Land Availability Study

been referred to by the Council in their reasons for refusal, and the proposed development would not conflict with this policy.

Whether the proposed development would amount to sustainable development

116. Paragraph 14 of the Framework contains a presumption in favour of sustainable development. As indicated above (paragraph 29), for decision taking this means that where relevant policies of the development plan are out of date (as they are here), granting permission unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in the Framework taken as a whole. The Framework identifies three dimensions to sustainable development: economic, social and environmental.

117. The development would bring benefits in terms of additional housing, in a district where the Council is unable to demonstrate a five-year housing supply. The development would also deliver a significant amount of affordable housing to meet the needs of present and future generations. Given the overall lack of affordability of housing within Cotswold, this is a substantial benefit of the scheme, with both economic and social dimensions. I attach considerable weight to these benefits, which would also contribute towards the Framework aim of significantly boosting the supply of housing. The development would address the additional demands it would place on the education system through the payment of appropriate contributions to the education authority. There is no convincing evidence that other infrastructure in Fairford would not be able to cater for the demands arising from the development.

118. The highway authority has agreed that the site is accessible to facilities by sustainable modes of travel, and the development would make an appropriate contribution towards the implementation of a travel plan. Miss Tetlow on behalf of the District Council agreed that in terms of proximity to services and facilities the appeal site was in a sustainable location. In my view the development would be accessible to services and facilities by a choice of modes of travel. Notwithstanding its location on the edge of the town, the appeal site is in a sustainable location.

119. All of these elements would make positive contributions to the economic and social dimensions of sustainable development. There would also be an indirect environmental benefit in reducing the need to meet the district's housing need by development in areas designated for the quality of their landscape. There would also be some environmental benefit from the proposed habitat creation/enhancement and management plan. On the other hand, there would be harm to the setting of Fairford and its conservation area, and the possibility of slight harm to the setting of the listed building, Burdocks.

120. Some representations have referred to part of the site at least being grade 2 agricultural land. However, the Agricultural Land Quality Report submitted by the appellants show that, based on current classifications, all of the site falls within either sub grade 3a or sub grade 3b. In my view, the loss of this relatively small area of grade 3 agricultural land would not be significant, having regard to the probable need to build housing on agricultural land in the district in order to meet future housing needs.

121. I am required by section 66 of the Planning (Listed Building and Conservation Areas) Act 1990 to pay special regard to the desirability of

preserving the setting of Burdocks as a listed building. I also give great weight to the conservation of Burdocks as a designated heritage asset, as required by paragraph 132 of the Framework

122. My conclusion is that, provided that the development was appropriately designed so that dwellings and their curtilages were set well back into the appeal site, and with additional planting along the boundary with Burdocks, the development would only have a slight detrimental effect, if any, on the setting of Burdocks and on its historical significance as a country house.

123. Because the harm identified to the setting of Burdocks would be less than substantial, paragraph 134 of the Framework requires it to be weighed against the public benefits of the proposal. In this case, I consider that the public benefits in terms of provision of additional housing, including affordable housing, would be significant. Those benefits clearly outweigh the harm that would be caused to the setting of Burdocks.

124. The change resulting from the development would cause some slight to moderate harm to the countryside setting of Fairford, and there would be a loss of public and private views of the countryside. Those would be replaced by views of the development. From some viewpoints the development would appear somewhat isolated from the remainder of the town, and so incongruous. Good design could mitigate that harm to an extent, but not remove it completely.

125. The development would detract slightly from the setting of Fairford Conservation Area, by diluting its relationship with the countryside. It would consequently conflict with LP policy 15. That policy, however, is out of date, which reduces the weight I attach to that conflict. I do, however, give great weight to the conservation of the conservation area, as required by paragraph 132 of the Framework. The Council has not argued that the harm would be substantial, and so the advice in paragraph 134 of the Framework applies. I consider that the harm the development would cause to the setting of the conservation area would be outweighed by the public benefits identified above.

126. Section 38(6) of the Planning and Compulsory Purchase Act 2004 requires proposals to be determined in accordance with the Development Plan unless material considerations indicate otherwise. Plainly, national policy set out in the Framework is capable of being such a material consideration. The development would conflict with LP policies 15 and 19. But material considerations, in the form of advice in the Framework, indicate that in this case, the appeal should not be determined in accordance with the development plan.

127. Turning then to the overall balancing exercise required by paragraph 14 of the Framework, I conclude that the slight and slight to moderate adverse impacts of the development would not significantly and demonstrably outweigh the considerable and substantial benefits of the development, when assessed against the policies in the Framework taken as a whole. The development would therefore amount to sustainable development in the terms of the Framework.

Conditions

128. Conditions are required governing the submission of reserved matters and the timing of commencement of development, and also to limit the number of dwellings to a maximum of 120, in order to define the permission. For the same reason, a condition is necessary to identify, and to require development to be carried out in accordance with, the submitted plans.

129. In order to ensure the satisfactory appearance of the development in relation to its surroundings, a condition is needed requiring the reserved matters submissions to show details of ground levels, slab levels and the slab levels of adjacent buildings.

130. So that the proposed habitat and ecological enhancement is secured, a condition is necessary requiring a habitat creation/enhancement and management plan to be approved and implemented. A condition is also necessary to secure a programme of archaeological work, in view of the archaeological interest of the site.

131. In order to ensure the satisfactory appearance of the development, conditions are necessary to secure the implementation of a landscaping scheme and tree protection measures, and to ensure the replacement of any elements in the scheme which die, are removed or damaged or become diseased within five years of completion.

132. In the interests of highway safety, and in order to ensure a satisfactory layout of the internal road network, conditions are necessary requiring the access road to be installed before any other works commence on site. The occupation of any dwelling should be prevented until the carriageways and associated infrastructure providing access to that dwelling have been provided, and a proposed pedestrian footway along the frontage of the site, including tree protection measures and surfacing details, should be secured, in order to ensure satisfactory vehicular and pedestrian access.

133. A condition is necessary requiring the approval and implementation of a construction method statement, in order to reduce as far as possible disruption to the surrounding area during the construction phase.

134. A condition is necessary requiring a site investigation into any contamination on the site, and the implementation of any necessary remediation measures, in order to avoid any harm to future occupiers arising from contamination issues.

135. A condition is also required, for the reasons set out above, to secure the submission of a drainage impact study, and details of drainage and the disposal of surface water and foul sewage.

136. It is both reasonable and necessary to impose a condition requiring the provision of fire hydrants to be served by a mains water supply, in order to facilitate the emergency services' response in case of fire at the development. However, it is not relevant to planning to require the submission of details of future management and maintenance of the proposed streets within the development.

137. Where appropriate, I have altered the wording of the conditions suggested by the parties, in order to reflect the advice in the PPG.

Sara Morgan

INSPECTOR

Appendix SA3

St Albans v. Hunston
Court of Appeal

SS2/97



Neutral Citation Number: [2013] EWCA Civ 1610

Case No: C1/2013/2734

IN THE COURT OF APPEAL (CIVIL DIVISION)
ON APPEAL FROM THE QUEENS BENCH DIVISION
ADMINISTRATIVE COURT
HIS HONOUR JUDGE PELLING QC (Sitting as a Judge of the High Court)
CO 4686 2013

Royal Courts of Justice
Strand, London, WC2A 2LL

Date: 12/12/2013

Before :

LORD JUSTICE MAURICE KAY
LORD JUSTICE RYDER
and
SIR DAVID KEENE

- -

Between :

City and District Council of St Albans	**Appellant**
- and -	
The Queen (on the application of) Hunston Properties Limited	**1st Respondent**
Secretary of State for Communities and Local Government and anr	**2nd Respondent**

- -

Matthew Reed (instructed by the **Appellant's Head of Legal Services**) for the **Appellant**
Paul Stinchcombe QC and Ned Helme (instructed by **Photiades Solicitors**) for the **First Respondent and (Treasury Solicitors** for the **Second Respondent).** The Second Respondent did not appear.

Hearing date: 20 November 2013

- -

Approved Judgment

Sir David Keene :

Introduction

1. This appeal concerns the interpretation of the relatively recent (March 2012) National Planning Policy Framework ("the Framework") and in particular of the policies contained therein in respect of residential development proposals. The issue is one which arises in the situation where, as in the present case and in a number of other planning authority areas, there is not as yet a local plan produced after and in accordance with the Framework.

2. Hunston Properties Limited ("Hunston") applied for outline planning permission for the construction of 116 dwellings, a care home and some associated facilities on five hectares of agricultural land within the district of St Albans. Permission was refused by the District Council, now the appellant, principally on the ground that the site was almost entirely within the Metropolitan Green Belt. Hunston appealed under Section 78 of the Town and Country Planning Act 1990 ("the 1990 Act") and, simplifying the history of the matter, the appeal was dismissed on 12 March 2013 by an inspector appointed by the Secretary of State. Hunston then challenged that decision in the Administrative Court under Section 288 of the 1990 Act. H.H. Judge Pelling QC, sitting as a judge of the High Court, quashed the inspector's decision, and the Council now appeals with permission granted by Sullivan LJ. The Secretary of State appeared by counsel in the Administrative Court to resist the Section 288 challenge but seeks to play no part in these appeal proceedings.

3. I note the basis on which Sullivan LJ gave permission to appeal. He said that he was not persuaded that the appeal had a real prospect of success, but he found there to be a compelling reason for the appeal to be heard so that there could be a "definitive answer to the proper interpretation of paragraph 47" of the Framework, and in particular the interrelationship between the first and second bullet points in that paragraph.

Policy Context

4. The Framework was published by the Government in order to set out its planning policies for England, so as to give guidance to local planning authorities and other decisions-makers in the planning system. It was seen by the Minister for Planning as simplifying national planning guidance "by replacing over a thousand pages of national policy with around fifty, written simply and clearly." Unhappily, as this case demonstrates, the process of simplification has in certain instances led to a diminution in clarity. It will be necessary to set out the wording of paragraph 47 of the Framework very soon in this judgment. I have to say that I have not found arriving at "a definitive answer" to the interpretative problem an easy task, because of ambiguity in the drafting. In such a situation, where one is concerned with non-statutory policy guidance issued by the Secretary of State, it would seem sensible for the Secretary of State to review and to clarify what his policy is intended to mean. Nonetheless, the Supreme Court in *Tesco Stores Ltd -v- Dundee City Council* [2012] UKSC 13 has emphasised that policy statements are to be interpreted objectively by the court in accordance with the language used and in its proper context, so that the meaning of the policy is for the courts, even if the application of the policy is for planning authorities and other planning decision-makers: see paragraphs 18 and 19. That case

was concerned with policy in a statutory development plan, but it would seem difficult to distinguish between such a policy statement and one contained in non-statutory national policy guidance. I accept, therefore, as do the parties to this appeal, that it is for this court to seek to arrive at the appropriate meaning of paragraph 47 of the Framework.

5. That paragraph begins the section of the Framework entitled "Delivering a wide choice of high quality homes." Insofar as material for present purposes, it reads as follows:

> "47. To boost significantly the supply of housing, local planning authorities should:
>
> - Use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in this Framework, including identifying key sites which are critical to the delivery of the housing strategy over the plan period;
>
> - Identify and update annually a supply of specific deliverable sites sufficient to provide five years worth of housing against their housing requirements with an additional buffer of 5% (moved forward from later in the plan period) to ensure choice and competition in the market for land. Where there has been a record of persistent under delivery of housing, local planning authorities should increase the buffer to 20% (moved forward from later in the plan period) to provide a realistic prospect of achieving the planned supply and to ensure choice and competition in the market for land."

These are the two bullet points referred to by Sullivan LJ.

6. There is no doubt, that in proceeding their local plans, local planning authorities are required to ensure that the "full objectively assessed needs" for housing are to be met, "as far as is consistent with the policies set out in this Framework". Those policies include the protection of Green Belt land. Indeed, a whole section of the Framework, Section 9, is devoted to that topic, a section which begins by saying "The Government attaches great importance to Green Belts": Paragraph 79. The Framework seems to envisage some review in detail of Green Belt boundaries through the new Local Plan process, but states that "the general extent of Green Belts across the country is already established." It seems clear, and is not in dispute in this appeal, that such a Local Plan could properly fall short of meeting the "full objectively assessed needs" for housing in its area because of the conflict which would otherwise arise with policies on the Green Belt or indeed on other designations hostile to development, such as those on Areas of Outstanding Natural Beauty or National Parks. What is likely to be significant in the preparation of this Local Plan for the district of St Albans is that

virtually all the undeveloped land in the district outside the built up areas forms part of the Metropolitan Green Belt.

7. However, no such new Local Plan for this district currently exists. There remains the old-style Local Plan, the St. Albans City and District Local Plan Review, dating from 1994, but it is not suggested that its contents insofar as they deal with housing land requirements are of any relevance today. The most recent policy document containing a quantified assessment of such requirements in the district was the East of England Plan, which contained a figure of 360 dwelling units per annum, but that Plan was revoked on the 3 January 2013, in accordance with the Government's move away from strategically based figures. Thus, as the inspector in the present case put it:

> "there is a policy vacuum in terms of the housing delivery target." [paragraph 23]

8. The appellant Council resolved on 17 January 2013 that the target of 360 dwellings per annum from 2001 to 2021 remained the most appropriate interim housing target for housing land supply purposes.

9. There are a number of other policies in the Framework which are of relevance. At paragraph 13 it states that the Framework:

> "constitutes guidance for local planning authorities and decision-takers both in drawing up plans and as a material consideration in determining applications."

Paragraph 14 begins by saying that:

> "At the heart of the National Planning Policy Framework is a presumption in favour of sustainable development, which should be seen as a golden thread running through both plan-making and decision-taking."

It goes on in that same paragraph to spell out what that means for plan-making and for decision-taking. In respect of the latter, it sets out two bullet points. The first deals with cases where there is a development plan. The second is relevant to the present appeal:

> "where the development plan is absent, silent or relevant policies are out-of-date, [it means] granting permission unless:
>
> any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole;
>
> or
>
> specific policies in this Framework indicate development should be restricted."

A footnote, no.9, gives examples of such policies as are meant by that last sentence, including policies relating to land designated as Green Belt.

10. As I have already said, the Framework includes specific policies to protect Green Belt land. Paragraphs 87 and 88 are of particular relevance. They state:

> "87. As with previous Green Belt policy, inappropriate development is, by definition, harmful to the Green Belt and should not be approved except in very special circumstances.
>
> 88. When considering any planning application, local authorities should ensure that substantial weight is given to any harm to the Green Belt. 'Very special circumstances' will not exist unless the potential harm to the Green Belt by reason of inappropriateness, and any other harm, is clearly outweighed by other considerations."

The Framework does not seek to define further what "other considerations" might outweigh the damage to the Green Belt, but in principle there seems no reason why in certain circumstances a shortfall in housing land supply might not do so.

The Planning Appeal and the Inspector's Decision

11. It was agreed at the planning inquiry that the proposed development on this site would constitute inappropriate development in the Green Belt. The inspector noted that, by virtue of paragraph 87 of the Framework, it should not be permitted except in very special circumstances. That led her to the topic of housing land supply.

12. The inspector referred to paragraph 47 of the Framework and then considered the development plan position. She observed that there was "no definitive housing delivery requirement" in any relevant plan (paragraph 24 of decision letter). She described the Department for Communities and Local Government ("DCLG") 2008 projections of new households as providing the most up-to-date figures. They gave a projection of 688 new households per annum in this district. Hunston contended for various upwards adjustments of that annual figure, but even without those it can be seen that arithmetically the projection produced a five year requirement of 3,440 dwelling units. Hunston's figure was 3,600 units.

13. However, the inspector regarded such figures as failing to take account of the constraints on development within the district, particularly the Green Belt. She noted that the old East of England (regional) Plan had reflected such constraints and had come up with its figure of 360 units per annum:

> "26... striking a balance of the social, economic and environmental objectives with the aim of achieving sustainable development. The balance was evidence based, consulted upon, subject to a sustainability appraisal, justified and publically examined."

The inspector added that there was no evidence to suggest that the constraints would be any less applicable now, and at paragraph 29 she said that the figure in the East of England Plan (the RSS):

> "29. ... provided housing requirements for the period to 2021 and took account of the severe constraints in the District. It provides the only figure that has been scrutinised through the independent examination process. Government policy aims for localism rather than top down set targets but there was nothing to indicate that the constraints identified in the RSS process are reduced because the RSS is no longer extant."

14. Consequently, the inspector concluded as follows on housing need:

> "At this time and in the absence of an identified need that takes account of any constraints to development and acknowledging the age of the RSS data, and the fact that the RSS has now been revoked, I consider it is reasonable that the annual housing target should have regard to constraints in the district and be that which takes them into account. As resolved by the Council on 17 January 2013, provision should be made for a minimum of 360 residential units per annum on specific deliverable sites." (Paragraph 30)

15. On the supply side of the exercise, the District Council put forward a figure of 2183 dwelling unit sites available within five years. On analysis, the inspector found that that was too high by about 100 units, but nonetheless it meant that there was a supply of housing land in excess of the five year requirement if that was put at 360 dwellings per annum. As a five year total, she appears to have put the total five year housing land supply at about 2080 units. Thus the inspector at paragraph 67 concluded:

> "67. Additional delivery of housing would be of value as would the proposed affordable housing provision whether at 35% or 53%. Nevertheless, the five year housing land supply has been found to be robust even if the delivery may not be as high as the Council advises on some sites. A 5% buffer over and above the five year supply has been found to be appropriate and there is a realistic prospect that adequate provision has been made for the delivery of five years plus 5% supply of housing land. Therefore the supply of additional housing on a greenfield Green Belt site is not afforded weight."

16. The inspector in her overall conclusion on the residential development gave weight to certain factors, but said:

> "However, in the absence of an identified need for the release of a greenfield Green Belt site, the substantial harm to the Green Belt and significant harm to the character and appearance of the countryside are not clearly outweighed by the other material considerations either individually or as a whole. Therefore the very special circumstances necessary to justify the inappropriate residential development in the Green Belt do not exist." (Paragraph 71)

She added that the development would be contrary to Local Plan policies and to Government policy in the Framework, and consequently she dismissed the appeal.

The High Court Decision

17. In the Section 288 proceedings it was argued by Hunston that the inspector had erred by failing to identify the "full objectively assessed needs" for housing in the area, as required by the first bullet point in paragraph 47 of the Framework, and had failed, in this situation where there was no new Local Plan containing housing requirements, to recognise the shortfall between those needs and the supply of housing sites. Had she adopted the correct policy approach, she might have found that very special circumstances, sufficient to outweigh the contribution of the appeal site to the Metropolitan Green Belt, existed. Thus she erred in law.

18. The deputy judge accepted this argument. In his judgment at paragraph 28 he said:

> "28. Where it is being contended that very special circumstances exist because of a shortfall caused by the difference between the full objectively assessed needs for market and affordable housing and that which can be provided from the supply of specific deliverable sites identified by the relevant planning authority, I do not see how it can be open to a LPA or Inspector to reach a conclusion as to whether that very special circumstance had been made out by reference to a figure that does not even purport to reflect the full objectively assessed needs for market and affordable housing applicable at the time the figure was arrived at."

He went on to add:

> "A figure that takes account of constraints should not have any role to play in assessing an assertion by an applicant in the position of HPL that an actual housing requirement has not been met."

He observed that the Framework did not encourage the use of need figures derived from such earlier regional plans as the East of England Plan, as it could have done if it had been intended by the government that such should be the approach where a new Local Plan prepared in accordance with the Framework had not been adopted.

19. The District Council had relied upon the wording of the first bullet point in paragraph 47 of the Framework and in particular the words about meeting the housing needs "as far as is consistent with the policies set out in this Framework." The Council contended that this justified the inspector's use of figures for housing needs which reflected the very substantial constraints on development within this district. The judge rejected that argument, commenting at paragraph 29:

> "... the suggestion that the words "... *in so far as is consistent with the policies set out in this Framework...*" requires or permits a decision maker to adopt an old RSS figure is unsustainable as a matter of language. That language requires

> that the decision maker considers each application or appeal on its merits. Having identified the full objectively assessed needs figure the decision maker must then consider the impact of the other policies set out in the NPPF...
>
> ...
>
> ... It is entirely circular to argue that there are no very special circumstances based on objectively assessed but unfulfilled need that can justify development in the Green Belt by reference to a figure that has been arrived at under a revoked policy which was arrived at taking account of the need to avoid development in the Green Belt."

20. He concluded that the inspector's approach had been wrong in law. The proper approach was to assess need, then identify the unfulfilled need having regard to the supply of specific deliverable sites, and then to decide whether fulfilling the need (plus any other factors in favour of permission) clearly outweighed the harm which would be caused to the Green Belt. As he rightly said, that final stage involved planning judgment, which was not for the court. As a result he quashed the inspector's decision.

Discussion

21. In essence, the issue is the approach to be adopted as a matter of policy towards a proposal for housing development on a Green Belt site where the housing requirements for the relevant area have not yet been established by the adoption of a Local Plan produced in accordance with the policies in the Framework. Such development is clearly inappropriate development in the Green Belt and should only be granted planning permission if "very special circumstances" can be demonstrated. That remains government policy: paragraph 87 of the Framework. In principle, a shortage of housing land when compared to the needs of an area is capable of amounting to very special circumstances. None of these propositions is in dispute.

22. Neither party before us sought to take issue with the inspector's findings as to the supply of housing land over the five year period in this district. But, as will be evident from the earlier passages in this judgment, the inspector found that there was no shortfall in the supply because she regarded it as necessary to identify a housing requirement figure which reflected the constraints on built development in the district generally which resulted from the extensive areas of Green Belt there. The best she felt she could do was to adopt the earlier East of England Plan figure which, though in a revoked plan, sought to take account of such constraints. Was she entitled to do so?

23. The appellant Council contends that she was. On its behalf Mr. Reed emphasises the close links between the first two bullet points of paragraph 47 of the Framework (which I will number 47(1) and (2) for the sake of convenience.) Paragraph 47(2) requires there to be five years supply of housing sites, that is to say a supply sufficient to meet a local planning authority's housing requirements for five years. But to discover what is meant by the reference to housing requirements, one has to go to paragraph 47(1), and while that refers to "the full objectively assessed needs," it also adds the qualification "as far as is consistent with the policies set out in this

Framework." That, it is submitted, means that one has to take into account such policies as those on the protection of the Green Belt. The qualification does not relate solely to the process of producing a Local Plan. Paragraph 47(1) has to be read as a whole and, if one goes to it as Hunston do for the reference to "full objectively assessed needs" when dealing with a development control decision, one must take on board the qualification as well. One cannot rely on the objectively assessed needs part without having regard to the reference to policy constraints.

24. The Council contends that the inspector used the former East of England plan figure for housing requirements while recognising that it was not ideal. But she was doing her best to arrive at an assessment which reflected the whole of paragraph 47(1) and not just part of it, so as to include the constraints flowing from other policies as well as the household projections. The mere fact that this was a development control situation as opposed to local plan formulation does not, it is said, undermine the need to reflect the whole of paragraph 47(1). The policies in the Framework provide guidance, as paragraph 13 states, both for the drawing up of plans and in the determination of planning applications.

25. I see the force of these arguments, but I am not persuaded that the inspector was entitled to use a housing requirement figure derived from a revoked plan, even as a proxy for what the local plan process may produce eventually. The words in paragraph 47(1), "as far as is consistent with the policies set out in this Framework" remind one that the Framework is to be read as a whole, but their specific role in that sub-paragraph seems to me to be related to the approach to be adopted in producing the Local Plan. If one looks at what is said in that sub-paragraph, it is advising local planning authorities:

> "to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in this Framework."

That qualification contained in the last clause quoted is not qualifying housing needs. It is qualifying the extent to which the Local Plan should go to meet those needs. The needs assessment, objectively arrived at, is not affected in advance of the production of the Local Plan, which will then set the requirement figure.

26. Moreover, I accept Mr Stinchcombe QC's submissions for Hunston that it is not for an inspector on a Section 78 appeal to seek to carry out some sort of local plan process as part of determining the appeal, so as to arrive at a constrained housing requirement figure. An inspector in that situation is not in a position to carry out such an exercise in a proper fashion, since it is impossible for any rounded assessment similar to the local plan process to be done. That process is an elaborate one involving many parties who are not present at or involved in the Section 78 appeal. I appreciate that the inspector here was indeed using the figure from the revoked East of England Plan merely as a proxy, but the government has expressly moved away from a "top-down" approach of the kind which led to the figure of 360 housing units required per annum. I have some sympathy for the inspector, who was seeking to interpret policies which were at best ambiguous when dealing with the situation which existed here, but it seems to me to have been mistaken to use a figure for housing

requirements below the full objectively assessed needs figure until such time as the Local Plan process came up with a constrained figure.

27. It follows from this that I agree with the judge below that the inspector erred by adopting such a constrained figure for housing need. It led her to find that there was no shortfall in housing land supply in the district. She should have concluded, using the correct policy approach, that there was such a shortfall. The supply fell below the objectively assessed five year requirement.

28. However, that is not the end of the matter. The crucial question for an inspector in such a case is not: is there a shortfall in housing land supply? It is: have very special circumstances been demonstrated to outweigh the Green Belt objection? As Mr Stinchcombe recognised in the course of the hearing, such circumstances are not automatically demonstrated simply because there is a less than a five year supply of housing land. The judge in the court below acknowledged as much at paragraph 30 of his judgment. Self-evidently, one of the considerations to be reflected in the decision on "very special circumstances" is likely to be the scale of the shortfall.

29. But there may be other factors as well. One of those is the planning context in which that shortfall is to be seen. The context may be that the district in question is subject on a considerable scale to policies protecting much or most of the undeveloped land from development except in exceptional or very special circumstances, whether because such land is an Area of Outstanding Natural Beauty, National Park or Green Belt. If that is the case, then it may be wholly unsurprising that there is not a five year supply of housing land when measured simply against the unvarnished figures of household projections. A decision-maker would then be entitled to conclude, if such were the planning judgment, that some degree of shortfall in housing land supply, as measured simply by household formation rates, was inevitable. That may well affect the weight to be attached to the shortfall.

30. I therefore reject Mr Stinchcombe's submission that it is impossible for an inspector to take into account the fact that such broader, district-wide constraints exist. The Green Belt may come into play both in that broader context and in the site specific context where it is the trigger for the requirement that very special circumstances be shown. This is not circular, nor is it double-counting, but rather a reflection of the fact that in a case like the present it is not only the appeal site which has a Green Belt designation but the great bulk of the undeveloped land in the district outside the built-up areas. This is an approach which takes proper account of the need to read the Framework as a whole and indeed to read paragraph 47 as a whole. It would, in my judgment, be irrational to say that one took account of the constraints embodied in the polices in the Framework, such as Green Belt, when preparing the local plan, as paragraph 47(1) clearly intends, and yet to require a decision-maker to close his or her eyes to the existence of those constraints when making a development control decision. They are clearly relevant planning considerations in both exercises.

31. There seemed to be some suggestion by Hunston in the course of argument that a local planning authority, which did not produce a local plan as rapidly as it should, would only have itself to blame if the objectively-assessed housing need figures produced a shortfall and led to permission being granted on protected land, such as Green Belt, when that would not have happened if there had been a new-style local plan in existence. That is not a proper approach. Planning decisions are ones to be

arrived at in the public interest, balancing all the relevant factors and are not to be used as some form of sanction on local councils. It is the community which may suffer from a bad decision, not just the local council or its officers.

32. Where this inspector went wrong was to use a quantified figure for the five year housing requirement which departed from the approach in the Framework, especially paragraph 47. On the figures before her, she was obliged (in the absence of a local plan figure) to find that there was a shortfall in housing land supply. However, decision-makers in her position, faced with their difficult task, have to determine whether very special circumstances have been shown which outweigh the contribution of the site in question to the purposes of the Green Belt. The ultimate decision may well turn on a number of factors, as I have indicated, including the scale of the shortfall but also the context in which that shortfall is to be seen, a context which may include the extent of important planning constraints in the district as a whole. There may be nothing special, and certainly nothing "very special" about a shortfall in a district which has very little undeveloped land outside the Green Belt. But ultimately that is a matter of planning judgment for the decision-maker.

Conclusion

33. The inspector did err in law in the approach she adopted to calculating the housing land requirement over the five year period. I would therefore quash her decision. The Section 78 appeal will consequently have to be redetermined in accordance with the guidance in this judgment, if my Lords agree. I would dismiss this appeal.

Lord Justice Ryder:

34. I agree.

Lord Justice Maurice Kay:

35. I also agree.

Appendix SA4

Gallagher Homes v. Solihull MBC

SS2/109

Neutral Citation Number: [2014] EWHC 1283 (Admin)

Case No: CO/17668/2013

IN THE HIGH COURT OF JUSTICE
QUEEN'S BENCH DIVISION
PLANNING COURT IN BIRMINGHAM

Birmingham Civil Justice Centre
Priory Courts, 33 Bull Street,
Birmingham

Date: Wednesday 30th April 2014

Before:

MR JUSTICE HICKINBOTTOM

Between:

(1) GALLAGHER HOMES LIMITED
(2) LIONCOURT HOMES LIMITED

Claimants

- and -

SOLIHULL METROPOLITAN BOROUGH COUNCIL

Defendant

(Transcript of the Handed Down Judgment of
WordWave International Limited
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Tel No: 020 7404 1400, Fax No: 020 7831 8838
Official Shorthand Writers to the Court)

Christopher Lockhart-Mummery QC and Zack Simons (instructed by **Pinsent Masons LLP**) for the **Claimants**
Ian Dove QC and Nadia Sharif (instructed by **Solihull Metropolitan District Council**) for the **Defendant**

Hearing dates: 14-15 April 2014
Judgment
As Approved by the Court

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Mr Justice Hickinbottom:

Introduction

1. The Claimants have interests in two sites in the Tidbury Green area of Solihull, namely Lowbrook Farm and Tidbury Green Farm ("the Sites"), which they wish to develop with housing. Their difficulty is this. On 3 December 2013, the Defendant local planning authority ("the Council") adopted the Solihull Local Plan ("the SLP") which placed both sites within the Green Belt. Neither had previously been in the Green Belt. Any application for planning permission for housing will almost inevitably now be refused, on the ground that the proposed development would be inappropriate in the Green Belt and there are no "very special circumstances" that warrant such development there.

2. In this application, made under section 113(3) of the Planning and Compulsory Purchase Act 2004 ("the 2004 Act"), the Claimants claim that the Council acted unlawfully in adopting the SLP, with its allocation of the Sites to the Green Belt, on three grounds:

   Ground 1: The Council adopted a plan that was not supported by a figure for objectively assessed housing need, contrary to the requirements to (i) have regard to national policies issued by the Secretary of State (section 19(2)(a) of the 2004 Act), and (ii) adopt a sound plan (sections 20 and 23 of the 2004 Act).

   Ground 2: The Council adopted a plan without cooperating with other local planning authorities, contrary to the duty to cooperate (section 33A of the 2004 Act).

   Ground 3: The Council adopted a plan without regard to the proper test for revising Green Belt boundaries set out in the national policy, again contrary to the requirements to have regard to national policies and adopt a sound plan.

3. The Claimants seek a declaration that adoption of the SLP was unlawful, and for an order quashing various parts of the Plan. In practice, they wish ultimately to have the Sites removed from the Green Belt, which they believe will improve their chances of obtaining planning permission to develop them with housing.

4. Before adoption, in accordance with required procedure, the SLP had been submitted to the Secretary of State for examination on 14 September 2012. He appointed Mr Stephen J Pratt BA (Hons) MRTPI ("the Inspector") to conduct the examination in public and report. Examination hearings were held between 10 January and 11 October 2013; and, on 14 November 2013, the Inspector published a report ("the Inspector's Report"), which concluded that the SLP could not be approved as submitted, but it provided an appropriate basis for the planning of the district for the period to 2028 providing a number of modifications (all proposed by the Council itself) were made to it. The Council duly adopted the SLP with those modifications. It is the SLP thus adopted which is the subject of challenge in these proceedings; but, as the Council can only adopt a development plan document which has been approved after an examination in public in accordance with the statutory scheme, the focus of this application is on the Inspector's Examination and Report.

5. With regard to the Sites, the current position with regard to planning applications is as follows. The First Claimant lodged an application for outline planning permission for the Lowbrook Farm site on 18 October 2012, before the Inspector had reported and before the site had been allocated to the Green Belt. The proposed development was for 200 dwellings and associated works. That application was refused by the Council on 31 January 2013. The First Claimant has appealed, and an inspector's inquiry is on-going. The inquiry was concluded in September 2013, and the report is due. On 11 October 2013, the Second Claimant applied for outline planning permission for the Tidbury Green Farm site, for 190 dwellings and associated works. The Council refused that application on 30 January 2014, after the allocation of the site to the Green Belt and on the ground that the proposal was for inappropriate development in the Green Belt. The Second Claimant intends to appeal. For obvious reasons, the outcome of this application is highly significant for both appeals; and, of course, the Council continues to determine planning applications on the basis of the SLP now under challenge. This application has consequently been expedited since its issue on 23 December 2013.

6. At the hearing before me, Christopher Lockhart-Mummery QC and Zack Simons appeared for the Claimants, and Ian Dove QC and Nadia Sharif for the Council. At the outset, I thank them all for their invaluable contributions.

The Sites

7. Solihull lies to the south-east of Birmingham. In the north of the borough, there is a built-up area comprising Castle Bromwich, Chelmsley Wood, Birmingham Airport and the NEC. In the west, there is another, including Elmdon and Shirley. However, most of the district – about two-thirds – is Green Belt land. That includes the Meriden Gap, an important Green Belt separating the conurbations of Birmingham and Coventry.

8. Tidbury Green is in the south-west of the borough. As a settlement, it is Green Belt "washed". Tidbury Green Farm is immediately to the east of the settlement. To the west of Tidbury Green, there is greenfield land running to the boundary with Bromsgrove District, and then a railway line. Lowbrook Farm is situated between the settlement of Tidbury Green and that district boundary line.

9. On the other side of that line, there is the settlement of Grimes Hill. Between Grimes Hill and the boundary, on the Bromsgrove side, there are two sites that feature in this application, known as land at Selsdon Close (to the west of the railway line) and land at Norton Lane (to the east of that line).

The Statutory Framework

10. The 2004 Act introduced a scheme of strategic planning with two tiers: regional and local. Part 1 of the Act established "regional planning bodies" that were each required to draw up a "regional spatial strategy" (renamed simply "regional strategies" by the Local Democracy, Economic and Construction Act 2009) which, in replacement of earlier regional planning guidance, set out the Secretary of State's policies in relation to the development and use of land within the region. At a local level, section 15 of the 2004 Act required each local planning authority to prepare and maintain a "local development scheme" which set out the authority's policies in

relation to the development and use of land within its area, and which had to specify (amongst other things) documents which were to be "development plan documents". Local plans were effectively required to comply with the relevant regional strategy, because the local development scheme had to be submitted to both the relevant regional planning body and the Secretary of State – and the latter had wide powers to direct amendments. The "development plan" for an area comprised the "development plan documents" and relevant regional strategy for that area.

11. Under those provisions, strategic decisions as to future housing supply thus ultimately lay with central and regional government, and, after appropriate liaison, housing targets were effectively imposed upon local planning authorities from above.

12. Solihull fell within the West Midlands region, and, from 2004, the relevant regional document was the West Midlands Regional Spatial Strategy ("the WM RSS"). At the time of its adoption, it was proposed to undertake further work on the regional strategy, which was divided into three phases. Phase 1 concerned the strategy for the Black County area, and the WM RSS with Phase 1 Revisions was adopted in January 2008. Phase 2 included housing. A review of the WM RSS including housing strategy was undertaken from 2007, including an examination in public in 2009.

13. However, the WM RSS with Phase 2 Revisions was never adopted. In a statement to Parliament on 6 July 2010, the Coalition Government announced an intention to revoke regional strategies, and return decisions relating to strategic housing supply to local planning authorities. This was a substantial change of direction, at national level. Section 109(3) of the Localism Act 2011 authorised the Secretary of State to revoke regional strategies; and, before any Phase 2 Revisions were adopted, the WM RSS was duly revoked on 20 May 2013, leaving housing supply strategy in the hands of local authorities, such as the Council, to be dealt with in their respective development plans.

14. That does not, of course, mean that a local authority now has a free hand. It is constrained by various national policies and procedural requirements, as follows.

15. Section 19(2) of the 2004 Act provides that, in preparing a development plan document, an authority must have regard to "national policies and advice contained in guidance issued by the Secretary of State", i.e. now the National Planning Policy Framework ("the NPPF") to which I return below (see paragraphs 23 and following). Sustainability of development is the NPPF's core concept, and, by section 19(5) the local authority is required to carry out an appraisal of the sustainability of the proposals in each development plan document and prepare a report on the findings of the appraisal.

16. Furthermore, section 20 of the Act provides for independent examination of development plans by an inspector appointed by the Secretary of State, in the following terms:

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

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

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

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

(3) ...

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

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

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

(b) whether it is sound; and

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

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

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

(a) has carried it out, and

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

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

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

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

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

(a) has carried it out, and

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

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

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

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

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

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

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

(b) is sound ...".

17. Although, unlike section 20(7) and (7A), section 20(7C) does not expressly refer to an obligation to give reasons, where the recommendation is for modifications to be made, an inspector is nevertheless required to give reasons (University of Bristol v North Somerset Council [2013] EWHC 231 (Admin) at [72]-[73]).

18. Section 33A (to which reference is made in section 20(7)(b)(ii) and (7B)(b)) imposes upon a local planning authority a duty to cooperate, in the following terms:

"(1) Each person who is—

(a) a local planning authority,

(b) a county council in England that is not a local planning authority, or

(c) a body, or other person, that is prescribed or of a prescribed description,

must co-operate with every other person who is within paragraph (a), (b) or (c)... in maximising the effectiveness with which activities within subsection (3) are undertaken.

(2) In particular, the duty imposed on a person by subsection (1) requires the person—

(a) to engage constructively, actively and on an ongoing basis in any process by means of which activities within subsection (3) are undertaken...

...

(3) The activities within this subsection are—

(a) the preparation of development plan documents

...

(d) activities that can reasonably be considered to prepare the way for activities within any of paragraphs (a) to (c) that are, or could be, contemplated, and

(e) activities that support activities within any of paragraphs (a) to (c),

so far as relating to a strategic matter.

(4) For the purposes of subsection (3), each of the following is a "strategic matter"—

(a) sustainable development or use of land that has or would have a significant impact on at least two planning areas, including (in particular) sustainable development or use of land for or in connection with infrastructure that is strategic and has or would have a significant impact on at least two planning areas...

(5) In subsection (4)... "planning area" means—

(a) the area of—

(i) a district council (including a metropolitan district council)...

(6) The engagement required of a person by subsection (2)(a) includes, in particular—

(a) considering whether to consult on and prepare, and enter into and publish, agreements on joint approaches to the undertaking of activities within subsection (3), and

(b) if the person is a local planning authority, considering whether to agree under section 28 to prepare joint local development documents.

(7) A person subject to the duty under subsection (1) must have regard to any guidance given by the Secretary of State about how the duty is to be complied with.

...".

19. Once the section 20 examination is complete, section 23 of the 2004 Act provides, so far as relevant to this application:

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

(a) as it is, or

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

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

(a) recommends non-adoption, and

(b) under section 20(7C) recommends modifications ("the main modifications").

(3) The authority may adopt the document—

(a) with the main modifications, or

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

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

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

20. In summary, these provisions mean that each development plan document is subject to an examination in public by an independent inspector appointed by the Secretary of State, who determines (i) whether the plan complies with various procedural requirements, (ii) whether the plan is "sound" (a concept to which I shall return: see

paragraphs 33 and following below), and (iii) whether it is reasonable to conclude that the local planning authority has complied with any duty to cooperate. Having done so, there are three courses open to the inspector:

i) If he is satisfied that the plan meets the procedural and "soundness" requirements, he must recommend adoption of the plan and the authority may adopt the plan.

ii) If he is not satisfied as to these two matters, and is not satisfied that the authority has complied with its duty to cooperate, he must recommend non-adoption and the authority must not adopt the plan.

iii) If he is not satisfied as to these two matters, but is satisfied that the authority has complied with its duty to cooperate, he must recommend non-adoption; but, on the authority's request, he must also recommend modifications to the plan that would make it satisfy those two requirements. The authority may then adopt the plan with those modifications.

21. Where a development plan is adopted or revised, section 113 of the 2004 Act makes provision for it to be challenged in this court, on the basis of conventional public law principles (Blyth Valley Borough Coucnil v Persimmon Homes (North East) Limited [2008] EWCA Civ 861 at [8] per Keene LJ).

22. So far as relevant to this application, section 113 provides:

> "(3) A person aggrieved by a relevant document may make an application to the High Court on the ground that—
>
> (a) the document is not within the appropriate power;
>
> (b) a procedural requirement has not been complied with.
>
> ...
>
> (6) Subsection (7) applies if the High Court is satisfied–
>
> (a) that a relevant document is to any extent outside the appropriate power;
>
> (b) that the interests of the applicant have been substantially prejudiced by a failure to comply with a procedural requirement.
>
> (7) The High Court may—
>
> (a) quash the relevant document;
>
> (b) remit the relevant document to a person or body with a function relating to its preparation, publication, adoption or approval.

(7A) If the High Court remits the relevant document under subsection (7)(b) it may give directions as to the action to be taken in relation to the document.

(7B) Directions under subsection (7A) may in particular—

(a) require the relevant document to be treated (generally or for specified purposes) as not having been approved or adopted;

(b) require specified steps in the process that has resulted in the approval or adoption of the relevant document to be treated (generally or for specified purposes) as having been taken or as not having been taken;

(c) require action to be taken by a person or body with a function relating to the preparation, publication, adoption or approval of the document (whether or not the person or body to which the document is remitted);

(d) require action to be taken by one person or body to depend on what action has been taken by another person or body.

(7C) The High Court's powers under subsections (7) and (7A) are exercisable in relation to the relevant document—

(a) wholly or in part;

(b) generally or as it affects the property of the applicant.

...

(10) A procedural requirement is a requirement under the appropriate power or contained in regulations or an order made under that power which relates to the adoption, publication or approval of a relevant document...".

The Relevant National Policies

23. Section 19(2) of the 2004 Act requires a local authority to have regard to national policy and guidance when preparing development plan documents (see paragraph 15 above). It is now well-settled that those involved in plan-making and decision-taking in a planning context must interpret relevant policy documents properly, the true interpretation of such documents being a matter of law for the court (see, e.g., Tesco Stores Ltd v Dundee City Council [2012] UKSC 13 at [17]-[23] per Lord Reed).

24. It is rightly common ground that the only extant national policy guidance and advice relevant to this application is found in the NPPF, which replaced much earlier guidance in March 2012.

25. As I have indicated (paragraph 15 above), sustainable development is at the heart of the NPPF. There is no specific definition of "sustainable development" in the NPPF, but it is to be defined in terms of development which meets the needs of the present without compromising the ability of future generations to meet their own needs. That is reflected in the very first words of the Ministerial Foreword to the NPPF, which state:

> "The purpose of planning is sustainable growth.
>
> *Sustainable* means ensuring that better lives for ourselves don't mean worse lives for future generations.
>
> *Development* means growth. We must accommodate the new ways in which we will earn our living in a competitive world. We must house a rising population...".

It is said in paragraph 6 of the NPPF that the policies set out in paragraphs 18-219, taken as a whole, constitute the Government's view of what sustainable development means in practice for the planning system. "Sustainability" therefore inherently requires a balance to be made of the factors that favour any proposed development, and those that favour refusing it, in accordance with the relevant national and local policies. However, policy may give a factor particular weight, or may require a particular approach to be adopted towards a specific factor; and, where is does so, that weighting or approach is itself a material consideration that must be taken into account.

26. Paragraph 14 provides:

> "At the heart of the [NPPF] is a **presumption in favour of sustainable development**, which should be seen as a golden thread running through both plan-making and decision-taking.
>
> For **plan-making** this means that:
>
> - local planning authorities should positively seek opportunities to meet the development needs of their area;
> - Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change, unless:
>   - — any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole; or
>   - — specific policies in this Framework indicate development should be restricted...".

27. Part 6 of the NPPF deals with, "Delivering a wide choice of high quality homes". It replaced Planning Policy Statement 3: Housing ("PPS3") which, in 2006, itself replaced Planning Policy Guidance 3: Housing ("PPG3").

28. In PPS3, under the heading, "Assessing an appropriate level of housing", the advice (written, of course, at a time when planning strategy was considered at a regional, as well as local, level) was as follows:

> "32. The level of housing provision should be determined taking a strategic, evidence-based approach that takes into account relevant local, sub-regional, regional and national policies and strategies achieved through widespread collaboration with stakeholders.
>
> 33. In determining the local, sub-regional and regional level of housing provision, Local Planning Authorities and Regional Planning Bodies, working together, should take into account:
>
> - Evidence of current and future levels of need and demand for housing and affordability levels based upon:
>
> • Local and sub-regional evidence of need and demand, set out in Strategic Housing Market Assessments ["SHMAs"] and other relevant market information such as long term house prices.
>
> • Advice from the National Housing and Planning Advice Unit on the impact of the proposals for affordability in the region.
>
> • The Government's latest published household projections and the needs of the regional economy, having regard to economic growth forecasts.
>
> - Local and sub-regional evidence of the availability of suitable land for housing using Strategic Housing Land Availability Assessments ["SHLAAs"] and drawing on other relevant information....
>
> - The Government's overall ambitions for affordability across the housing market, including the need to improve affordability and increase housing supply.
>
> - A Sustainability Appraisal of the environmental, social and economic implications, including costs, benefits and risks of development. This will include considering the most sustainable pattern of housing, including in urban and rural areas.

- An assessment of the impact of development upon existing or planned infrastructure and of any new infrastructure required.

34. Regional Spatial Strategies should set out the level of overall housing provision for the region [expressed as net additional dwellings (and gross if appropriate)], broadly illustrated in a housing delivery trajectory, for a sufficient period to enable Local Planning Authorities to plan for housing over a period of at least 15 years. This should be distributed amongst constituent housing market and Local Planning Authority areas.

35. Regional Spatial Strategies should also set out the approach to coordinating housing provisions across the region...."

29. Therefore, under PPS3, in a classic planning exercise of balancing all material factors, the regional authority had to arrive at a housing provision figure for each area, taking into account evidence of need and demand (including household projections, SHMAs, SHLAAs and other relevant market information) and policy matters such as the most sustainable pattern of housing.

30. Paragraph 47 of the NPPF – the opening paragraph of Part 6 – now provides:

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

- use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in this Framework, including identifying key sites which are critical to the delivery of the housing strategy over the plan period;

- identify and update annually a supply of specific deliverable sites sufficient to provide five years worth of housing against their housing requirements with an additional buffer of 5% (moved forward from later in the plan period) to ensure choice and competition in the market for land...".

31. Thus, the NPPF departed from the previous national guidance in two important ways.

i) In line with the Localism Act 2011, the NPPF abandoned the regional, top down, approach to housing strategy in favour of localism with a duty to cooperate with neighbouring authorities. The burden of developing housing strategy now falls on local planning authorities.

ii) Whilst clearly subject to a requirement that both plan-making and decision-taking must be consistent with other NPPF policies – including those designed to protect the environment – the NPPF put considerable new emphasis on the policy imperative of increasing the supply of housing. As reflected in the first words of the Ministerial Foreword quoted above (paragraph 25), in relation to dwellings, there was a policy objective to achieve a significant increase in supply. Therefore, the NPPF imposed the policy goal on a local authority of meeting its full, objectively assessed needs for market and affordable housing, unless and only to the extent that other policies were inconsistent with that goal. Thus, paragraph 47 makes full objectively assessed housing needs, not just a material consideration, but a consideration of particular standing.

32. "Plan-making" is specifically dealt with in the NPPF in paragraphs 150 and following. Under the heading, "Using a proportionate evidence base", and sub-heading "Housing", paragraph 159 states:

> "Local planning authorities should have a clear understanding of housing needs in their area. They should:
>
> - prepare a [SMHA] to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. The [SMHA] should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which:
>
> - meets household and population projections, taking account of migration and demographic change;
>
> - addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as, but not limited to) families with children, older people, people with disabilities, service families (and people wishing to build their own homes); and
>
> - caters for housing demand and the scale of housing supply necessary to meet this demand..."
>
> - prepare a [SHLAA] to establish realistic assumptions about the availability, suitability and the likely economic viability of land to meet the identified need for housing over the plan period."

Therefore, the NPPF supposes that full, objective assessment of housing needs referred to in paragraph 14 will be informed by a SHMA.

33. Paragraph 182 of the NPPF gives advice as to what is meant, in section 20 of the 2004 Act, by a local plan being "sound":

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

- **Positively prepared** – the plan should be prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development;

- **Justified** – the plan should be the most appropriate strategy, when considered against the reasonable alternatives, based on proportionate evidence;

- **Effective** – the plan should be deliverable over its period and based on effective joint working on cross-boundary strategic priorities; and

- **Consistent with national policy** – the plan should enable the delivery of sustainable development in accordance with the policies in the Framework."

34. In Barratt Developments Plc v City of Wakefield Metropolitan Borough Council [2010] EWCA Civ 897, Carnwath LJ (as he then was) considered "soundness", then found in a similar context in the pre-NPPF Planning Policy Statements. His guidance remains apposite (see Zurich Assurance Limited v Winchester City Council [2014] EWHC 758 (Admin) at [114] per Sales J). Carnwath LJ said:

"11. I would emphasise that this guidance, useful though it may be, is advisory only. Generally it appears to indicate the Department's view of what is required to make a strategy 'sound', as required by the statute. Authorities and inspectors must have regard to it, but it is not prescriptive. Ultimately it is they, not the Department, who are the judges of 'soundness'. Provided that they reach a conclusion which is not 'irrational' (meaning 'perverse'), their decision cannot be questioned in the courts. The mere fact that they may not have followed the policy guidance in every respect does not make the conclusion unlawful.

....

33. ... As I have said, 'soundness' was a matter to be judged by the inspector and the Council, and raises no issue of law, unless their decision is shown to have been 'irrational', or they are shown to have ignored the relevant guidance or other considerations which were necessarily material in law."

In other words, whether a plan is "sound" for the purposes of Section 20(5) of the 2004 Act is a matter of planning judgment for the inspector, and is subject to challenge only on normal public law grounds. This court is not concerned with the merits, which are a matter entirely for the inspector. However, in accordance with those principles, an inspector errs in law if he fails to take relevant guidance into account, or fails to deal with a "material controversy" (see Barratt at [45]).

Ground 1

Introduction

35. The SLP submitted for examination proposed a housing provision of 11,000 new dwellings in the period 2006-28, and the Inspector agreed that that was an appropriate provision.

36. As his first ground of challenge, Mr Lockhart-Mummery submits that that provision was not supported by any figure for objectively assessed housing need – as the NPPF required it to be – and, as such, in adopting the SLP, the Council acted ultra vires, and contrary to the statutory procedural and statutory soundness requirements.

37. As a preliminary point, it will be helpful to deal briefly with the different concepts and terms in play.

    i) Household projections: These are demographic, trend-based projections indicating the likely number and type of future households if the underlying trends and demographic assumptions are realised. They provide useful long-term trajectories, in terms of growth averages throughout the projection period. However, they are not reliable as household growth estimates for particular years: they are subject to the uncertainties inherent in demographic behaviour, and sensitive to factors (such as changing economic and social circumstances) that may affect that behaviour. Those limitations on household projections are made clear in the projections published by the Department of Communities and Local Government ("DCLG") from time-to-time (notably, in the section headed "Accuracy").

    ii) Full Objective Assessment of Need for Housing: This is the objectively assessed need for housing in an area, leaving aside policy considerations. It is therefore closely linked to the relevant household projection; but is not necessarily the same. An objective assessment of housing need may result in a different figure from that based on purely demographics if, e.g., the assessor considers that the household projection fails properly to take into account the effects of a major downturn (or upturn) in the economy that will affect future housing needs in an area. Nevertheless, where there are no such factors, objective assessment of need may be – and sometimes is – taken as being the same as the relevant household projection.

    iii) Housing Requirement: This is the figure which reflects, not only the assessed need for housing, but also any policy considerations that might require that figure to be manipulated to determine the actual housing target for an area. For example, built development in an area might be constrained by the extent of land which is the subject of policy protection, such as Green Belt or Areas

of Outstanding Natural Beauty. Or it might be decided, as a matter of policy, to encourage or discourage particular migration reflected in demographic trends. Once these policy considerations have been applied to the figure for full objectively assessed need for housing in an area, the result is a "policy on" figure for housing requirement. Subject to it being determined by a proper process, the housing requirement figure will be the target against which housing supply will normally be measured.

Housing Provision: Background

38. The WM RSS, adopted in 2004, was based on a number of principles, identified to guide development plans within the region, including (in Chapter 4) the need to counter outward movement of people and jobs from the urban areas which had been facilitated by earlier strategies, but which by 2004 was regarded as unsustainable. The policy of "urban renaissance" therefore broadly sought to discourage migration from the urban areas to the rural areas. Parts of Solihull fell within a major urban area but, as I have indicated, most of the borough comprised greenfield land. Because of the policy effect on restraining population movement out of Birmingham, the net effect of the policy was to reduce the number of new dwellings in Solihull that would otherwise have been required.

39. The WM RSS did not specifically identify objectively assessed housing need. Policy CF2 dealt with housing beyond the major urban areas, by providing that, outside identified towns, housing development should generally be restricted to meeting local needs only, i.e. it should not accommodate migration. Policy CF3, having taken into account relevant policies (including urban renaissance), simply provided that development plans should make provision for additional dwellings at annual rates set out in Table 1. Notably, the regional figures showed a significant movement of housing to major urban areas from other (i.e. non-major) urban areas, the ratio shifting from 1:1.6 to 1:0.7 over the period. The rate for Solihull was 400 dwellings per annum ("dpa") to 2011, and 470 dpa in the ten year period 2011-21 as a contribution to a post-2011 annual regional target of 14,650 dpa.

40. These figures were reviewed as part of the WM RSS Phase 2 Review. By this time, in March 2009, the DCLG had published 2006-based housing projections for 2006-26, which, on the basis of purely demographic trends, projected a growth for Solihull of 16,000 dwellings at 800 dpa. At the examination in public held as part of the review, the Council argued that Solihull should not be meeting all of its DCLG projection figure on policy grounds, notably because of the implications this would have for the quality of the environment in the borough and for the strategically important Meriden Gap. On the basis of the DCLG projection and these factors, the Council submitted that provision for new housing in the borough for that period should be restricted, on policy grounds, to 10,000. The WM RSS Phase 2 Revision Panel Draft Report in the event recommended a housing requirement figure for Solihull of 10,500 for the 20 year period 2006-26 (i.e. a net figure of 525 dpa). As I have explained, that Revision was never adopted because it was overtaken by the move towards localism.

41. The preparation of the SLP began in 2007, still in the era of regional planning strategy and thus on the basis that the SLP would have to be in conformity with the WM RSS (which, as I have described, was itself then the subject of the Phase 2 Review, which

particularly focused on housing). Policy 4 of the Emerging Core Strategy of the Council, published for consultation in September 2010, adopted the WM RSS Revision Panel Draft figure of 10,500 at 525 dpa.

42. By the time the SLP Pre-Submission Draft was published in January 2012 – still pre-NPPF – the DCLG had published 2008-based household projections. These showed a projected increase in dwellings for Solihull for the period 2006-2028 of 14,000 at 636 dpa, a significant reduction compared with the earlier projections on the basis of 2006 figures. The SLP Pre-Submission Draft noted that new projection (paragraph 8.1.4), but went on as follows (at paragraph 8.4.1):

> "The Council has assessed housing land supply taking a 'bottom-up' approach through detailed site assessment and the [SHLAA]. It is considered that 11,000 (net) additional homes can be delivered towards meeting projected household growth of 14,000 households (2006-2028). This is the level of housing provision that the Council considers can be provided without adverse impact on the Meriden Gap, without an unsustainable short-term urban extension south of Shirley and without risking any more generalised threat to Solihull's high quality environment. This level of growth supports the West Midlands Urban Renaissance Strategy to develop urban areas in such a way that they can increasingly meet their own economic and social needs in order to counter the unsustainable movement of people and jobs facilitated by previous strategies, including the need to direct development to those parts of the West Midlands Region needing housing."

43. As I understand it, the 10,500 figure from the WM RSS Revision was amended to 11,000 as a result of two factors:

i) a reduction to 10,000 (500 dpa) because town centre capacity had fallen due to the recession and sufficient town centre housing capacity could not be found; and

ii) because the SLP period was not the 20-year period 2006-26 but rather the 22-year period 2006-28 (to ensure the development plan covered at least 15 years from the date of its adoption), an extra two-years at 500 dpa (i.e. 1,000) was added.

Thus, an aggregate figure of 11,000 was proposed, at 500 dpa.

44. There were two further sources of housing data available to the Inspector by the time of his November 2013 report. First, in addition to the 2006-based and 2008-based DCLG household projection figures, in April 2013 the DCLG interim 2011-based housing projection figures were published. These covered only a ten-year period, 2011-21. The projection for Solihull was a dwelling increase of 6,326 in that period, at a rate of 633 dpa. That was not significantly different from the earlier 2008-based figure of 636 dpa.

45. Second, there were SHMAs. A joint SHMA covering Birmingham, Lichfield and Tamworth as well as Solihull was prepared in 2007-8. That was updated for Solihull in 2009 ("the 2009 SHMA"). The 2009 SHMA notes that the draft WM RSS Phase 2 Revision Draft called for a 10,500 increase in dwellings up to 2006 (page (iii)); and then it continues (at page 4):

> "The (draft) West Midlands Phase 2 Revision, containing housing provision targets per authority, concluded its Examination in Public stage at the end of June [2009] with the Panel report published on 28 September. This [SHMA] and the housing needs analysis it includes will therefore not have a bearing on the allocation of new build housing target numbers for the Authority. Instead, its primary function is to inform those parts of the housing policy framework which are to be determined through local policy setting, most notably the determination of housing need, the type and tenure of new build, the requirement for affordable housing to meet that need and inform decisions on the spatial aspect of new development."

The 2009 SHMA therefore provided considerable data on housing market trends and by reference to various characteristics including (in section 5) affordable housing. However, the data on future housing need were deliberately limited: on pages (iii) and (iv) there were figures for "total demand" for housing, and estimated social rented housing need and intermediate need for 2006-11. Other than the references to the WM RSS Revision figures, there do not appear to any longer-range estimates of housing needs.

A Technical Issue

46. There was an issue before the Inspector as to the correct application of the DCLG projections to Solihull.

47. The Council said that it was appropriate to use the figures taken from the various tables in those projections, which had been rounded to the nearest thousand – which (the projection notes themselves said) had been used "to facilitate onward processing". Objectors contended that a more informed decision could be made using unrounded figures, which could be extrapolated from the tables themselves. It seems uncontentious that such extrapolation can be done, and the figures extrapolated by the objectors were not (and are not) in issue. The issue concerned the appropriate approach.

48. As a matter of mathematics, the difference between the two methods seems to have resulted primarily from the interim 2011-based aggregate projection figure for 2021 being 92,424 rounded to 92,000. There were also some differences in the assumptions made by the two parties, but these appear to have been relatively minor. These differences as a whole resulted in the Council calculating the projection for the borough for the period 2011-21 at 533 dpa (or, when that rate is projected through to 2028, an aggregate number of new dwellings of 11,731 which the Council rounded to 11,700), and the objectors calculating it to be 633 dpa for that period and 605 dpa for the period through to 2028 (an aggregate of 13,311 new dwellings to 2028).

49. On the basis of these figures, the Council contended before the Inspector that the 2011-based figures were similar to the figures derived from the WM RSS Phase 2 Revision Panel Draft target (525 dpa amended down to 500 dpa); whilst the objectors submitted that, far from suggesting that the rate of growth was declining to the point where it was converging with the figure of 500 dpa in the draft SLP, the 2011-based projection was consistent with the 2008-based projection of 636 dpa.

The Abandoned Justifications

50. Before turning to how the Inspector dealt with the housing provision issue, it would be helpful to clear the decks. The Council's case on housing need – and its justification for the figure of 11,000 as the provision for housing – has not been consistent. In addition to the manner in which the Inspector dealt with the issue – which, the Council contends before me, was appropriate and lawful – the Council has sought to justify the SLP figure on at least two other bases, no longer pursued.

51. First, the Council sought to justify its housing provision figure of 11,000 in what it described as a "bottom up" approach, i.e. it began with available housing supply.

52. As I have indicated (paragraph 42 above), in the January 2012 Pre-Submission Draft (paragraph 8.1.4), there is reference to the 14,000 increase in households projected by the DCLG on the basis of the 2008 data; then, as justification for the provision of housing target, it said that, on the basis of a detailed assessment of land availability, it considered that 11,000 net additional homes could be delivered towards that projected figure. It went on to say that the Council considered that this was the level – presumably the maximum level – of housing that could be delivered without risk to the Meriden Gap, without unsustainable urban extension to the south of Shirley and "without risking any more generalised threat to Solihull's high quality environment". It was also considered that this level of growth supported the urban renaissance policy.

53. Insofar as that was intended to justify the housing requirement, it clearly falls very far short of the approach advocated and required by the NPPF, which involves starting with housing need and requiring justification for any requirement falling short of full and objectively assessed need. This "bottom-up" approach appears to start with the number of homes that, in the light of relevant policies, can be delivered during the period. That is the wrong way round.

54. That justification was removed as part of the modifications to the SLP. It is, as I have said, no longer pursued by the Council as justifying the figure.

55. Second, the Council contended that, in determining the full objectively assessed housing need, it was necessary to take into account inconsistency with other policies, i.e. it was a policy on assessment.

56. The Council's approach evolved from the first justification to which I have referred, the focus turning to the WM RSS Phase 2 Revision which, although never adopted for the reasons I have given, was examined by a panel which recommended a housing allocation to Solihull of 10,500 for the period 2006-2026 (or the amended figure of 11,000 for the plan period 2006-2028 at 500 dpa: see paragraph 43 above). The Council contended before the Inspector that, in determining the full objectively

assessed housing need, it was necessary to take into account inconsistency with other policies; and this policy on figure was in itself the figure for full, objectively assessed need for housing which the Council adopted. For example, in the Council's Supplementary Statement for the Examination dated 18 January 2013, the Council said (at paragraph 1):

> "The level of housing need in Solihull has been objectively assessed (considering all evidence and consistency with other policy) through the [WM RSS] Phase II Revision and was examined by the Panel. The Panel examined household and population projections, taking account of migration and demographic change and made recommendations to cater for housing demand and the scale of housing supply necessary to meet this demand. Sub-regional and local Strategic Housing Market Assessments address the need by type and tenure. Evidence of housing land availability was also considered by the Panel to establish realistic assumptions about availability, suitability and the likely economic viability of land in the region and each sub-region. This meets with the requirements of NPPF paragraph 159."

Then, after referring to various housing projection models, it continued (at paragraph 15):

> "Such predictions are nothing more than a theoretical, mathematical calculation providing an indication of how housing need could change in the future. *Objectively assessing need involves a more sophisticated policy analysis of both needs and what level of growth an area can realistically sustain. In Solihull, the [WM] RSS Phase II Panel Report is the latest assessment of housing need.*" (emphasis added).

57. The Council's response of 7 March 2013 to further representations on behalf of the Claimants similarly relied upon the approach of another inspector in respect of another site on a section 78 appeal, which, of the WM RSS Phase 2 Revision Draft figure for Stafford, said (at paragraph 10): "These are the most recent objectively assessed figures available". The Council's response went on (at paragraph 17) to say, explicitly:

> "... [I]t is asserted that the Council has decided 'that it is not going to meet its own objectively assessed need'. That is again at best a misconception. *The figure of 11,000 which informs the housing requirement is the objectively assessed need for the borough for which it is planning.* Paragraph 8.4.1 of the [SLP] quotes projected household growth and thus the objectors have confused that with the objectively assessed need which the plan seeks to meet. The objectively assessed need is one which has been derived through the Phase 2 RSS process on a 'policy on' basis...". (emphasis added).

It contended, in terms, that the WM RSS Phase 2 Revision "engaged with and discharged the functions of a SHMA set out in paragraph 159 of the [NPPF]" (paragraph 8).

58. On this basis, full, objective assessment of housing need would involve taking into account policy constraints on housing, and the assessment of the WM RSS Revision Draft performed that assessment, coming up with the figure of 10,500, from which the figure of 11,000 for the plan period is derived. But that, too, is clearly wrong: for the reasons I have given, full, objective assessment of housing need is a "policy off" figure, in respect of which constraining policies might give a lower "policy on" housing requirement figure.

59. However – rightly – the Council no longer rely on this second justification, either.

60. Although the Council no longer seek to justify the housing provision in either of these ways, it is noteworthy that the Council appeared to arrive at – and sought to justify – its housing provision figure of 11,000 for the period 2006-28 in a manner clearly inconsistent with the NPPF. Of course, that was not surprising at the Pre-submission Draft stage in January 2012 – two months before the NPPF was published in March 2012 – but it is more surprising that such justifications continued in the document submitted for examination in September 2012, and indeed during the course of the examination.

61. However, if that figure of 11,000 for housing provision was in fact justifiable and justified by the Inspector as in accordance with the NPPF and sound, any earlier defective thinking by the Council would be irrelevant. It was open to the Inspector to cure such defects.

The Approach of the Inspector

62. It is therefore to the Inspector's Examination and Report I now turn. It is trite law that such a report must be read fairly as a whole, it being inappropriate to subject it to the close textual analysis that might be required when construing statutory provisions.

63. The Inspector, of course, had to consider a number of issues in respect of the SLP. His report is over 150 paragraphs long: the focus of this ground, housing provision, occupies only 15 paragraphs (i.e. paragraphs 50-64). However, he fully understood that the housing provision issues, including "the basis for the overall number of houses to be provided in terms of housing requirements", were "the most contentious" (paragraph 50). The Council and those objecting to the proposed housing provision repeatedly submitted voluminous responses to representations made to the Inspector by the other. There was no doubt that this was a material and main issue with which the Inspector had to deal.

64. The Inspector set out the Council's approach in paragraph 10 (which closely followed paragraph 8 of his interim conclusions) and paragraph 24 of his report:

> "10. ... [The Council has adopted a consistent approach, basing the SLP on the most recent independent objective assessment of housing requirements undertaken for the WM RSS Phase 2 Revision, including policy elements relating to the

> urban renaissance strategy and its associated distribution of development; the level of housing provision proposed in the SLP fully accords with this assessment. [The Council] has also considered the implications of more recent 2008 & 2011 household projections and undertaken further work to ensure that the proposed housing provision figure remains sound and robust. There is insufficient evidence to demonstrate that Solihull does not intend to full meet its objectively assessed housing requirements and has thus failed to meet the requirements of the Duty to Cooperate. [In paragraph 8 of the interim conclusions, he put that point thus: 'It cannot therefore be assumed that Solihull does not intend to fully meet its objectively assessed housing requirements and has thus failed to meet the requirements of the Duty to Cooperate.'] Detailed concerns about the overall housing provision level, including the [SHMA], are dealt with under the housing issues, later in this report."
>
> "24. The Spatial Strategy is based on two main elements: firstly, the former WM RSS Phase 2 Revision, which established the overall scale and pattern of development in the Borough; and, secondly, the needs and opportunities identified in more recent studies through the process of preparing the SLP...."

In other words, in respect of the housing provision figure of 11,000, the Council relied upon the WM RSS Phase 2 Revision Draft figure as amended, together with the more recent DCLG projections and the 2009 SHMA.

65. The general approach taken by the Inspector is apparent from paragraph 51 of his report (the first substantive paragraph of his report specifically devoted to this issue):

> "51. Dealing first with the overall level of housing provision, the NPPF (¶ 14/47) indicates that local plans should meet the full, objectively assessed needs for market and affordable housing in the housing market area, unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in the NPPF, including development constraint policies such as the Green Belt. Although household projections are the starting point in assessing overall housing needs, they are only one element; they are a snapshot in time and, being based on demographic trends, do not model other aspects of housing need or the effective demand for homes. In establishing the appropriate level of housing provision for the area, the key drivers of housing need and demand related to demographic, economic and social factors have to be balanced alongside supply-side factors and wider national/local objectives and strategic priorities relating to sustainability, deliverability, infrastructure, viability, land availability and environmental capacity.

Evidence should be relevant, robust, proportionate and up-to-date."

66. He then proceeded to take the Council's justification for the figure, and test it, as follows:

i) He noted that paragraph 218 of the NPPF allows authorities to continue to draw on evidence that informed the preparation of regional strategies in support of local strategies, supplemented as needed by up-to-date, robust local evidence (paragraph 52). That is correct. Paragraph 218 provides:

> "Where it would be appropriate and assist the process of preparing or amending Local Plans, regional strategy policies can be reflected in Local Plans by undertaking a partial review focusing on the specific issues involved. Local planning authorities may also continue to draw on evidence that informed the preparation of regional strategies to support Local Plan policies, supplemented as needed by up-to-date, robust local evidence."

ii) He noted that the SLP proposal of 11,000 dwellings in the period 2006-28 reflected the figure recommended in the WM RSS Phase 2 Revision Panel Draft. Although that had never been approved by the Secretary of State and the regional strategy had now been revoked, "the Panel's assessment represents the most recent independently examined assessment of housing requirements in the West Midlands, taking account of cross-boundary housing issues and market areas, environmental capacity and the strategic housing distribution policy elements related to the urban renaissance strategy" (paragraph 52).

iii) He noted that, in addition to the WM RSS Phase 2 Revision Draft recommendation, the SLP relied upon further work and evidence, including the household projections from the more recent 2008-based and 2011-based household projections, and the 2009 SHMA (paragraph 52). With regard to the CLG household projections, he noted that the 2006-based projections were for 16,000 new households in Solihull in the period 2006-26; and the 2008-based projections were for 14,000 in the period 2006-28 (paragraph 53). He noted (in paragraph 55) that some had argued that the plan should make minimum provision of 14,000 new dwellings on the basis of this projection: but this was only one projection and did not represent the objectively assessed need for housing in the borough. Finally, he noted that the latest 2011-based projections were for 6,000 households in the period 2006-21 at 533 dpa (paragraph 52), an apparent reference to the Council's calculation, based on the 2011-based DCLG projection (see paragraphs 42-44 above). He concluded:

> "52. ... This work confirms that the underlying housing requirement proposed in the SLP remains valid, robust and sound...

> 53. ... Even though the former WMRSS EiP Panel report figure did not fully meet all the housing needs of Solihull at that time, more recent projections confirm that the number of new households anticipated in Solihull between 2006-28 has significantly reduced since then, and that the annual need may only be slightly above that planned for the submitted SLP."

The last reference appears to be to the Council's calculation, based on the 2011-based DCLG projection, that the projected need for Solihull was 533 dpa, compared with the 500 dpa in the SLP.

iv) With regard to the SHMA, the Inspector said this:

> "57. There is also some concern about the adequacy of the SHMA. However, a joint SHMA, covering Birmingham, Solihull, Lichfield and Tamworth was undertaken and was updated specifically for Solihull in 2009, using 2006-based projections, in line with the emerging former WMRSS Phase 2 Revision and national guidance at the time, which supports the proposed level of housing provision. It assessed the likely need for market and affordable housing over the plan period and, taken together with the more recent work on housing need produced for the examination of the SLP and that of the former WMRSS Phase 2 Revision and EiP Panel, this meets the requirements of the NPPF (¶ 159; 178-181)
>
> 58. [The Council] recognises that the existing SHMA will need to be reviewed and updated in 2014, to take account of more recent and forthcoming household projections and the needs of the wider housing market. This review will also need to update the original assessment of housing requirements undertaken for the former WMRSS Phase 2 Revision insofar as it relates to the relevant housing market area, and may necessitate a review of the SLP. The firm commitment to undertake this review is to be confirmed in the SLP, to ensure that the plan remains up-to-date and soundly based, as required by the NPPF (¶ 158)."

v) He noted that some had questioned the continuing relevance of the urban renaissance strategy; but he found it "continues to be relevant and significant in the planning of the sub-region", as illustrated by the adopted Black Country Core Strategy (paragraph 58).

vi) He noted (at paragraph 8) that:

> "... [T]here are no specific or agreed requirements for Solihull to meet the housing or other needs of adjoining

authorities, or for any neighbouring authorities to meet any of Solihull's housing or other needs";

and it would be unreasonable to delay its work on the SLP to await the results of further work on the housing needs of Birmingham (which might result in unmet need there, which Solihull might be asked to meet), particularly as Solihull currently lacked a 5 year housing supply (paragraphs 9, and 59-61)

67. The Inspector summed up the issue, and his conclusions on it, as follows:

"62. [The Council] maintains that the SLP is fully meeting the identified housing needs of the Borough, but has considered higher levels of housing at the option stage. In considering the possibility of higher housing figures, it is important to bear in mind the significant policy constraints in Solihull, particularly the Green belt, including the strategically important Meriden Gap, and the implications of higher levels of development on the recognised environmental quality of the Borough. [The Council] proposes to amend the SLP to explain the adverse implications of higher levels of housing provision on the quality of the environment and the Green belt, particularly the Meriden Gap. This is supported by evidence, including the SHLAA and site assessments.

63. In terms of the overall housing requirement, [the Council] has taken a consistent and pragmatic approach, having produced a positively prepared and effective plan, of cross-boundary housing requirements undertaken for the former WMRSS Phase 2 Revision, and backed up with more up-to-date, robust and reliable evidence, projections and studies. The commitment to review the SLP if it becomes necessary to address the issue of Birmingham's shortfall in future housing provision will ensure that cross-boundary housing issues are addressed when the results of these studies are finalised, reflecting the guidance of the NPPF (¶ 179). The commitment to early review of the SHMA will ensure that Solihull's housing needs are kept up-to-date, including reviewing the SLP, if necessary.

64. Taking account of all the evidence and having examined all the elements that go into making an objective assessment of housing requirements, a total level of 11,000 dwellings or 500 dwellings/year represents an effective, justified and soundly based figure which would meet the current identified housing needs of the district over the plan period and, with the agreed amendments, is consistent with the overall requirements of national policy in the NPPF."

68. Thus, Policy P5 of the adopted SLP (which assumed all of the modifications recommended by the Inspector) provides that the Council will allocate land to

sufficient housing supply to deliver 11,000 additional homes in the period 2006-28, with an annual housing land provision target of 500 net additional homes per year.

69. The justification for this policy – and the linked policies concerning housing supply – was given in the accompanying notes as follows:

> "8.4.1 The housing land provision target of 11,000 net additional dwellings (2006-2028) reflects the requirement recommended by the [WM RSS] Phase II Revision Panel Report which objectively assessed housing need. Around 65% of growth is projected to emerge from net immigration into Solihull on the basis of past trends. The projected level of growth may reduce with the successful continued implementation of the West Midlands Urban Renaissance Strategy which seek to develop urban areas in such a way that they can increasingly meet their own economic and social needs in order to counter the unsustainable movement of people and jobs facilitated by previous strategies, including the need to direct development to those parts of the West Midlands Region needing housing. The Panel's assessment of housing need took the 2006-based household projections into account. Subsequent 2008-based and interim 2011-based household projections project a lower level of household growth for Solihull, providing further confidence that the provision target mill meet need
>
> 8.4.2. Solihull is recognised for its high quality environment which attracts residents and investors to the Region. The key Regional objective of stemming out migration can be best served by preserving and enhancing Solihull's environment. The Council is assessing housing land supply throughout the development of the West Midlands Regional Spatial Strategy taking a 'bottom-up' approach through detailed assessment and the [SHLAA]. It is considered that 11,000 (net) additional homes can be delivered towards meeting projected household growth of 14,000 households (2006-28). This is the level of housing provision that the Council considers can be provided without adverse impact on the Meriden gap, without an unsustainable short-term urban extension south of Shirley and without risking any more generalised threat to Solihull's high quality environment...".

Housing Provision: The Parties' Respective Cases

70. Mr Dove for the Council accepted that neither the SLP nor the Inspector's Report identified, in terms, a specific figure for objectively assessed housing need over the period; but, he submitted, it was not necessary for a plan to identify such a figure and, on a proper analysis of the Inspector's Report, the substantive requirements of the NPPF (including those of paragraphs 47 and 159) were satisfied in this case.

71. He relied upon the guidance from the Secretary of State when, in July 2010, he announced the revocation of the regional strategies. The advice was in question and answer form. Mr Dove particularly relied upon the following (italicised emphasis added):

> **"9. Will data and research currently held by Regional Authority Leaders' Boards still be available?**
>
> Yes. The regional planning function of Regional LA Leaders' Boards – the previous Regional Assemblies – is being wound up and their central government funding will end after September of this year. *The planning and research they currently hold will still be available to local authorities for the preparation of their local plans whilst they put their own alternative arrangements in place for the collection and analysis of evidence....*
>
> **10. Who will determine housing numbers in the absence of Regional Strategy targets?**
>
> Local planning authorities will be responsible for establishing the right level of local housing provision in their area, and identifying long term supply of housing land without the burden of regional housing targets. *Some authorities may decide to retain their existing housing targets that were set out in the revoked Regional Strategies.* Others may decide to review their housing targets. We would expect that those authorities should quickly signal their intention to undertake an early review so that communities and land owners know where they stand.
>
> **11. Will we still need to justify the housing numbers in our plans?**
>
> Yes – it is important for the planning process to be transparent, and for people to be able to understand why decisions have been taken. Local authorities should continue to collect and use reliable information to justify their housing supply policies and defend them during the LDF examination process. They should do this in line with the current policy in PPS3.
>
> **12. Can I replace Regional Strategy targets with "option 1 numbers" [i.e. the policy on figures submitted by local authorities to the regional authorities as part of the regional process of fixing housing provision]?**
>
> Yes, if that is the right thing to do for your area. *Authorities may base revised housing targets on the level of provision submitted to the original Regional Spatial Strategy Examination (Option 1 targets), supplemented by more recent information as appropriate.* These figures are based on

> assessments undertaken by local authorities. However, any target selected may be tested during the examination process especially if challenged and authorities will need to be ready to defend them."

Mr Dove also relied upon paragraph 218 of the NPPF (quoted at paragraph 66(i) above).

72. He submitted that the 11,000 figure reflected the WM RSS Phase 2 Revision Panel Draft target, which had taken into account the evidence of housing need (including the DCLG projections and the 2009 SHMA) as well as constraining policy factors (including, in particular, policies relating to urban renaissance policy, the Green Belt and the wish to maintain the high quality environment in Solihull which was important for the maintenance of the infrastructure which sustains the area). That Revision Draft housing provision figure was set only after a full review including an examination in public. Since then, there had been no significant change in demographic trends or other factors that went to housing need (as evidenced by the 2008-based and the interim 2011-based DCLG projections, and the 2009 SHMA). Nor had there been any significant change in policy; notably, the urban renaissance policy was still extant, as were the other policies which led to the constraint to the WM RSS Revision Panel Draft target, namely the Green Belt policy and the policy of protecting the quality of the living environment in Solihull. In those circumstances, the SLP was justified in using the housing requirement figure of 11,000 which directly reflected the WM RSS Phase 2 Revision Draft target.

73. Mr Lockhart-Mummery's primary submission was that the Council and the Inspector had simply failed to understand and apply the stepped approach to housing strategy in a local development plan required by the NPPF. The vital first step in the process is to assess, fully and objectively, the need for market and affordable housing in a SHMA, in accordance with the requirements of paragraph 159 of the NPPF. Only once that assessment has been made can the other steps be taken, namely:

i) considering whether there are policies in the NPPF which are consistent/inconsistent with those full needs;

ii) constraining the figure which represents the full objectively assessed needs where any adverse impacts of meeting those needs "would significantly and demonstrably outweigh the benefits, when assessed against the policies in [the NPPF] taken as a whole or specific policies in [the NPPF] indicate development should be restricted" (paragraph 14 of the NPPF); and

iii) where the result is a constrained figure (i.e. a figure which, on policy grounds, is less than the full objectively assessed figure for housing need in that area), cooperating with adjoining or other near-by local planning authorities on the strategic matter of meeting that otherwise unmet need (section 33A of the 2004 Act).

74. That first, mandatory step of assessing housing need, fully and objectively, was not performed in this case, with the result that the SLP was ultra vires the Council and in breach of the procedural and soundness requirements for such a plan. That view was consistently taken by the Claimants in their representations to the Inspector during the

Examination in Public (see, e.g., paragraph 11 of their response to the Inspector's Interim Conclusions). He erred in law in rejecting it.

75. As a separate but linked issue, Mr Lockhart-Mummery submitted that the NPPF requires the specific assessment of affordable housing needs. The evidence (recorded in the Inspector's Report, at paragraph 105) was that there was a need for 1,652 dpa affordable housing; but the SLP only provides for 2,457 affordable homes throughout the period of the plan. He accepts that quantified need for affordable housing does not simply translate into an equivalent need for new homes – and that affordable housing can only sensibly be expressed as a percentage of aggregate housing development – but he criticises the SLP and the Inspector for nowhere assessing the full objective need for affordable housing, as required by the NPPF.

Discussion

76. Mr Dove's submissions were, as ever, coherent, forceful and enticing. However, I am unpersuaded by them: in my firm view, with regard to his approach to the housing provision, the Inspector did err in law. Mr Lockhart-Mummery put the matter in a variety of ways, including that the Inspector failed to have regard to the key requirements of the NPPF, particularly the requirement to base housing provision targets on an objective assessment of full housing needs as identified through a SHMA; he misdirected himself as to the requirements of the NPPF; he misunderstood documents such as the 2009 SHMA; and he failed to give adequate reasons for the housing provision he approved as compliant with the statutory requirements. Each of those reflects, to some extent, the substantive error which was, in my judgment, made by the Inspector, namely a failure to grapple with the issue of full objectively assessed housing need, with which the NPPF required him, in some way, to deal.

77. In coming to that conclusion, I have had particular regard to the following.

78. There was no doubt that the full objectively assessed housing need was in issue: the parties to the examination made voluminous representations to the Inspector on that issue, including submissions in relation to how projections informed that issue. The technical issue to which I have referred (paragraphs 46-49 above) was simply one aspect of those submissions.

79. Although the NPPF is mere policy – and a plan-maker, including an inspector, may therefore depart from it, if there is good reason to do so – the Inspector in this case purportedly dealt with the issue of housing provision by applying the policies of the NPPF, not going outside them.

80. As Barratt emphasises, whether a plan is "sound" is essentially a matter of planning judgement for the Inspector (see paragraph 34 above). However, "soundness" requires a plan to be "positively prepared" (i.e. based on a strategy which seeks to meet objectively assessed development requirements) and consistent with national policy (paragraph 182 of the NPPF, quoted at paragraph 33 above). Relevant national policy here includes paragraphs 14 and 47 of the NPPF. For a plan to be sound, it therefore needs to address and seek to meet full, objectively assessed housing needs for market and affordable housing in the housing market area, unless (and only to the extent that) any adverse impacts of doing so would significantly and

demonstrably outweigh the benefits, when assessed against the policies in the NPPF taken as a whole.

81. Although in paragraph 51 of his report (quoted at paragraph 65 above), the Inspector adequately summarised those requirements of paragraph 14 and 47 – more or less in the terms I have set out – looking at the report as a whole, and following similar confusion which appeared at times in the Council's submissions to him (see paragraphs 50-61 above), the Inspector appears to have confused policy off "housing needs" with policy on housing requirement targets. I make that comment well aware of the need to avoid exegetical analysis of Inspector's reports, and the requirement to consider such reports fairly and as a whole.

82. However, for example, the Inspector says (in paragraph 62):

> "[The Council] maintains that the SLP is fully meeting the identified housing needs of the Borough, but has considered higher levels of housing at the option stage."

That can only be explained by "housing needs" being used in a policy on sense. Leaving aside any obligation to meet unmet need from an adjacent authority (not in play here, because the Inspector throughout worked on the basis that there was no such need), the Council of course need not – and would not – consider meeting levels of housing higher than the full objectively assessed need.

83. Further, the Inspector found that 11,000 new dwellings over the period of the plan (i.e. 500 dpa) "represents an effective, justified and soundly based figure which would meet the current identified housing needs of the district over the plan period..." (paragraph 64 of his report, quoted at paragraph 67 above). Mr Dove submitted that "the current identified housing needs" was a tacit reference to the interim 2011-based projection of 533 dpa; but, reading the report as a whole (as I must), I cannot accept that proposition, because (i) the interim 2011-based projection of 533 dpa was only for the period to 2021, not for the plan period (to 2028); (ii) the Inspector (rightly) made clear that a single household projection does not represent objectively assessed need for housing (paragraph 55); and (iii) as Mr Dove properly conceded, nowhere in either the Inspector's Report or the WM RSS Phase 2 Revision Panel Report, by reference to the interim 2011-based projection or otherwise, is any full, objectively assessed need for housing in Solihull "identified". The reference in paragraph 53 of the report to "the annual need may only be slightly above that planned for in the submitted SLP" cannot be stretched to amount to an identification of housing need of 11,700 in aggregate or 533 dpa. Again, the Inspector appears to use the term "housing need" here to mean a policy on figure for housing requirement.

84. In any event, whether or not the Inspector confused policy off housing need with policy on housing requirement, nowhere in the report does he objectively assess full housing need, a matter to which I shall shortly return.

85. The importance of the difference between full objectively assessed housing need and any policy on figure was recently emphasised in City and District Council of St Albans v Hunston Properties Limited and the Secretary of State for Communities and Local Government [2013] EWCA Civ 1610 ("Hunston"), upon which Mr Lockhart-

Mummery relied for his proposition that, in plan-making, an authority must, as a first step, fully and objectively assess housing need.

86. The case itself concerned, not the preparation of a development plan, but a development control application for planning permission for housing within the Metropolitan Green Belt, in circumstances in which no local plan existed so that there was a "policy vacuum" in terms of the housing delivery target. Planning permission was refused by the local planning authority, and by an inspector on appeal. However, this court (His Honour Judge Pelling QC) quashed that decision ([2013] EWHC 2678 (Admin)), a determination upheld by Sir David Keene giving the only substantive judgment in the Court of Appeal ([2013] EWCA Civ 1610).

87. An issue in the case was the proper interpretation of paragraph 47 of the NPPF: indeed, in granting permission to appeal, Sullivan LJ considered that the local authority did not have a real prospect of success of overturning Judge Pelling, but in his view there was a compelling reason for the appeal to be heard namely to enable the Court of Appeal to give a "definitive answer to the proper interpretation of paragraph 47" and, in particular the interrelationship between the first and second bullet points in that paragraph, quoted at paragraph 27 above (see Hunston at [3]).

88. I respectfully agree with Sir David Keene (at [4] of Hunston): the drafting of paragraph 47 is less than clear to me, and the interpretative task is therefore far from easy. However, a number of points are now, following Hunston, clear. Two relate to development control decision-taking.

    i) Although the first bullet point of paragraph 47 directly concerns plan-making, it is implicit that a local planning authority must ensure that it meets the full, objectively assessed needs for market and affordable housing in the housing market, as far as consistent with the policies set out in the NPPF, even when considering development control decisions.

    ii) Where there is no Local Plan, then the housing requirement for a local authority for the purposes of paragraph 47 is the full, objectively assessed need.

89. As I have said, those matters – the ratio of the decision of the Court of Appeal – go to development control decision-taking. To that extent, Mr Dove was correct in pointing out that both Judge Pelling (at [11]) and Sir David Keene (at [21]) emphasised that the case before them did not concern plan-making, but decision-taking where there was no plan.

90. However, reflecting comments made by Judge Pelling at first instance, Sir David Keene also made some important observations about the construction of paragraph 47 in the context of plan-making. Consequently, the Inspector's Report in this case (published on 14 November 2013, between the judgments of Judge Pelling and the Court of Appeal in Hunston) was not in the event entirely correct when it said (at paragraph 55) that Hunston was not relevant to his inquiry because "this case relates to the process of determining planning applications rather than plan-making"; nor was the submission of Mr Dove that "[Hunston] is solely concerned with the development control process where there is a policy vacuum in relation to housing requirement" (skeleton argument, footnote 10).

91. Sir David Keene, at [25]-[26], drew the very clear distinction between the full objectively assessed needs figure; and the policy on, housing requirement figure fixed by the Local Plan. In considering the first bullet point in paragraph 47 of the NPPF, which of course expressly concerns plan-making, he said:

> "... The words in [the first bullet point of paragraph 47], 'as far as consistent with the policies set out in the Framework' remind one that the Framework is to be read as a whole, but their specific role in that sub-paragraph seems to me to be related to the approach to be adopted in producing the Local Plan. If one looks at what is said in that sub-paragraph, it is advising local planning authorities:
>
> > 'to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in this Framework.'
>
> That qualification contained in the last clause quoted is not qualifying housing needs. It is qualifying the extent to which the Local Plan should go to meet those needs. The needs assessment, objectively arrived at, is not affected in advance of the production of the Local Plan, which will then set the requirement figure."

That makes clear that, in the context of the first bullet point in paragraph 47, policy matters and other constraining factors qualify, not the full objectively assessed housing needs, but rather the extent to which the authority should meet those needs on the basis of other NPPF policies that may, significantly and demonstrably, outweigh the benefits of such housing provision. It confirms that, in plan-making, full objectively assessed housing needs are not only a material consideration, but a consideration of particular standing with a particular role to play.

92. I was also referred to the recent case of South Northamptonshire Council v Secretary of State for Communities and Local Government [2014] EWHC 573 (Admin), in which Hunston was considered. Mr Dove particularly relied upon the emphasis Ouseley J gave in that case to the fact that Hunston "did not decide that [a] revoked RSS was expunged". However, that case was very different from this. It was a section 288 challenge to two refusals of planning permission for housing development, on the basis that the approach the planning authority adopted to the calculation of the 5 year housing supply was unlawful in the light of the NPPF. In addition to the revoked regional strategy, there was a new core strategy, but that had not been adopted and was still subject to examination. There was no issue as to the housing requirement over the relevant plan period (see [8]), the issue being how the shortfall of 626 homes by 2012 was to be dealt with for the purposes of assessing whether there was a 5 year supply. The case is of little consequence to this application because, it appears, the regional strategy figure for housing provision was (unlike in the case of Hunston and here) not constrained (see [29]), nor inflated over objectively assessed need because of a regional growth strategy for the area (see [36]). The regional strategy figures were very similar to the figures from the emerging core strategy. In those circumstances, Ouseley J held, unsurprisingly, that, in considering

how the shortfall should be made up (i.e. whether the future supply should be front- or end-loaded), it was relevant to see how supply had fared against the regional strategy requirement when it was in force, as the inspector in that case had done (see [37]). Importantly, the judge emphasised the need for caution in using figures from revoked regional strategies: he considered that, by treating the regional strategy figure as relevant, "there [was] potential for an error of law", but he was satisfied that there was no error in that case on its specific facts. This case does not give Mr Dove any assistance. Indeed, in my view, it gives Mr Lockhart-Mummery some support.

93. As I have said, neither the SLP nor the Inspector made any objective assessment of full housing need, in terms of numbers of dwellings. Mr Lockhart-Mummery submitted that, if the plan-makers have to assess whether the full objectively assessed housing need is outweighed by other policy factors and cooperate with adjacent authorities with regard to any shortfall between full objectively assessed housing need and any constrained housing requirement target (as they do), they must, first, determine a figure for the full objectively assessed need by preparing a SHMA in accordance with paragraph 159 of the NPPF. Paragraph 159 requires local planning authorities to have a clear understanding of housing needs in their area and, specifically, to prepare a SHMA to assess their full housing needs.

94. Those submissions have considerable force. Whilst I do not need to endorse Mr Lockhart-Mummery's precise propositions for the determination of this application – for example, I see that, in practice, full housing needs might be objectively assessed using data other than a SHMA – it is clear that paragraph 47 of the NPPF requires full housing needs to be assessed in some way. It is insufficient, for NPPF purposes, for all material considerations (including need, demand and other relevant policies) simply to be weighed together. Nor is it sufficient simply to determine the maximum housing supply available, and constrain housing provision targets to that figure. Paragraph 47 requires full housing needs to be objectively assessed, and then a distinct assessment made as to whether (and, if so, to what extent) other policies dictate or justify constraint. Here, numbers matter; because the larger the need, the more pressure will or might be applied to infringe on other inconsistent policies. The balancing exercise required by paragraph 47 cannot be performed without being informed by the actual full housing need.

95. Nor can an assessment of whether a planning authority has complied with its duty to cooperate under section 33A of the 2004 Act, which may be triggered by an unmet housing need in one area resulting from a shortfall between full housing need and a housing target based on policy on requirements.

96. Mr Dove submitted that paragraph 218 of the NPPF encouraged – or at least allowed – the use of regional strategy policies and evidence that informed the preparation of regional strategy in the preparation of Local Plans. It was therefore open to the Inspector to take the policy on figure derived from the WM RSS Phase 2 Revision process, into which relevant demographic and other housing need evidence had gone, together with the relevant policy considerations, and which had been tested at an examination in public; and then see whether any more recent housing need evidence (e.g. later projections and SHMAs), or change in policy, undermined the Panel's figure. That there had been no material alteration in circumstances was a matter for the planning judgment of the Inspector. The conclusion he reached had a clear evidential foundation, and was unimpeachable in law.

97. However, that fails to acknowledge the major policy changes in relation to housing supply brought into play by the NPPF. As I have emphasised, in terms of housing strategy, unlike its predecessor (which required a balancing exercise involving all material considerations, including need, demand and relevant policy factors), the NPPF requires plan-makers to focus on full objectively assessed need for housing, and to meet that need unless (and only to the extent that) other policy factors within the NPPF dictate otherwise. That, too, requires a balancing exercise – to see whether other policy factors significantly and demonstrably outweigh the benefits of such housing provision – but that is a very different exercise from that required pre-NPPF. The change of emphasis in the NPPF clearly intended that paragraph 47 should, on occasions, yield different results from earlier policy scheme; and it is clear that it may do so.

98. Where housing data survive from an earlier regional strategy exercise, they can of course be used in the exercise of making a local plan now – paragraph 218 of the NPPF makes that clear – but where, as in this case, the plan-maker uses a policy on figure from an earlier regional strategy, even as a starting point, he can only do so with extreme caution – because of the radical policy change in respect of housing provision effected by the NPPF. In this case, I accept that it was open to the Inspector to decide that the urban renaissance policy continued to be potent, and even (possibly) that the evidence of housing need had not significantly changed since the WM RSS Phase 2 Revision Draft target was set – those were matters of planning judgment, for him. However, in my judgment, in his approach, he failed to acknowledge the new, NPPF world, with its greater policy emphasis on housing provision; and its approach to start with full objectively assessed housing need and then proceed to determine whether other NPPF policies require that, in a particular area, less than the housing needed be provided. The WM RSS Phase 2 Revision Panel did not, of course, adopt that approach. Nor did the guidance provided by the Secretary of State on the revocation of regional strategies in 2010 (see paragraph 71 above) take the new policy into account. Both were pre-March 2012, when the NPPF was published.

99. The Inspector did not acknowledge, or take into account, that change. I accept that the Inspector might have taken that change into account in a number of ways. However, in one way or another, he was required to assess, fully and objectively, the housing need in the area. In the event, he made no attempt to do so. Mr Dove conceded – as he had to do – that neither the SLP nor the Inspector provided any full and objective assessment of housing need. Nor is there any evidence that the WM RSS Phase 2 Revision Panel made such an assessment, either: they had evidence of need before them, but there is no evidence that, as required by the NPPF, they assessed the full and objective housing need before considering constraints on meeting that need. Indeed, the evidence is that they went straight to policy on figures for the region in a conventional planning balancing exercise, with all material factors in play – as they were entitled to do under the pre-NPPF regime – and then proceeded to carve up that policy on requirement between the various areas within the region. Even as a surrogate, that did not comply with the NPPF requirements, properly construed. The further projections and 2009 SHMA did nothing to assist in this regard.

100. This is not a reasons case, because the approach adopted by the Inspector is in my view clear from his report: indeed, the fact that the Inspector unfortunately failed to

grapple with this important issue of housing need is, in my view, betrayed in the report. When the report is read as a whole, far from full objectively assessed housing need being a driver in terms of the housing requirement target – as the NPPF requires – it is at best a back-seat passenger. Nowhere is the full housing need in fact objectively assessed. As I have said, the reference to the work done by the WM RSS Phase 2 Revision Panel does not assist, because there is no evidence that they assessed such need either. In any event, the Inspector appears to accept that the WM RSS Phase 2 Revision Panel target did not fully meet all housing needs (paragraph 53). Further, in paragraph 10 (quoted at paragraph 64 above), he says:

> "There is insufficient evidence to demonstrate that Solihull does not intend to full meet its objectively assessed housing requirements ...".

All of this makes clear, in my view, that the Inspector erred in his approach to this issue: he failed to have proper regard to the policy requirements of the NPPF.

101. For those reasons, I do not consider that the Inspector's approach to the policy requirements of the NPPF in relation to housing provision was correct or lawful. As a result, he failed to comply with the relevant procedural requirements; and the SLP with modifications, which he endorsed and the Council adopted, is not sound because it is not based on a strategy which seeks to meet objectively assessed development requirements nor is it consistent with the NPPF.

102. Therefore, on this ground, the Claimants succeed.

Ground 2

103. I have already set out the relevant provisions of section 33A, which provides for a duty to cooperate between local planning authorities (paragraph 18 above). Section 33A(7) provides that any person subject to that duty must have regard to any national guidance. Paragraph 179 of the NPPF states:

> "... Joint working should enable local planning authorities to work together to meet requirements which cannot wholly be met within their own areas – for instance, because of lack of physical capacity or because to do so would cause significant harm to the principles and policies of this Framework...".

104. Before me, Mr Lockhart-Mummery restricted his second ground. He simply submitted that, for reasons explored in Ground 1, with a provision of 11,000, the Council will not meet it own objectively assessed housing needs; but it failed to cooperate with neighbouring authorities to devise a strategy whereby its unmet need would be met by adjoining authorities. He relied particularly upon the sentence in paragraph 8.4.2 of the adopted SLP:

> "It is considered that 11,000 (net) additional homes can be delivered towards meeting projected household growth of 14,000 (2006-2028)."

That (he submitted) accepts that there is a shortfall of 3,000 between housing needs and housing requirement; and there is no evidence of any attempts to cooperate between the Council and its neighbours to work out how and where this unmet need will in fact be met.

105. As Mr Dove submitted – and Sales J recently emphasised in Zurich Assurance (cited at paragraph 34 above) at [110]-[120] – section 33A imposes a duty to make efforts to address issues in a cooperative way, and the question of whether there has been compliance with the section 33A duty is a matter of planning judgment for the inspector.

106. Mr Lockhart-Mummery's submission is dependent upon the proposition that the Inspector found a shortfall of housing provision compared with full objectively assessed need of 3,000, i.e. 11,000 in the SLP compared with 14,000. However, the Inspector found no such shortfall. For the reasons I have given, the 14,000 figure is not a figure which represents full objectively assessed housing need: indeed, the Inspector makes clear that he did not take it as such (paragraph 55 of his report). As I have explained, he simply failed to grapple with the issue of what that need was, and there is no figure for it given or derivable from his report and/or the SLP. On the basis of the Inspector's Report, although it may be likely that, had the Inspector addressed his mind to full objectively assessed housing need, he would have found a shortfall between it and 11,000 dwellings in the plan period, he did not in the event address his mind to that issue.

107. As the Inspector did not apply himself to the prior questions of whether there is any shortfall between that need and the provision made and, if there is, the amount of that shortfall, it is impossible to say whether or not there was any breach of the duty to cooperate. Certainly, if and insofar as there is a shortfall, there does not appear to be any evidence of any attempts to cooperate with adjacent authorities, as might be required by section 33A – unsurprising, given that the Council at the time apparently considered the amended WM RSS Phase 2 Revision Draft policy on target to be the relevant need figure. Whether there was a breach of section 33A, would be a matter of planning judgment. In any event, as things stand, I cannot say that there was such a breach.

108. For those reasons, the adoption of the SLP fails to survive Ground 1; and I need not, and cannot appropriately, make any findings in relation to Ground 2.

Ground 3

Introduction

109. Mr Lockhart-Mummery submitted that the Inspector adopted the incorrect legal test for revising Green Belt boundaries as set out the national policy, namely paragraph 83 of the NPPF which provides:

> "Local planning authorities with Green Belts in their area should establish Green Belt boundaries in their Local Plans which set the framework for Green Belt and settlement policy. *Once established, Green Belt boundaries should only be altered in exceptional circumstances*, through the preparation

> or review of the Local Plan. At that time, authorities should consider the Green Belt boundaries having regard to their intended permanence in the long term, so that they should be capable of enduring beyond the plan period." (emphasis added)

Policy and Factual Background

110. Green belts are designed to provide a reserve supply of public open space and recreational areas, by establishing "a girdle of open space" around built up areas. They are established through development plans. The Green Belt policy outside London was codified in a number of Ministerial guidance documents, the first being in 1955. The guidance is now of course found in the NPPF. Its immediate predecessor was Planning Policy Guidance 2: Green Belts ("PPG2").

111. PPG2 emphasised that "the essential characteristic of Green Belts is their permanence" (paragraph 2.1). It set out the consequences of that characteristic as follows:

> "2.4 Many detailed Green Belt boundaries have been set in local plans and in old development plans, but in some areas detailed boundaries have not yet been defined. Up-to-date approved boundaries are essential, to provide certainty as to where Green Belt policies do and do not apply and to enable the proper consideration of future development options. The mandatory requirement for district-wide local plans, introduced by the Planning and Compensation Act 1991, will ensure that the definition of detailed boundaries is completed.
>
> ...
>
> 2.6 Once the extent of a Green Belt has been approved it should only be altered in exceptional circumstances. If such an alteration is proposed the Secretary of State will wish to be satisfied that the authority has considered opportunities for development within the urban areas contained by and beyond the Green Belt. Similarly, detailed Green Belt boundaries defined in adopted local plans or earlier approved development plans should be altered only exceptionally....
>
> 2.7 Where existing local plans are being revised and updated, existing Green Belt boundaries should not be changed unless alterations to the structure plan have been approved, or other exceptional circumstances exist, which necessitate such revision.
>
> 2.8 Where detailed Green Belt boundaries have not yet been defined, it is necessary to establish boundaries that will endure...".

112. The long-term nature of Green Belts was also reflected in provisions for "safeguarded land". Paragraph 2.12 provided:

> "When local authorities prepare new or revised structure and local plans, any proposals affecting Green Belts should be related to a time-scale which is longer than that normally adopted for other aspects of the plan. They should satisfy themselves that Green Belt boundaries will not need to be altered at the end of the plan period. In order to ensure protection of Green Belts within this timescale, this will in some cases mean safeguarding land between the urban area and the Green Belt which may be required to meet longer-term development needs.... In preparing and reviewing their development plans authorities should address the possible need to provide safeguarded land. They should consider the broad location of anticipated development beyond the plan period, its effects on urban areas contained by the Green Belt and on areas beyond it, and its implication for sustainable development..."

113. Annex B gave further advice on safeguarded or "white" land:

> "B2. Safeguarded land comprises areas and sites which may be required to serve development needs in the longer term, i.e. well beyond the plan period. It should be genuinely capable of development when needed.
>
> B3. Safeguarded land should be located where future development would be an efficient use of land, well integrated with existing development, and well related to public transport and other existing and planned infrastructure, so promoting sustainable development.
>
> B4. In identifying safeguarded land local planning authorities should take account of the advice on housing in PPG3 and on transport in PPG13....
>
> B5. Development plans should clearly state the policies applying to safeguarded land over the period covered by the plan. They should make clear that the land is not allocated for development at the present time, and keep it free to fulfil its purpose of meeting possible longer-term development needs....
>
> B6. Development plan policies should provide that planning permission for the permanent development of safeguarded land should only be granted following a local plan or UDP review which proposes the development of particular areas of safeguarded land. Making safeguarded land available for permanent development in other circumstances would thus be a departure from the plan."

114. In line with that guidance, following inquiries in 1991 and 1995, in the 1997 Solihull Unitary Development Plan ("the UDP"), the Council took 12 sites totalling 77 hectares, including the Sites at Lowbrook Farm and Tidbury Green Farm, out of the interim Green Belt, and reserved them as safeguarded land.

115. In 2004-5, the UDP was the subject of a review inquiry, also conducted by the Inspector, Mr Pratt. The review period was until 2011. In his 2005 UDP Review Report, the Inspector (at paragraphs 3.124-3.128) noted that (i) none of the safeguarded sites had been developed; (ii) the concept of sustainability had developed since the sites were identified as safeguarded; (iii) the Council considered the allocation of some of the sites would conflict with PPG3 and the latest regional strategy, which represented a fundamental change to policy especially in moving away from development around smaller Green Belt settlements; and (iv) the Council confirmed that, in the absence of exceptional circumstances, none of these sites could be brought forward for development without a change in regional strategy. He consequently recommended as follows (at paragraph 3.128):

> "Bearing in mind the apparent conflict between the possible allocation of these sites for housing in the future and the latest regional strategy, I consider an urgent review of their suitability as long-term housing sites should be undertaken. This should not delay the adoption of the [UDP Revision], but should inform its next review under the new... regime...".

116. His overall conclusion was as follows (at paragraph 3.130):

> "Given the current adequacy of housing land supply, both within the Plan period and beyond, and bearing in mind the permanent nature of the established Green Belt boundaries, I cannot see any general justification for identifying further safeguarded land. This would require amendments to existing Green Belt boundaries which, in the absence of any exceptional circumstances, could not be justified in terms of current national policy or the latest regional strategy. Similarly, since these sites have been removed from the Green Belt relatively recently, after a thorough debate at two UDP inquiries, there would have to be some very special circumstances to justify their re-inclusion in the Green Belt. In the absence of exceptional circumstances, ad hoc amendments to the Green belt boundary to either allocate additional or alternative long-term housing sites, to remove existing safeguarded sites, would undermine the integrity and enduring nature of the existing Green Belt boundary established in the adopted UDP. Furthermore, any loss of the Green Belt land without directly supporting urban regeneration would be contrary to the latest regional spatial strategy. Consequently, I can see no general justification for any changes to existing Green Belt boundaries, and these matters are best addressed on a site-by-site basis."

117. He went on say (paragraph 3.132):

> "If further housing land is needed, during or beyond the current Plan period, safeguarded greenfield land may not necessarily be the first choice, particularly since most identified sites lie outside the [Major Urban Areas] where new housing development is to be focused, and both PPG3 and RPG11 give

> priority to *previously developed land*. Such a policy could also prejudice the release of other more suitable sites that may come forward in the future...".

118. His recommendations included modifications to the UDP as follows (paragraph 3.140):

> "... amending the text accompanying Policy H2 to confirm that, although these sites have been removed from the Green Belt and safeguarded to meet longer term housing needs, no decision has yet been taken on the positive allocation of any of these sites for housing, and that they are not intended as 'reserve' housing sites in the event of shortfalls in housing land supply;"

and

> ... subject to the Council's priorities in undertaking a review of this UDP Review..., priority be given to assessing the suitability of safeguarded land for housing against current national policy and the latest regional strategy, along with an assessment of longer term housing land supply, housing strategies and potential housing sites, to inform the next review of this UDP."

119. In the event, Policy H2 of the 2005 UDP provided as follows:

> "The Council will identify sites to help to meet long-term (i.e. post-2011) housing needs. In areas excluded from the Green Belt for this purpose, strong development control measures will apply limiting any development on the land only to uses which would:
>
> (i) Be allowed in the Green Belt under Policy C2;
>
> (ii) Not prejudice the long-term use of the site for housing.
>
> The possible future designation of the land for housing will be determined through subsequent reviews of the [UDP]."

The Sites – with the other 15 sites previously identified – were again identified as safeguarded land.

<u>The Inspector's Report</u>

120. The SLP allocated the Sites to the Green Belt, whilst removing other sites (particularly in the north of the borough) as the most appropriate means of providing land sufficient to meet the housing requirement which it of course set at 11,000 new dwellings by 2028. There were strong objections to the reallocation of the Sites, on the basis that a reallocation could only be made in exceptional circumstances – and no such circumstances existed in this case.

121. The Inspector dealt with the issue in paragraph 137 of his Report:

> "There is also serious concern about the proposed return to the Green belt of some Safeguarded land previously identified in the [UPD]. However, when the [UDP] was examined, it was made clear that the status of this land should be reviewed in the context of the approved and emerging WM RSS strategy for urban renaissance. [The Council] undertook this review, and rejected the future development of sites at Tidbury Green because this settlement lacks the range of facilities necessary for further strategic housing growth, the scale of development envisaged would also be far too large to meet local housing needs and would threaten the coalescence with other settlements, including Grimes Hill. National policy enables reviews of the Green Belt to be undertaken (NPPF ¶ 84), including considering the need to promote sustainable development, and it is clear from [the Council's] evidence that these sites would not meet this objective. These factors constitute legitimate reasons and represent the exceptional circumstances necessary to justify returning these sites to the Green Belt."

122. The evidence the Council relied upon, and to which the Inspector referred, is largely set out in paragraphs 31 and following of the Statement of David Simpson dated 15 January 2014, prepared for this application. At the relevant time, Mr Simpson managed the Council's planning team. The preparation of the SLP was one of the team's main responsibilities.

123. The Council's decision to return the Sites to the Green Belt was based on the following:

i) The risk of coalescence between Tidbury Green and Grimes Hill, in a gap already narrowed since 2005 by the grant of planning permission by the adjacent authority for housing on land at Selsdon Close in Grimes Hill (see paragraph 9 above), which would undermine the integrity and function of this part of the Green Belt.

ii) Planning permission had been refused for the land at Norton Lane in the adjacent Bromsgrove District (again, see paragraph 9 above), on Green Belt grounds.

iii) Planning permission had been refused for the Lowbrook Farm site in January 2013, before it had been allocated to the Green Belt, as it conflicted with the SLP spatial strategy, the land not being within a village identified for strategic housing growth.

iv) The development of the Sites was out of proportion with the existing settlement, and would completely dominate it.

v) As envisaged in the 2005 review, the suitability of the Sites for housing was assessed through the SHLAA, which concluded that they did not meet the

minimum criteria for access to key services and were unsuitable to meet identified local housing needs. The Tidbury Green Farm was also considered to have "unacceptable impact on green belt functions and openness".

Those reasons were reflected in the Council's written submissions to the Inspector dated 20 December 2012, to which I was also referred.

The Legal Background

124. There is a considerable amount of case law on the meaning of "exceptional circumstances" in this context. I was particularly referred to Carpets of Worth Limited v Wyre Forest District Council (1991) 62 P & CR 334 ("Carpets of Worth"), Laing Homes Limited v Avon County Council (1993) 67 P & CR 34 ("Laing Homes"), COPAS v Royal Borough of Windsor and Maidenhead [2001] EWCA Civ 180; [2002] P & CR 16 ("COPAS"), and R (Hague) v Warwick District Council [2008] EWHC 3252 (Admin) ("Hague").

125. From these authorities, a number of propositions are clear and uncontroversial.

i) Planning guidance is a material consideration for planning plan-making and decision-taking. However, it does not have statutory force: the only statutory obligation is to have regard to relevant policies.

ii) The test for redefining a Green Belt boundary has not been changed by the NPPF (nor did Mr Dove suggest otherwise).

a) In Hunston, Sir David Keene said (at [6]) that the NPPF "seems to envisage some review in detail of Green Belt boundaries through the new Local Plan process, but states that 'the general extent of Green belts across the country is already established'". That appears to be a reference to paragraphs 83 and 84 of the NPPF. Paragraph 83 is quoted above (paragraph 109). Paragraph 84 provides:

> "When drawing up or reviewing Green Belt boundaries local planning authorities should take account of the need to promote sustainable patterns of development...".

However, it is not arguable that the mere process of preparing a new local plan could itself be regarded as an exceptional circumstance justifying an alteration to a Green Belt boundary. National guidance has always dealt with revisions of the Green Belt in the context of reviews of local plans (e.g. paragraph 2.7 of PPG2: paragraph 83 above), and has always required "exceptional circumstances" to justify a revision. The NPPF makes no change to this.

b) For redefinition of a Green Belt, paragraph 2.7 of PPG2 required exceptional circumstances which "necessitated" a revision of the existing boundary. However, this is a single composite test; because, for these purposes, circumstances are not exceptional unless they do necessitate a revision of the boundary (COPAS at [23] per Simon

Brown LJ). Therefore, although the words requiring necessity for a boundary revision have been omitted from paragraph 83 of the NPPF, the test remains the same. Mr Dove expressly accepted that interpretation. He was right to do so.

iii) Exceptional circumstances are required for any revision of the boundary, whether the proposal is to extend or diminish the Green Belt. That is the ratio of Carpets of Worth.

iv) Whilst each case is fact-sensitive and the question of whether circumstances are exceptional for these purposes requires an exercise of planning judgment, what is capable of amounting to exceptional circumstances is a matter of law, and a plan-maker may err in law if he fails to adopt a lawful approach to exceptional circumstances. Once a Green Belt has been established and approved, it requires more than general planning concepts to justify an alteration.

The Parties' Contentions

126. The parties agreed the above propositions: but there they diverged.

127. Mr Dove submitted that whether there were exceptional circumstances was a matter of planning judgment for the Inspector, who was entitled to conclude, as he did, that in this case exceptional circumstances existed that warranted the reallocation of the Sites into the Green Belt. He clearly had the exceptional circumstances test in mind – he expressly referred to it – and there was an evidential basis, provided by the Council, upon which he could conclude that the test had been met in this case.

128. Mr Dove relied upon Laing Homes – a relatively early case, but one which was decided after and in the light of Carpets of Worth – in which Brooke J considered the alteration of a Green Belt boundary to include white land previously unallocated. Having considered two authorities which had been cited to him, he continued (at page 54):

> "I do not find in either of these decisions any clearcut ruling that if a council making a new green belt local plan is concerned with white unallocated land on the edge of the green belt in an earlier plan it must find that exceptional circumstances exist before it can alter the green belt boundary at this point. The decision of the Court of Appeal in the Carpets of Worth case shows that a local authority must have regard to Government green belt policies in... PPG2, but if it concerned with white unallocated land I can see no reason why in the exercise of its discretion it should not make a very clear finding, on green belt policy grounds, why the uncertainties which had existed when the previous plan was made have now been resolved, and why it should not in those circumstances determine to bring the land into green belt now without being out into the strait jacket of having to decide whether circumstances which can properly be described as exceptional exist. The duty of a council pursuant to section 36 of the 1990

> Act is to have regard to Government policy. Provided that it has regard to it it is entitled to depart from it so long as it gives adequate reasons for doing so: see Carpets of Worth."

Mr Dove submits that that covers this case.

129. Mr Lockhart-Mummery submitted that the Inspector's approach was wrong in law; and there was nothing here that could amount to exceptional circumstances properly considered.

Discussion

130. Mr Lockhart-Mummery particularly relied on COPAS, in which Simon Brown LJ, after confirming (at [20]) that, "Certainly the test is a very stringent one", said this (at [40]):

> "I would hold that the requisite necessity in a PPG 2 paragraph 2.7 case like the present – where the revision proposed is to *increase* the Green Belt – cannot be adjudged to arise unless some fundamental assumption which caused the land initially to be excluded from the Green Belt is thereafter clearly and permanently falsified by a later event. Only then could the continuing exclusion of the land from the Green Belt properly be described as 'an incongruous anomaly'".

In other words, something must have occurred subsequent to the definition of the Green Belt boundary that justifies a change. The fact that, after the definition of the Green Belt boundary, the local authority or an inspector may form a different view on where the boundary should lie, however cogent that view on planning grounds, that cannot of itself constitute an exceptional circumstance which necessitates and therefore justifies a change and so the inclusion of the land in the Green Belt (see Hague at [32] per Collins J. Collins J in Hague held that, in addition to the undoing of an assumption on which the original decision was made, a clear error in excluding land from the Green Belt is sufficient, no such error is suggested here; and I need not consider that aspect of Hague further.)

131. COPAS is, of course, binding upon me. Mr Dove said that these cases are fact-sensitive, and the facts of that case were very different from this. That is true; but, in the passage I have just quoted from Simon Brown LJ's judgment, he was clearly and deliberately determining, as a matter of principle, what "exceptional circumstances" required, as a matter of law, in a case such as this. It is expressly a holding, with which the whole court agreed. I am consequently bound by it. In any event, it seems to have been consistently applied for over ten years; and, in my respectful view, is right.

132. In this case, following two inquiries, the 1997 UDP defined the Green Belt to exclude the Sites. Although there were uncertainties as to when and even if either site would be brought forward for housing development, the Green Belt boundary then determined and approved through the statutory machinery was not in any way provisional or uncertain. Mr Dove was wrong to describe the Green Belt boundary – as opposed to development of the sites – as "contingent". As the Inspector found in

2005, despite the change in policy that meant that it was unlikely that these sites would be brought forward unless and until there was a change in (then) regional strategic policy, there was no justification for any change to the Green Belt boundary. That reflected the fact that Green Belt boundaries are intended to be enduring, and not to be altered simply because the current policy means that development of those sites is unlikely or even impossible. Indeed, where the current policy is to that effect, the amenity interests identified in the sites will be protected by those very policies as part of the general planning balance exercise. A prime character of Green Belts is their ability to endure through changes of such policies. For the reasons set out in Carpets of Worth (at page 346 per Purchas LJ) it is important that a proposal to extend a Green Belt is subject to the same, stringent regime as a proposal to diminish it, because whichever way the boundary is altered "there must be serious prejudice one way or the other to the parties involved".

133. Those are the principles. Applying them to this case, what (if anything has occurred since the Green Belt boundary was set in 1997 that necessitates and therefore justifies a change to that boundary now, to include the Sites?

134. Dealing with the reasons relied on by the Council (and effectively adopted by the Inspector), set out in paragraph 123 above, in turn:

i) I have referred to two sites beyond the Bromsgrove district boundary, namely land at Selsdon Close and land at Norton Lane (paragraph 9 above). In 2005, the former was allocated, not to the Green Belt, but as an Area of Development Restraint. Since 2005, planning permission for housing development has been granted. In the SLP examination, the Council submitted to the Inspector that there was the risk of coalescence between Tidbury Green and Grimes Hill, in a gap already narrowed since 2005 by the grant of planning permission for housing on the Selsdon Close site. However:

a) In paragraph 3.149 of his 2005 report, the Inspector found that:

> "... Both sites are well-contained and the Green Belt boundary remains firm and well-defined. There is no erosion of the gap between Solihull and Redditch and, given the retention of Green Belt around Grimes Hill in Bromsgrove DC, no risk of coalescence with this settlement...".

b) Selsdon Close was not in the Green Belt, and possible future development must have been contemplated in 2005.

c) The grant of planning permission for Selsdon Close was not referred to by the Inspector in his SLP report as a change in circumstances sufficient to support the justification of a change in Green Belt boundary (or, indeed, referred to at all).

In short, there has been no change in circumstances since 2005: the Inspector – the same inspector – appears simply to have taken a different planning view of the adverse impact of coalescence between Tidbury Hill and Grimes Hill.

ii) The land at Norton Lane was in the Green Belt in 2005, and, since then, housing development on that site has been refused on Green Belt grounds. That is unsurprising. That development control decision was presumably made in the knowledge that the Sites are white unallocated land. Again, no reference to the Norton Lane site is made by the Inspector in his SLP Report; but, in any event, it is difficult to see how the refusal of planning permission for that Green Belt site could support justification for a change in the Green Belt boundary. The reasons for the refusal of permission merely stressed the importance of the Green Belt in this area. That does not support a contention that the allocation of further land into the Green Belt is justified on grounds of exceptional circumstances.

iii) Planning permission had been refused for the Lowbrook Farm site in January 2013, as it conflicted with the SLP spatial strategy, the land not being within a village identified for strategic housing growth. I do not see how this can possibly justify a change in the Green Belt boundary. Planning permission was refused on the basis of a conventional planning balance, the land being white unallocated land with the policy restrictions in Policy HS5 I have described (see paragraph 119 above), and the policy factors from the spatial strategy being sufficient to outweigh the factors in favour of development. This simply shows the planning system functioning as it should.

iv) The development of the Sites would be out of proportion to the existing settlement, and would completely dominate it. This is the only point relied upon by the Council that concerns Green Belt factors. However, the position with regard to the sites and the settlement of Tidbury simply has not materially changed since 1997.

v) The Council also rely on the fact that, as envisaged in the 2005 review, the suitability of the Sites for housing was assessed through the SHLAA, which concluded that they did not meet the minimum criteria for access to key services and were unsuitable to meet identified local housing needs. The Tidbury Green Farm was also considered to have "unacceptable impact on green belt functions and openness". However, these conclusions were drawn on the basis of the conventional planning balanced exercise, and on the basis that the Sites were unallocated land. The SHLAA conclusions merely emphasise that, as policy currently stands, it may be unlikely that either of the Sites will be developed even if they remain as unallocated land.

135. I am persuaded by Mr Lockhart-Mummery that the Inspector, unfortunately, did not adopt the correct approach to the proposed revision of the Green Belt boundary to include the Sites, which had previously been white, unallocated land. He performed an exercise of simply balancing the various current policy factors, and, using his planning judgement, concluding that it was unlikely that either of these two sites would, under current policies, likely to be found suitable for development. That, in his judgment, may now be so: but that falls very far short of the stringent test for exceptional circumstances that any revision of the Green Belt boundary must satisfy. There is nothing in this case that suggests that any of the assumptions upon which the Green Belt boundary was set has proved unfounded, nor has anything occurred since the Green Belt boundary was set that might justify the redefinition of the boundary.

136. In my view, the Inspector's substantive error is reflected in the adopted SLP, paragraph 11.6.6 of which states, simply:

> "... Following assessment in the [SHLAA], this land is no longer considered suitable for development and is proposed to be returned to the Green Belt."

137. For those reasons, Ground 3 also succeeds.

Conclusion

138. For the reasons I have given, the application succeeds.

139. Given the breadth of available powers I have in that result (see paragraph 22 above), it was agreed that, if I found the application successful, I would give the parties an opportunity to attempt to agree an order or, failing agreement, to make written representations of the appropriate order. In the circumstances, I shall give the parties 7 days from the hand down of this judgment to lodge a consent order on the basis of this judgment or, alternatively, submissions on any outstanding consequential matters.

552/157

Appendix SA5

SA Housing Land Supply Tables

Havant Housing Land Availability Assessment
Table SA1 Core Strategy and SEP - policy on

Requirement (CS) 2006/2026	6,300
(annual)	315

Havant 5 year supply

	Requirement			Supply	Balance	
Year	annual	clearance	total new	Completions		
2006/7	315		315	236	-79	-79
2007/8	315		315	390	75	-4
2008/9	315		315	252	-63	-67
2009/10	315		315	145	-170	-237
2010/11	315		315	231	-84	-321
2011/12	315		315	168	-147	-468
2012/13	315		315	249	-66	-534
2013/14	315		315	200	-115	-649
2014/15	315		315	492	177	-472
			2520	**1871**	**-472**	
2015/16	315		315	727		
2016/17	315		315	887		
2017/18	315		315	472		
2018/19	315		315	491		
2019/20	315		315	372		
			1260	**2949**		
Include previous balance			472			
			1732			
5-year requirement		**5%**	**1819**			
with buffer		**20%**	**2078**			
annual requirement		5%	364			
		20%	416			

Actual Supply	5%	LPA	8.1
Actual Supply	20%	SA	7.1

Havant Housing Land Availability Assessment
Table SA2 SHMA 2014 Proj 2

Requirement (CS) 2006/2011	6,300
(annual)	315
Requirement (SHMA) 2011/2036	10,367
(annual)	455

Havant 5 year supply

	Requirement			Supply	Balance	
Year	annual	clearance	total new	Completions		
2006/7	315		315	236	-79	-79
2007/8	315		315	390	75	-4
2008/9	315		315	252	-63	-67
2009/10	315		315	145	-170	-237
2010/11	315		315	231	-84	-321
2011/12	455		455	168	-287	-608
2012/13	455		455	249	-206	-814
2013/14	455		455	200	-255	-1069
2014/15	455		455	492	37	-1032
			2940	**1871**	**-1032**	
2015/16	455		455	727		
2016/17	455		455	887		
2017/18	455		455	472		
2018/19	455		455	491		
2019/20	455		455	372		
			1820	**2949**		
Include previous balance			1032			
			2852			
5-year requirement		**5%**	**2995**			
with buffer		**20%**	**3422**			
annual requirement		5%	599			
		20%	684			

Actual Supply 5%	LPA	4.9
Actual Supply 20%	SA	4.3

Havant Housing Land Availability Assessment
Table SA3 SHMA 2014 PROJ B

Requirement (CS) 2006/2011	6,300
(annual)	315
Requirement (SHMA) 2011/2036	15,928
(annual)	637

Havant 5 year supply

	Requirement			Supply	Balance	
Year	annual	clearance	total new	Completions		
2006/7	315		315	236	-79	-79
2007/8	315		315	390	75	-4
2008/9	315		315	252	-63	-67
2009/10	315		315	145	-170	-237
2010/11	315		315	231	-84	-321
2011/12	637		637	168	-469	-790
2012/13	637		637	249	-388	-1178
2013/14	637		637	200	-437	-1615
2014/15	637		637	492	-145	-1760
			3486	**1871**	**-1760**	
2015/16	637		637	727		
2016/17	637		637	887		
2017/18	637		637	472		
2018/19	637		637	491		
2019/20	637		637	372		
			2548	**2949**		
Include previous balance			1760			
			4309			
Including buffer 5%			*4524*			
Including buffer 20%			*5171*			
annual requirement		5%	905			
		20%	1034			

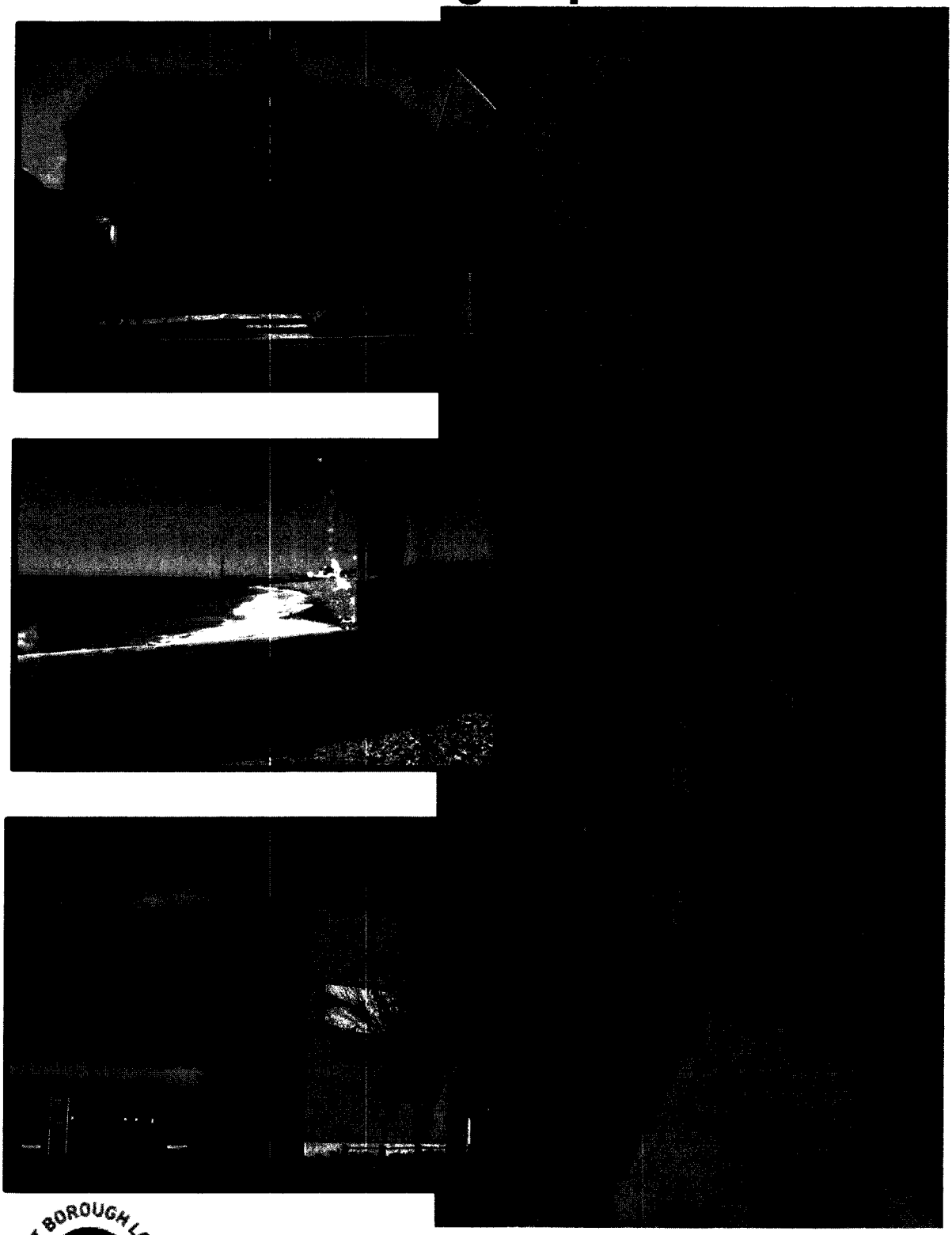
Actual Supply 5%	LPA	3.3
Actual Supply 20%	SA	2.9

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Appendix SA6

Annual Monitoring Report 2015
(Extracts)

Havant Borough Council
Annual Monitoring Report 2015



HAVANT BOROUGH LOCAL PLAN
HBLP

Havant
BOROUGH COUNCIL

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Executive Summary

This is the eleventh Annual Monitoring Report (AMR) produced by Havant Borough Council (HBC) and covers the period between 1st April 2014 and 31st March 2015.

The AMR has been prepared by requirement of and in accordance with the Planning and Compulsory Purchase Act (2004) and the Town and Country Planning (Local Planning) (England) Regulations 2012.

This report was approved by Councillor David Guest, Cabinet Lead for Planning, Economy and Built Environment on 13th December 2015.

The purpose of the AMR is:

- To assess and report on the progress being made in respect of the preparation of local plan documents against the timetable and milestones set out in the Local Development Scheme
- To assess the extent to which the development plan policies are being implemented in terms of the decisions made through the development management process based on decisions made between 1st April 2014 and 31st March 2015

The following are the key headlines of the 2015 AMR:

- There is an up-to-date five year supply of deliverable housing sites in the Borough, including a sufficient buffer to meet the flexibility requirements of the National Planning Policy Framework (NPPF), equivalent to 7.5 years' worth of housing supply.
- 39% of all housing completed was affordable.
- A total of 5,442 square metres of employment floor space was completed during the 2014/15 monitoring year.
- The Borough's employment density (jobs per head of resident population aged 16-64) increased according to latest figures published by ONS.
- 5,481 square metres of additional retail floor space was completed during the 2014/15 monitoring year. Retail completions for comparison floor space will exceed the Core Strategy target to 2016 by 14,034 sq. m, including commitments and units under construction.
- A new Sainsbury's opened in Waterlooville in December 2014 and branches of Marks & Spencer and Next are presently under construction on land adjacent to Solent Retail Park.

If you have any queries about the content of this document please contact the Planning Policy and Urban Design Team at policy.design@havant.gov.uk or telephone 023 92446539.

This document is available in many other formats. To request any of these formats please contact 023 9244 6019.

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1 Introduction

1.01 This is the eleventh AMR to be produced by Havant Borough Council (HBC) in accordance with the requirements of the Planning and Compulsory Purchase Act 2004.

1.02 Useful planning definitions to support this document can be found on our website: www.havant.gov.uk/planning-policy-design/planning-policy-glossary

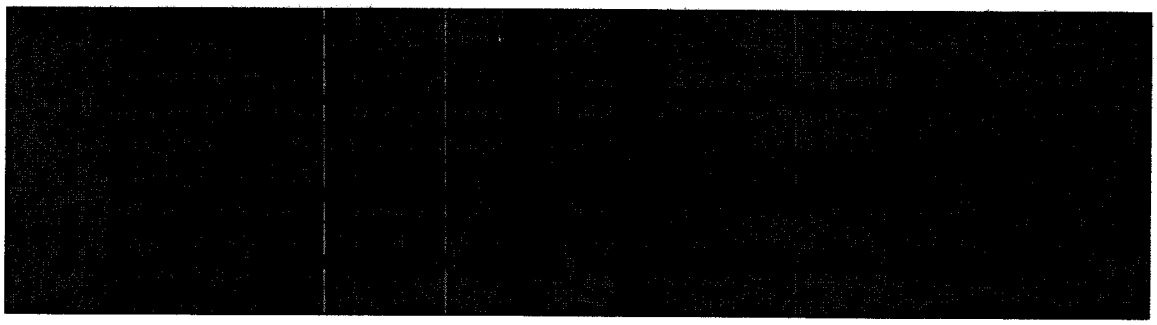
1.03 Appendix 4 outlines Core Output (National) Indicators and Local Indicators. These indicators were originally listed in the Regional Spatial Strategy and Local Development Framework Core Output Indicators – Update 2/2008 (Department for Communities and Local Government July 2008). The Localism Act 2011 removed the mandatory requirement for local authorities to report on them; however the Council intends to continue to report on them in this document to maintain a useful time series of data and measurement of performance.

5 Monitoring Policy Performance and Implementation

Housing

Local Plan (Core Strategy) Policies CS9 and CS10

Local Plan (Allocations) Policies EM1, EM2, HB1, HB3, HY1, HY2, LP1, LP2, LP3, WA1, WA2



H1 Plan period and housing targets

5.01 The council's adopted Core Strategy sets a requirement for 6,300 net additional dwellings between 2006-2026.

H2(a) Net additional dwellings in previous years

5.02 This indicator reports on the additional dwellings completed since the start of the plan period in April 2006 up to the end of the reporting year in March 2015.

Table 5.1: Annual net housing completion figures April 2006 to March 2015

Year	Net additional dwellings completed
2006-07	236
2007-08	390
2008-09	252
2009-10	145
2010-11	231
2011-12	168
2012-13	249
2013-14	200
2014-15	492
Total	**2363**

5.03 Since 2006, 2,363 net new dwellings have been completed. This is 472 dwellings below the cumulative annualised target (annualised target formulated from the overall target divided by the number of years in the plan (i.e. 6,300/20 = 315)). It is positive to note that this 'below target' figure has reduced by 27% since the 2014 reporting year.

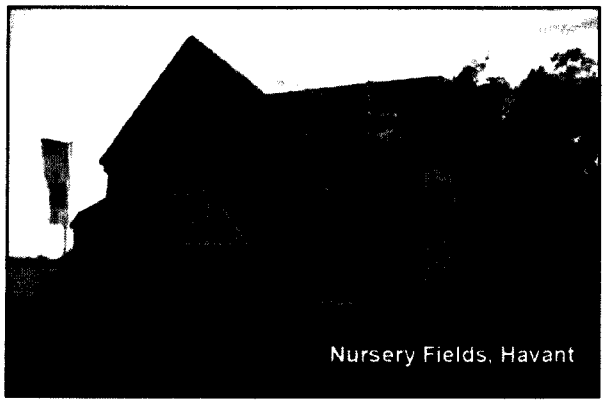
5.04 During the short term (i.e. the next five years) the shortfall below the cumulative annualised target will be rectified due to a significant number of large urban extension sites under construction and further sites subject to planning permission.

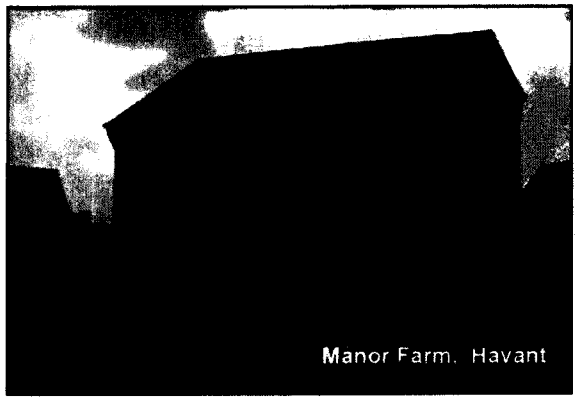
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H2(b) Net additional dwellings for the reporting year

5.05 A net total of 492 dwellings were completed during this period. The detailed breakdown of this figure is as follows:
395 new build completions
118 change of use/conversion/subdivision (gross)
-21 demolitions/losses

5.06 The number of large schemes now progressing well has increased significantly in recent years. Between the 2014 and 2015 reporting years there has been a rise of new build completions by nearly 250%.


Nursery Fields, Havant


Manor Farm, Havant

H2(c) Net additional dwellings in future years

5.07 This indicator is addressed as required by separating the:

- Net additional dwellings expected to come forward after the current monitoring year up until 31st March 2021 on deliverable housing sites; and
- Net additional dwellings expected to come forward from 1st April 2021 up until the end of the plan period on 31st March 2026 on developable housing sites.

Table 5.2: Potential Net additional dwellings on deliverable housing sites from 2015 to 2021

Year	Potential Net additional dwellings on deliverable sites
2015-16 (current monitoring year)	620
2016-17	538
2017-18	521
2018-19	519
2019-20	372
2020-21	415
2015-2021	**2985**

Table 5.3: Potential Net additional dwellings expected to come forward on developable housing sites from 2021 to 2026

Year	Potential Net additional dwellings on developable sites
2021-22	348
2022-23	364
2023-24	333
2024-25	291
2025-26	257
Total 2021-2026	**1593**

Five Year Supply Position

5.08 A requirement of the National Planning Policy Framework (NPPF) is that authorities must have a five year supply of housing with appropriate flexibility.

5.09 Based on the figures above the council can demonstrate a five year supply of housing. The calculations provided below have used the stricter approach which addresses existing shortfall in the short term, as opposed to spreading it over the remainder of the plan period. This approach (known as the Sedgefield approach) is not necessarily advocated by the council but has been used to show the council has a comfortable five year supply of housing with flexibility.

5.10 In summary the council's five year supply requirement at this time equates to the following:

Table 5.4: Five Year Supply Requirement

Supply Requirement	Number of dwellings
Annualised target multiplied by 5 (315X5)	1575 dwellings
Shortfall at end of 2014/15	472 dwellings
Accounting for monitoring year exceeding annualised target (315-620)	-305 dwellings
Total 5 year supply requirement	**1742 dwellings**
Including 5% flexibility (5% of 1575 = 79)	1821 dwellings
Including 20% flexibility (20% of 1575 = 315)	2057 dwellings

5.11 Delivery during the five year supply period of 2016-17 to 2020-21 (i.e. excluding the monitoring year) is expected to be 2,365 dwellings. This figure can be calculated using the figures from Table 5.2 minus the completions for the monitoring year. 2,365 exceeds the five

year supply requirements identified in Table 5.4. The Council has five years' housing supply with approximately 39% flexibility.

5.12 In numerical terms based on the tables above the council have 7.5 years of housing supply. The five year supply is continually evolving and subject to review. The information reported above may therefore be subject to change.

H2(d) Managed delivery target

5.13 This indicator refers to net additional dwellings that are needed to come forward each year taking into account past delivery (or projected delivery when looking at the remaining years of the plan). Effectively it resets the annualised target for new dwelling completions according to whether past delivery is above or below target.

5.14 As identified previously the overall housing requirement in the council's adopted Local Plan (Core Strategy) is for 6,300 net additional dwellings to be completed between 2006-2026.

Table 5.5: Managed delivery of housing in Havant Borough from 2015 to 2026

Year	Managed delivery of housing	Year	Managed delivery of housing
		2020-21	228
2015-16	358	2021-22	190
2016-17	332	2022-23	151
2017-18	309	2023-24	80
2018-19	282	2024-25	-47
2019-20	248	2025-26	-384

5.15 The figures set out in Table 5.5 are taken from the 'manage' line of the Havant Housing Trajectory 2015, set out in Appendix 9 of this report. Lists of the deliverable and developable housing sites are set out in Appendices 7 and 8. The manage line takes into account shortfalls and surpluses in housing delivery from previous years and is based on the sites under construction, deliverable planning permissions and sites allocated in the adopted Local Plan (Core Strategy 2011 and Allocations 2014).

5.16 The table shows that if all sites were developed as projected then the borough would meet the 6,300 target during the 2023/24 year. There is a slight surplus expected at the end of the plan period. This approach ensures flexibility in order to meet the 6,300 new dwelling requirement.

H3 New and converted dwellings on previously developed land

5.17 This indicator refers to the proportion of new and converted dwellings (gross) built on previously developed land (PDL) in 2014/15. It should be noted that the NPPF excludes private residential gardens from its definition of PDL. This makes historical comparison difficult as prior to the NPPF residential garden land was considered as PDL. The figure provided below is based on the current PDL definition which excludes gardens.

5.18 Of the 513 gross completions during the reporting year 26% were built on PDL.

H5 Affordable housing completions

5.19 The council's adopted Core Strategy seeks to achieve 30-40% of new homes to be affordable on sites of 15 dwellings or more and with sites of 5-14 dwellings provision should either be on-site or an equivalent financial contribution provided.

5.20 A Ministerial Statement in autumn 2014 effectively increased this threshold so that affordable housing was only a requirement on schemes of 11 or more dwellings (gross). The Council followed the approach of the Ministerial Statement until August 2015 and then, following the outcome of a legal challenge (published 31 July 2015), the Council reverted to the adopted Local Plan Policy in relation to the affordable housing requirement.

5.20 A net total of 194 affordable homes were built throughout the borough during the reporting year (39% of net completions).

H7 Number and proportion of completions (gross) by dwelling size during 2013/14

5.21 It is considered important to monitor the changing size of dwellings since there is a trend for a reduction of household size. The figures in Tables 5.6 and 5.7 show that 39% of completions in the borough during 2014/15 were one and two bedroom dwellings. This continues a more recent trend away from higher proportions of smaller dwellings and may be a reflection of a market shift toward family sized dwellings which reflects the stronger area of the market since the 2008 economic downturn.

Table 5.6: Number and proportion of new homes completed during 2014/15 in relation to dwelling size

Size of dwelling	Number of dwellings completed (gross)	Proportion of total completions (gross)
1 bed	53	10%
2 bed	148	29%
3 bed	209	41%
4+ bed	103	20%
Total	**513 (gross)**	**100%**

Table 5.7: Percentage of small dwellings (1 and 2 bedrooms) completed 2000 to 2014

Year	Smaller homes (as a % of completions)	Year	Smaller homes (as a % of completions)
2000-01	56%	2008-09	84%
2001-02	50%	2009-10	59%
2002-03	55%	2010-11	70%
2003-04	59%	2011-12	62%
2004-05	62%	2012-13	67%
2005-06	81%	2013-14	28%
2006-07	69%	2014-15	39%
2007-08	77%		

Windfall development

5.22 The Allocations Plan includes an allowance and projected delivery of new homes from windfall development. This was outlined in supporting evidence to the examination of the Allocations Plan contained in the Windfall/Unidentified Housing Development: Analysis and Justification – A Background Paper 2013. A windfall allowance was not included in projected delivery until 2019/20.

5.23 At this stage it is therefore unnecessary to monitor delivery from windfall development against projections. Monitoring in 2020 is likely to provide the most appropriate point for monitoring whether or not windfall development is being delivered in line with projections.

Older Person Housing

The council's Core Strategy seeks to address the housing needs of older people as part of the overall housing supply. Policy CS9 (7) is positive to proposals that contribute to achieving 450 extra-care dwellings between 2006-2026.

There are various types of accommodation for the elderly incorporating different levels of care. The following table outlines delivery of older person housing that provides individual dwellings (C3 use) whilst also providing further facilities such as communal lounges and other types of provisions that facilitate the care and community needs of older people.

Year	Net dwellings specifically for older persons
2006-07	0
2007-08	57
2008-09	52
2009-10	0
2010-11	30
2011-12	0
2012-13	39
2013-14	0
2014-15	0
2006-2015	**178**

There are two schemes currently under construction that are expected to complete in 2015/16 or early 2016/17. These will provide a further 58 dwellings specifically for older persons.

In addition there is a further scheme permitted for 99 units (extra care and sheltered provision).

Housing Implementation Strategy

5.24 A Housing Implementation Strategy is included in Appendix 10. This outlines various aspects of potential approach to housing supply issues and facilitating housing delivery.

Strategic Housing Land Availability Assessment (SHLAA)

5.25 The Strategic Housing Land Availability Assessment (SHLAA) is an annually updated assessment of land within the borough with potential for housing development. It is available online at the following link: http://www.havant.gov.uk/evidence-base-studies/strategic-housing-land-availability-assessment. A further update is planned for publication in April 2016. This will include a 'call for sites', which will provide further potential sites to a other existing sources.

H4 Net additional pitches (Gypsy and Traveller)

5.26 This indicator monitors the number of Gypsy and Traveller pitches delivered in 2014-15. There were no additional Gypsy and Traveller pitches delivered in the borough during the reporting year.

Appendix 6: Figures for Havant Borough Housing Trajectory 2014

	2006/ 2007	2007/ 2008	2008/ 2009	2009/ 2010	2010/ 2011	2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026
Total Borough Past Completions	236	390	252	145	231	168	249	200	492	0	0	0	0	0	0	0	0	0	0	0
[illegible]																				
Cumulative Completions	236	626	878	1023	1254	1422	1671	1871	2363	2983	3521	4042	4561	4933	5348	5696	6060	6393	6684	6941
[illegible]	316	316	316	316	316	316	316	316	316	316	316	316	316	316	316	316	316	316	316	316
[illegible]	-80	-74	-62	-293	-62	-294	-45	-245	47	667	205	726	245	617	32	380	744	77	368	625

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Appendix 7: List of Deliverable Housing Sites (Five Year Land Supply)

Site Code	Site Name	2015/16 (Monitoring Year)	2016/17	2017/18	2018/19	2019/20	2020/21
EM18 (Perm 09/72129/002))	Land at Oak Tree Drive, Emsworth	12					
UE10 (Perm 12/00837))	Hampshire Farm	12					
UE13	Land West of Horndean Road			10	50	50	15
UE37	West of Coldharbour Farm			30	23		
	Sites with planning permission for less than 5 dwellings (Emsworth)	3	3	3			
Perm (11/01238)	36 Waterloo Road, Havant		5				
H80 Perm (13/00266)	Havant Retail Park (Bedhampton)	50	36				
H6 (Perm 12/00407)	Warblington School	40	12				
Perm (12/01233)	St Andrews House, 59-61 West Street, Havant		10	14			
H14	Portsmouth Water HQ (existing HQ on West Street)			30	40	40	10
H18 (Perm APP/12/00772)	South of Ranelagh Road / Portsmouth Water Site	20	40	19			
H69&H75	Land at former Oak Park School and land at River Way			45	54		
H144 (Perm 11/01082)	Barncroft School (part of site)	34					
UE3a (?APP/14/00863)	Land North of Bartons Road		-4	25	13		
UE3b	Land south of Barton's Road			40	45	45	45
UE4	Strides Farm and Copseys Nursery (Manor Farm and Copsey part)	60	22				
UE5	Land at Portsdown Hill	15	31				
UE7 (Perm 12/00612)	Scratchface Lane	50	24				
UE43	Havant Garden Centre, Bartons Road					20	29
UE33	Eastleigh House, Bartons Road		5	5			
	Sites with planning permission for less than 5 dwellings (Havant and Bedhampton)	8	8	8			
Perm (10/53184/002)	Former Hayling Bay Hotel, 50 Webb Lane, Hayling Island		10				

Site Code	Site Name	2015/16 (Monitoring Year)	2016/17	2017/18	2018/19	2019/20	2020/21
Perm (14/01228)	58-64 Station Road		5				
Perm (14/00043)	R/O 13-21 Mengham Road			7			
HY17 (Perm 13/00546)	Rose In June Public House	4					
HY13	Land to rear 108-110 Elm Grove, Hayling Island		14				
UE16 (Perm)	Land at Goldring Close	71	44	16			
UE21 (Perm on part 13/00639)	Station Road (east of Furniss Way)		40	36			
	Sites with planning permission for less than 5 dwellings (Hayling Island)	9	9	9			
[redacted]							
Perm (13/01278)	Tweed Court, Dunsbury Way	31					
Perm (15/00023)	St Clares Court	19					
L21	Kingsclere Open Space		10	16			
L25	Strouden Court						10
L46	Land at Oakshott Drive		8		8		
L83	Riders Lane Allotments				30	35	
L86	Blendworth Crescent Open Space		25	23			
L89	Land adjacent to Holybourne Road		8				
UE6a	Land north of Leigh Park (Cabbagefield Row)				40	40	36
	Leigh Park garage courts and parking areas			10	10	10	10
	Sites with planning permission for less than 5 dwellings (Leigh Park)	3	3	3			
[redacted]							
Perm (12/00008)	West of Waterlooville MDA (Taylor Wimpey) Dukes Meadow (Phases 3 & 4)	35	31				
Perm (14/00032)	Major Development Area West of Waterlooville (Grainger Trust plc) Phase 2	60	80	79			
Perm (12/00008)	Major Development Area West of Waterlooville (Grainger Trust plc) Phase 4 and 8			5			90
Perm (11/00015)	Land at junction of Main Avenue, Dukes Meadow (extra care housing)				32		
Perm (13/00415)	9-11 St Georges Walk, Waterlooville			11			
Perm (12/00860)	158 Hart Plain Avenue (former PH)			9			
Perm (12/00785)	127A-127 London Road, Waterlooville	-2	26				

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Site Code	Site Name	2015/16 (Monitoring Year)	2016/17	2017/18	2018/19	2019/20	2020/21
Perm (15/00022)	Connors Keep, Robin Gardens, Waterlooville	19					
Perm (14/00975)	314-318 London Road, Waterlooville		15				
Perm (14/01107)	Ben Hall, Hambledon Road		10				
W53a (12/00760)	St. Michaels Convent	34					
W58	Forest End garages			10			
W126	Padnell Grange			30	54		
W130	Meadowlands Infant and Junior School				20	32	
W139 (Perm 11/01377)	325 Milton Road	25					
UE9 (13/00804)	Woodcroft Farm			20	100	100	68
	Sites with planning permission for less than 5 dwellings (Waterlooville)	8	8	8			

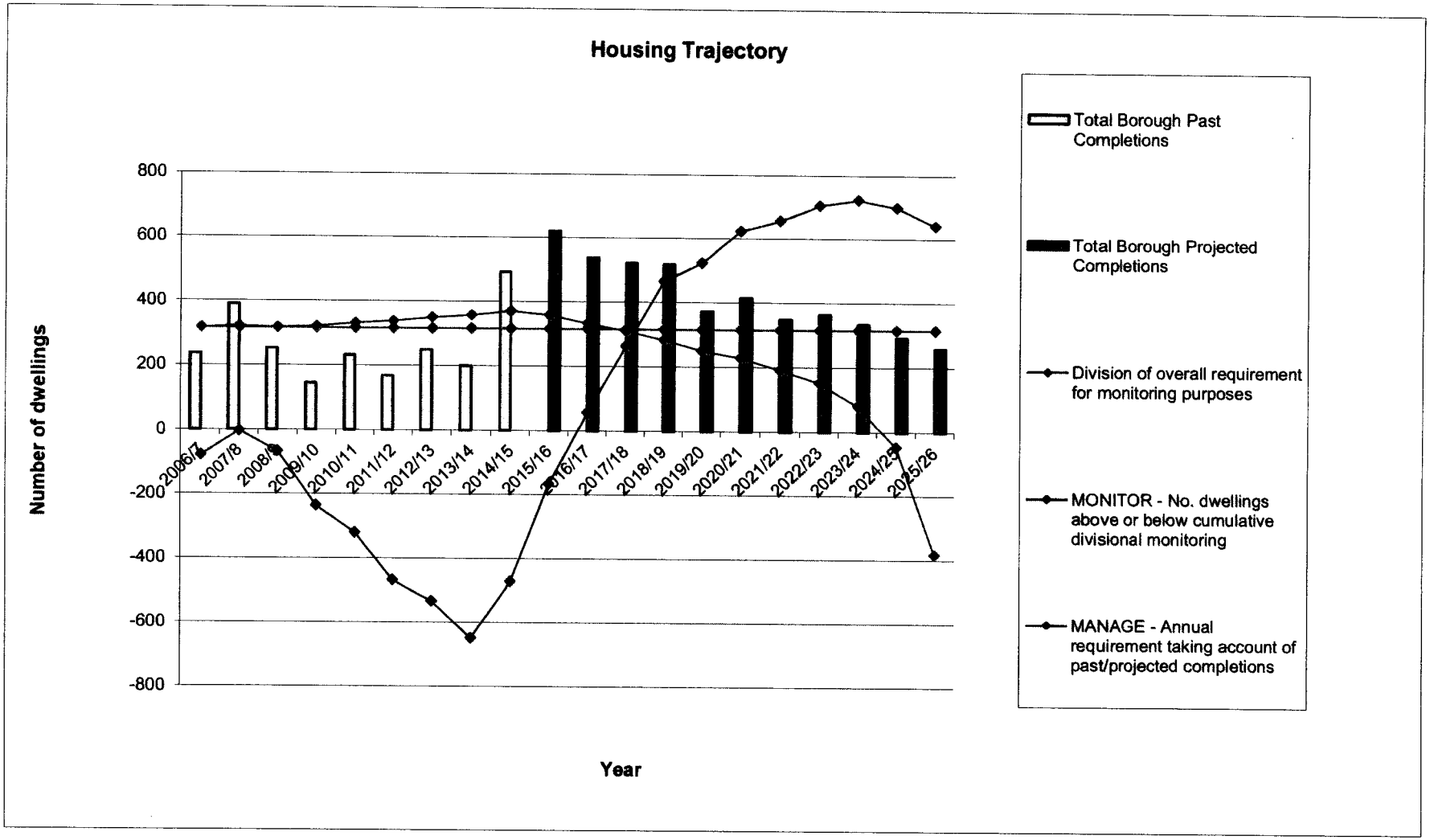
Appendix 8: List of Developable Housing Sites

Site Code	Site Name	2021/22	2022/23	2023/24	2024/25	2025/26
EM	Dolphin Quay, Queen Street, Emsworth	8				
	Windfall Development (Emsworth)	19	19	19	19	20
Perm (10/00992)	44-54 West Street, Havant		14			
H7	Wessex and Network Rail Land					30
H10	Market Parade	-25	75	75	50	50
H19	Land at end of Palk Road			10	11	
H22	Car Park behind Bear Hotel and East Street mixed use development				20	20
H72	Town End House		19			
H79	Job Centre Plus site, Elmleigh Road	22				
H144 (Perm 11/01082)	Barncroft School (part of site)	4				
	Windfall Development (Havant and Bedhampton)	20	20	21	21	21
	41 Station Road, Hayling Island			13		
HY45	Beachlands, Hayling Island seafront			50	50	25
	Windfall Development (Hayling Island)	17	17	17	17	18
L25	Strouden Court	30				
L119	Dunsbury Way (land at former Procter and Gamble site)			52	20	
L138	Leigh Park Centre		50			12
L145	SSE office site, Bartons Road	45	45			
	Leigh Park garage courts and parking areas	10	10			
	Windfall Development (Leigh Park)	11	11	11	11	11
Perm (12/00008)	Major Development Area West of Waterlooville (Grainger Trust plc) Phase 4 and 8	102				

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Site Code	Site Name	2021/22	2022/23	2023/24	2024/25	2025/26
W56	Former Curzon Rooms, London Road, Waterlooville					14
W63	Goodwillies timber yard		30	30	36	
W125	Former Purbrook Park School Playing Field		19			
W135	Land to West of ASDA	50				
	Windfall Development (Waterlooville)	35	35	35	36	36

Appendix 9: Havant Borough Housing Trajectory 2014



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Appendix SA7

Eastleigh Borough Local Plan
Inspector's Report 11/02/2016

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The Planning Inspectorate

Report to Eastleigh Borough Council

by Simon Emerson BSc DipTP MRTPI

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

Date: 11th February 2015

PLANNING AND COMPULSORY PURCHASE ACT 2004 (AS AMENDED)

SECTION 20

REPORT ON THE EXAMINATION INTO EASTLEIGH BOROUGH COUNCIL'S

EASTLEIGH BOROUGH LOCAL PLAN 2011 - 2029

Document submitted for examination on 15 July 2014

Examination hearings held between 10 and 13 November 2014

File Ref: PINS/W1715/429/4

Abbreviations Used in this Report

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

Non-Technical Summary

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

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

Introduction

1. This report contains my assessment of the Eastleigh Borough Local Plan 2011-2029 in terms of Section 20(5) of the Planning & Compulsory Purchase Act 2004 (as amended). It considers whether the Plan is sound and whether it is compliant with the legal requirements. The National Planning Policy Framework (the *Framework*, paragraph 182) makes clear that to be sound, a local plan should be positively prepared; justified; effective and consistent with national policy.

2. The starting point for the examination is the assumption that the local authority has submitted what it considers to be a sound plan. The basis for my Examination is the draft plan submitted in July 2014 which is the same as the document published for consultation in February 2014.

3. This report addresses only the most significant issues arising from the hearings held in November 2014. Those hearings primarily considered matters relating to housing and employment needs, the Plan's requirements for the provision of housing and employment land and housing delivery and supply. Following those hearings, I published *Preliminary Conclusions* (Examination Document, ID/4) 26 November 2014 in which I identified a number of shortcomings relating to the identification of housing needs, the housing requirement and land supply. The Council raised various questions of clarification on those conclusions (EBC/10) which I addressed in ID/6, although this did not change my reasoning in my *Preliminary Conclusions*.

4. Given the shortcomings I had identified in my *Preliminary Conclusions* I decided that it was not a cost-effective or efficient use of all parties' time to continue with further hearings which had been planned for January/February 2015, which would have considered site-specific allocations, amongst other matters. I had further exchanges with the Council about whether the Examination could be suspended for further work or should be stopped at this stage (EBC/11 and /12 and ID/7 and /8). Eastleigh Borough Council decided on 18th December 2014 that, among other matters, work should begin on a new local plan for the period 2011-2036 and that I be requested to submit my report on the Examination to date. That request was made by the letter of 22 December 2014 (EBC/13).

5. This report is produced in response to the Council's request. It incorporates the greater part of my *Preliminary Conclusions* so far as relevant in relation to housing needs, the requirement and supply. The report does not change the reasoning previously set out and I have made only minor amendments and corrections to the previous text for clarity and to reflect the passage of time. I do not reproduce in this report the previous discussion of possible ways forward, since that is no longer relevant. Reflecting its chosen way forward and the difficulties of making potentially significant changes to the submitted Plan, the Council has, rightly, not made a request for me to recommend modifications to remedy the Plan's deficiencies and thus my report is confined to recommending non-adoption of the Plan.

6. Following the November hearings I also issued some conclusions and comments on a few other, less significant, matters (*Post Hearing Note 3* -

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

Assessment of Soundness

Main Issues

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

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

Derivation of the housing requirement in the Plan

8. The Framework (paragraphs 47 and 159) requires Councils to assess their area's housing needs and to meet those needs in full in their local plans. Those needs should be established by a Strategic Housing Market Assessment (SHMA) based on an objective assessment of housing needs involving neighbouring authorities where housing market areas (HMA) cross administrative boundaries. The only provision in the Framework (paragraph 14) for not fully meeting needs is if any adverse impacts of doing so would significantly and demonstrably outweigh the benefits or the specific policies in the Framework which indicate that development should be restricted.

9. This Local Plan has a protracted history with the original draft plan being published three years ago. Since then there have been significant changes in the planning context: publication of the Partnership for Urban South Hampshire (PUSH) South Hampshire Strategy 2012; publication of the Framework; and revocation of the South East Plan. The submitted Plan proposes in policy S2 a minimum of 10,140 new dwellings in the plan period of 2011 - 2029 which equates to 564 dwelling per annum (dpa). How this figure has been derived and justified is summarised in the *Housing Background Paper* EBC/H1 (July 2014) and in the *Sustainability Appraisal* EBC/G2 (10.2.3 - 10.2.9). The figure of 10,140 is derived from the apportionment made to Eastleigh Borough in the PUSH SHS 2012, increased by 5%. The South Hampshire Strategy was not based on an objective assessment of housing need in an up to date SHMA and thus, whilst reflecting a positive co-operative approach by all authorities in the sub-region, was not compliant with the Framework.

10. Irrespective of how the 10,140 was originally derived, I consider that the relevant test now is whether, in practice, in the light of all the evidence available it meets the requirements of the Framework. The Council's position is somewhat ambiguous as to whether it considers there is an objective assessment appropriate for Eastleigh Borough to inform this Plan.

The PUSH SHMA and PUSH Strategy

11. The South Hampshire Strategic Housing Market Assessment (SHMA) January 2014 (EBC/H4A) was published just before the publication of the pre-submission Plan. It was produced on behalf of all the PUSH authorities in the South Hampshire sub-region and covers needs in the period 2011-2036. It identifies two HMAs within the PUSH area. Eastleigh Borough is wholly within the Southampton HMA. I have seen no evidence to justify a different definition of an HMA for Eastleigh. The SHMA includes nine different projections to explore objectively assessed needs. Some, such as zero net migration or zero employment growth are so at odds with Framework as to not be worth putting forward, but they have not been used to determine the recommended outcome. I note that many local residents support much lower projections of housing need, but these would not be consistent with national policy.

12. In relation to household/population projections, the methodology used in the SHMA is not fundamentally criticised. Its conclusion is that needs amount to 2,115 dpa in the Portsmouth HMA and 2,045 in the Southampton HMA (11.24). Appendices to the SHMA set out all nine projections individually for the local authorities (or parts thereof) within the PUSH area. For Eastleigh Borough, applying the report's recommended projection at a Borough level amounts to 615 dpa (SHMA, Appendix U, Table 19). This equates to 11,070 dwellings for the Local Plan period to 2029 (EBC/H1 paragraph 4.68), 930 more than the Plan proposes.

13. The SHMA focuses on assessing needs on the basis of the two identified HMAs. This is consistent with the approach to preparing SHMAs in the Framework. However, to progress a local plan a Council needs to determine the needs within its area. The SHMA states that the figures it provides for individual Boroughs should be used with caution. The Council highlights this cautionary approach in resisting the use of the 615 dpa figure referred to above in determining its housing need/requirement. However, there needs to be some basis to do so and, in my view, the PUSH SHMA and the JGC Study (see below) provide a reasonable starting point. If the Council considered that the Borough-based assessments were fundamentally inadequate then it should have withdrawn this Plan and undertaken what further work it considered necessary.

14. The Council see the PUSH Spatial Strategies as the tool to derive the requirements for each Borough in a manner which meets the Duty to Co-operate. But as I have already noted, the 2012 Strategy was not based on an objective assessment of need compliant with the Framework, which weakens its suitability for this purpose. The PUSH authorities have agreed a programme of work to prepare a new PUSH Spatial Strategy. This envisages public consultation on options in summer 2015 and consultation on a final strategy early in 2016.

15. The Borough Council see this new Strategy as the appropriate means to address the spatial response to the PUSH SHMA 2014 and to determine housing needs and requirements at a Borough level. Accordingly, it has already included in its Local Development Scheme (LDS) a review of the Local Plan to be published in 2016 to respond to the new Strategy. This intention

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

16. Accordingly, I consider that for the short/medium term at least, this Local Plan should seek to meet the expectations of the Framework and any significant shortcomings should be addressed now and not be postponed to the review. A planned review cannot make an unsound plan sound.

17. The Council estimates (EBC/H1 Table 5.1) that existing local plans covering the Southampton HMA are proposing to deliver nearly enough housing to meet the SHMA's recommended need for the period 2011-2026, with a shortfall averaging 50 dpa (750 dwellings overall). Of the Councils covering at least part of this area, only Test Valley has not got an adopted plan in place for this period. Southampton City is the largest single provider of housing within the HMA and Eastleigh Borough is second. The contributions from the other authorities are much smaller, reflecting that only parts of those authorities are in the PUSH area and the Southampton HMA. The current shortfall estimated by the Council for the Portsmouth HMA is much greater at nearly 500 dpa (EBC/H1 Table 5.2).

18. No Councils within PUSH object to the scale of housing provision proposed in this Local Plan and none have requested Eastleigh Borough to accommodate any of their housing needs. In this context, I do not see the Duty to Co-operate as requiring Eastleigh Borough to anticipate whether or not other authorities in PUSH will be able to meet their housing needs. To do so would involve drawing conclusions about the ability of those authorities to deliver housing which neither the Council nor I are in a position to do. Such assumptions would not reflect a co-operative approach.

19. It is a legitimate role for the PUSH strategy, as an expression of the Duty to Co-operate, to assign all unmet needs within the HMA beyond 2026 and, if required, between the 2 HMAs. Provided that a new PUSH Strategy is finalised in 2016 there would be sufficient time for all plan reviews to roll forward provision on the agreed basis from 2026. The difficulty is with the modest shortfall emerging in the short/medium term, as the timing of the PUSH Strategy and subsequent reviews of plans will unacceptably delay that shortfall being addressed. I consider this further below after considering the JGC Study.

20. The PUSH authorities clearly have the structure in place and a commitment to working together in the future as they have done in the past. The PUSH structure and the work it has produced and intends to produce demonstrate an admirable co-operative approach. But the process is time-consuming and there is a danger of building-in delay to local plans. This is why it is essential that this Plan responds as fully as possible to the identified needs of Eastleigh Borough.

The JGC Study

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

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

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

part, this possibility.

24. Thirdly, the JGC Study carried out a more detailed analysis than the SHMA on the local reasons behind the slowing of the trend of household formation (headship rates) revealed in the 2011 Census. In the light of this analysis, it recommends a part return to the underlying long term trend to reach 73% of the 2008-based rate by the end of the projection period. I consider that this is a well-informed analysis consistent with the evidence and with other Inspectors' conclusions on this issue. The recommended projection in the SHMA had not assumed such a high degree of convergence and so the application of this analysis to its population projection would result in more new households, particularly towards the end of the projection period.

25. In relation to the starting point of a demographic projection, I consider that whilst the JGC Study is a robust piece of work in this regard, the projection in the PUSH SHMA should not be ignored. Thus demographic evidence indicates that Eastleigh should be providing between about 550 - 615 dpa. For the reasons given above, the most robust approach would be a figure toward the upper end of the range. The proposed rate in the Local Plan of 564 dpa sits within this range, but I consider that it is marginally too low in relation to the most appropriate demographic projection.

26. On the Council's evidence, there is a shortfall in housing supply of between 360-750 dwellings between 2011 -2026 in the Southampton HMA, depending on whether the PUSH SHMA or the JGC Study is used. Considered in isolation, Eastleigh Borough does not have to accommodate all this shortfall, but it should seek to accommodate some of it so as to reduce the extent to which any PUSH Review has to address a backlog of provision. More importantly, in the light of my conclusion in relation to affordable housing below, this shortfall in the HMA suggests that on demographic projections alone there is some scope to increase the provision of market housing to deliver more affordable housing. The shortfall in the HMA clearly provides an opportunity for housing provision in Eastleigh to be increased without any wider impact on the HMA, although I see no reason why any such uplift would need to be capped at this shortfall figure.

27. The demographic projections are only the starting point for determining housing need and ultimately the housing requirement. I thus turn below to these other relevant matters.

Affordable Housing

28. Affordable housing for planning purposes is defined in the Framework's Glossary.

29. The PUSH SHMA was not published until close to the publication date of the Plan. Whilst the Council was aware of its preliminary findings prior to publication, it is clear that much of the early preparatory work for this Plan was not informed by an up-to-date understanding of the need for affordable housing in the district. This is a significant shortcoming.

30. The PUSH SHMA identifies 1,661 households pa in the Southampton HMA in need of affordable housing, of which the need in Eastleigh Borough is 509 pa (SHMA Appendices, Table 34, p79). The SHMA notes (8.78) that

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

31. On the basis of these reduced figures, it concludes that there is no PUSH-wide need to increase housing provision to meet affordable housing needs (paragraph 11.9), but for Eastleigh Borough it comments (8.79): *even assuming the current role of the private rented sector continues we identify a need to deliver around 310 affordable homes pa which would require overall housing provision in the region of 1,000 to 1,100 dpa.* The Council, however, does not consider that any increase in housing provision to meet affordable needs is justified in this Plan. I consider below the three key assumptions leading to these conclusions.

32. Firstly, the PUSH SHMA assumes (EBC/H4A, 8.6) 30% of gross income spent on housing is the threshold for households in need of affordable housing. Many developer interests consider that this is too high and highlight the reference to a 25% threshold in the 2007 DCLG SHMA Guidance. But that document has been cancelled. National Policy Guidance (the *Guidance*) does not specify a threshold. I note that 30% of the estimated income required to access market housing in Eastleigh would be (just) insufficient to rent an entry level two bedroom property. Three bedrooms would be out of reach. Thus a proportion of families would not be able to secure accommodation of adequate size when spending 30% of income on housing (SHMA Appendices, Table 23, p73 and Figure 18, p70). A 30% threshold should thus be seen as the upper end of a possible range.

33. Using the SHMA methodology, a 25% income threshold would increase the identified need for affordable housing to about 624 dpa for Eastleigh (prior to any role assigned to the PRS). This highlights the sensitivity of the threshold used. Accordingly, the figure in the SHMA of 509 dpa should be seen as a baseline, with actual needs recognised as potentially greater. In this context, I see no justification for the Council assuming that more than 30% of income could reasonably be spent on housing. Some households may be forced to do so, but that does not make it a justified approach to assessing need.

34. Secondly, there is no justification in the Framework or Guidance for reducing the identified need for affordable housing by the assumed continued role of the PRS with LHA. This category of housing does not come within the definition of affordable housing in the Framework. There is not the same security of tenure as with affordable housing and at the lower-priced end of the PRS the standard of accommodation may well be poor (see for example: *Can't complain: why poor conditions prevail in the private rented sector*, Shelter March 2014, provided by Tetlow King on behalf of Landhold Capital).

35. The Framework requires planning authorities to meet the housing needs of their area including affordable housing needs. The availability of accommodation within the PRS where households are in receipt of the LHA is outside the control of the Council, being determined by the willingness of private landlords to let to tenants in receipt of the LHA. The operation of the LHA is determined by the government. I have no doubt that households in need of affordable housing readily perceive a substantial difference between these two types of housing for the reasons already given. Accordingly, affordable housing needs in Eastleigh Borough are at least 509 dpa and would be higher if a more cautious approach were to be taken to the proportion of income which it is assumed is reasonable to spend on housing.

36. Most of this need for 509 dpa is not additional to the 550 - 615 dpa arising from the demographic projections. It is a requirement for a distinct type of housing. I recognise that much of the need may be households in accommodation which is inadequate for their needs, but which may be adequate for other households. The SHMA's assessment takes account of the release of affordable units for those needing to move who are already in affordable housing (EBC/H4A, 8.32). Similarly, a move of a household from an unsuitable private rented unit to a suitable affordable unit would free-up that private rented unit, but such moves cannot happen unless affordable homes are available.

37. In relation to affordable housing provision over the plan period, the Council notes that 323 affordable units had been delivered between 2011-2014; existing planning permissions have secured a further 686 units; and on the basis of the percentages in policy DM28, a further 2,000 could be secured from future permissions, resulting in about 3,000 new affordable housing units over the plan period. This is the maximum likely to be delivered. Actual delivery might be less as it depends on the viability of specific sites to deliver at 35%. The Council's estimate equates to an average of 167 pa, substantially below the need for affordable housing and below even the SHMA's figure of 310 pa where the role of the PRS with LHA was assumed to be meeting part of the need.

38. The failure of the Council to recognise the true scale of need for affordable housing and therefore the consequential failure to consider how it might be addressed is a serious shortcoming.

Market signals

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

40. Developer interests highlight a range of market signals (see, for example, Table 5.3 in Nathaniel Lichfield and Partners work for Gladman

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

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

Accommodating economic growth

42. Local Economic Partnerships (LEPs) are the lead body for promoting local economic development. In this case, it is the Solent LEP, which covers a similar geographic area to PUSH. I consider that a key test of the economic strategy of the Plan is compatibility with the intentions of the LEP, given its role, which includes control of substantial public funds to support economic development. The LEP's current strategy is the *Solent Economic Plan 2014-2020* (EBC/G1) published in March 2014. This sets out a number of economic aspirations, including job growth, drawn from economic projections provided by Oxford Economics (*Solent LEP Economic Outlook*, March 2014). This included a baseline forecast and preferred growth scenario. The LEP's Economic Plan mostly seeks to achieve the headline indicators of the preferred scenario (comparing p6 of EBC/G15 with 4.1 of the Economic Outlook).

43. An important element of the LEP strategy is the promotion of various key sites for economic development. There are seven key sites identified for 2015-2017. None are in Eastleigh Borough. There are a further five sites identified as *Future Pipeline Sites*. One of these, described as: *Ford site, Eastleigh Riverside and Southampton Airport* extends over a large area which straddles the boundary between Southampton City and Eastleigh Borough. The Ford factory which closed in 2013 is not in Eastleigh and its redevelopment is not dependent on any proposals within Eastleigh. The submitted Local Plan includes proposals for facilitating various types of economic development in this area: at Eastleigh Riverside (policy E9, mainly business areas for redevelopment), adjoining Eastleigh Riverside side (policy E10, 9.60 ha of greenfield land) and Southampton Airport (policy E12, including 21 ha of undeveloped land north east of the runway).

44. The site-specific merits of these three allocations and the requirements of each policy were not explored at the hearings in November. The main area of dispute/uncertainty concerns achieving a new access road to facilitate major greenfield development and the requirements to accommodate such a potential future road in any redevelopment of other areas. Because of the current uncertainty, the Council has not included the allocated greenfield

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

45. In the summer of 2014, the LEP received substantial public funding to help bring forward a number of its identified key sites. But there was no such funding for the Ford/Airport/Riverside area. Delivery of the LEP's preferred growth scenario will therefore depend on delivery on sites outside Eastleigh and on various generic measures. The LEP has not commented on the Plan. (It did comment on the adjoining Test Valley Local Plan which was published at a similar time, so I do not regard this lack of comment as an omission). I conclude that the LEP is content with the economic intentions of the Plan and that in the short-medium term, the most likely opportunities for achieving aspirational growth in the LEP area are largely outside Eastleigh Borough.

46. The Plan proposes a minimum of 133,000 sq m of employment development (which is largely intended to be within the B use class). Table 3 in the Plan indicates that total anticipated new floorspace exceeds this minimum at about 148,000 sq m. (Appendix 5 of EBC/2 gives details of the sites which make up this figure.) The Council has taken into account a wide variety of evidence in initially identifying and subsequently justifying this level of provision in the Plan (see, in particular, *Employment Land Strategy Report* July 2014 EC1c). The minimum floorspace figure in the Plan is made up of two components. The *Employment Land Requirements Study* January 2012 (EC1b) identified a need for about 92,500 sq m net additional employment floorspace. The Council identified a need for an additional 40,700 sq m of B class floorspace to replace anticipated losses of existing major employment sites (over and above the past trends for such losses - see section 3.3, EC1c).

47. An *Employment Land Requirements Study Update* was published in May 2014 (EC1b1), after the publication of the Plan. This took into account an updated job growth forecast from Experian of March 2014. This economic forecast resulted in a much higher figure for additional B class floorspace of nearly 228,000 sq m (Table 2.13). However, whilst being mindful that this new evidence may point to greater economic potential of the Borough, I largely accept the Council's reasons, summarised below, for not seeking to increase employment floorspace to match this new forecast.

48. Economic forecasts have a high degree of uncertainty and, in isolation, do not provide a robust basis for planning land use requirements. The floorspace projections based on this most recent forecast seem particularly out of step with a range of other forecasts and methods of assessing future floorspace needs (as illustrated in Table 3.9, reproduced in EC1c, p20). It is also preferable for economic forecasts to be based on the functional economic area rather than an individual district and the LEP/PUSH best reflect this approach.

49. In addition, the scale and type of new employment provision proposed in the Plan (not including the replacement floorspace) broadly aligns with what Eastleigh Borough is expected to deliver in the PUSH South Hampshire Strategy 2012 (90,000 sq m for manufacturing and distribution and only 2,000 sq m for offices - Policy 6, EBC/G7). That strategy envisaged substantial

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

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

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

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

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

Overall conclusion on issue 1

54. I have found that the Council has failed to recognise the true scale of need for affordable housing. There is also the consequential failure to consider how that need might be addressed. The Framework (paragraph 17, 3rd bullet) requires every effort to be made to meet needs. I see no justification for delaying this consideration for 2-3 years pending a review of the Plan.

55. The Guidance states that: *an increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes.* Increasing market housing to meet all the identified affordable housing need would require a threefold increase in overall provision. I do not consider that this a realistic option to explore. In addition to the inevitable difficulties of securing delivery of such a scale of development, particularly in the short term and of providing sufficient infrastructure, such a scale of provision is much greater than even the most optimistic demographic projection. It would also result in the release back into the market of many dwellings in the PRS currently occupied by tenants in receipt of the LHA. Thus the cumulative effect of such provision over and above underlying demographic change would be very substantial and the consequences for the housing market are difficult to anticipate.

56. However, there is evidence which strongly suggests that some increase in delivery of market housing is achievable and could deliver a significant proportion of affordable housing. The developers of the major sites allocated in the Plan and included in the five year supply are keen to start delivering (see below) and where planning permission has not already been granted they are intending to submit planning applications very shortly. There is also clearly strong interest from other developers for additional housing sites to be allocated in the Plan and some of these appear likely also to be progressed as planning applications soon.

57. I have indicated that the PUSH SHMA's preferred projection (which equates to 615 dpa for Eastleigh) should not be ignored and that the demographic requirement is best seen as a range. I have also noted that on the basis of that projection, the Council calculates a shortfall in delivery in the HMA of about 750 dwellings to 2026. This background strongly indicates the opportunity for Eastleigh to deliver more housing with no adverse impact on delivery in the rest of the HMA. Market signals also point to both a need to provide more housing and the market's strength to do so.

58. If the Plan was being progressed, the Council would have to identify a possible range for what is practical in terms of increased delivery. That range would then have needed to be tested through Sustainability Appraisal in relation to the environmental impact of development on various sites in order to identify the appropriate requirement to be included in the Plan. I note that the *Sustainability Appraisal* (EBC/G2) submitted with the Plan includes in Appendix II an assessment of alternative growth options including 11,628-12,060 dwellings, which had been assessed in the SA accompanying the draft Plan published in October 2013. Whilst that assessment concluded that this higher level of growth would be *difficult to accommodate without threatening the environmental integrity of the Borough* it is difficult to understand the evidential basis for that conclusion. Equally importantly, that testing did not

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

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

59. A housing trajectory is included as an Appendix to the Plan. Table 2 in the Plan sets out expected delivery of housing by Parish from different categories of supply: completions, specific urban sites, broad areas (also urban); and greenfield allocations. The figures in the Plan are now out of date. More detail on the sites and sources contributing to these categories is in the Strategic Housing Land Availability Assessment (SHLAA) (EBC/G4 July 2014) which updates the position to 1 April 2014. Detail on how the Council has been calculating the five year supply and a trajectory for the delivery of the allocated sites is in the Council's paper: *Five Year Land Supply Position/Housing Implementation Strategy September* 2014 (H15). For sites allocated in the Plan a year-by-year trajectory for the first five years is included as an Appendix to the Council's pre-hearing statement on this matter. I comment below only on those sources of supply where I consider that the Council's approach is not justified.

60. The category of *broad areas* includes additional dwellings from the redevelopment of sites in Eastleigh town centre and three district centres: Fair Oak, Hedge End and West End. The total supply relied on by the Council from these sources is 300 for the former and 226 for the latter group. None of this supply is included in the five year supply calculation (SHLAA, EBC/G4 paragraph 4.38 and Table 4.8). More detail on these centres is in SHLAA Appendices 7 and 8. In relation to Eastleigh town centre, the SHLAA refers to the challenge to be overcome, including a degree of inertia demonstrated by the fact that private owners have been reluctant or unable to bring schemes forward, particularly within the central block, during the last 25 years. Given this context, the only evidence that there are reasonable prospects (the relevant test in the Framework, paragraph 47, Footnote 12) of some delivery coming forward here is the Council's ownership (or intended acquisition) of sites, given the Council's commitment to change in the town centre. Accordingly, delivery from sites 5, 6, 7, 8 in the table in Appendix 7 is justified (and does not need discounting), but not from any others. The supply is thus 137, not 300.

61. Similarly, the assessment of the supply from the three district centres is too focused on physical capacity rather than providing evidence of reasonable prospects. There is nothing to indicate why redevelopment, which was not triggered by the previous economic boom, will happen in the future. The need for land assembly or the existing nature of the premises on some of the sites suggests that delivery is very uncertain. Rather than assess each parcel individually, I have increased the Council's discount on delivery from 25% to 50% to be more realistic. Supply thus falls from 226 to about 150.

62. The Council acknowledges (hearing statement, 3.9-3.10) the potential for overlap between the site-size threshold in the SHLAA of 0.2 ha (which might be for less than 10 dwellings) and the calculation of the small site windfall

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

63. The Council has included small site windfalls in years 3-5 of the five year supply and from year six onwards. The inclusion of the contribution from windfalls from year three is justified given the Council's evidence on the time within which planning permissions are normally implemented and thus avoids double counting. A 10% discount is applied to the average past supply of small site windfalls. Given that there is no change in the policies in the submitted Plan compared with policies in the adopted Plan, this continuation is realistic in the short term. However, to reflect uncertainty and the possibility of fewer such sites in the future, I consider that from year six the discount should be increased to 25%.

64. Contrary to the definition of windfalls in the Framework, the Council had included garden land sites in the windfall assessment for years 6-15. These should be removed (amounting to eight dwellings pa). The Council needs to recalculate the windfall contribution for years 6-15 taking into account the above two points, but it is likely to reduce the assumed 700 to about 520.

65. The Council calculated that at 30 September 2014 there was a total supply of 10,746 dwellings, including the Hamble Lane appeal site (see Council's hearing statement on this matter, EBC/4/3, Appendix 3). In the light of the required reductions, the supply figure is about 10,200, only marginally above the overall requirement identified in the Plan. This is not a robust position. But in any case, I have identified a need for a higher housing requirement and there is not an identified supply to meet any such higher figure.

66. For completeness, I consider below the five year supply position based on the housing requirement identified in the Plan. The five year supply is primarily dependent on whether the anticipated start date and expected annual rate of delivery from the allocated greenfield sites is justified. In general, the Council is showing a clear commitment to working effectively and speedily with landowners/developers to progress planning applications on allocated sites and to encourage speedy commencement (through various conditions). Accordingly, background evidence on the slow delivery of strategic sites elsewhere in the country is not particularly relevant.

67. There is conflicting evidence about delivery rates. Developer interests put the rate at between 40-60 dwellings per site per developer, including the delivery of affordable housing. The Council highlights three large sites in Eastleigh Borough where delivery, including during the recession, was much higher. It thus considers that its assumption of 150 dwellings per annum on the three largest allocations with two developers is reasonable. There is clearly considerable uncertainty about market conditions in the future and what developers will want to achieve from their sites. The landowners and promoters of the three largest allocations in the Plan were at the hearing for this matter and I have given particular weight to their estimates for delivery.

68. Allocation BO1 Boorley Green has planning permission. The landowner confirms there are now three developers committed to this scheme who expect to start on site in October 2015. I consider that the Council's

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

69. Three different owners control the land making up site E1 land south of Chestnut Avenue, Eastleigh. A planning application was expected to be submitted in January 2015. The Council anticipates 50 units in 2016/17 then 100 units each year. The representative of one of the landowners considers that delivery will start a year later than the Council expects, but agrees with the same stepped increase in delivery thereafter. Adopting this later start would be more robust give the complexities of the site, the requirements of the allocation policy and the three landowners. Somewhat confusingly, for sites without planning permission such as E1, the Council discounts its figures in the trajectory by 25% before inclusion in the calculation of the housing supply (H15 paragraph 5.22, table after 5.28 and 7.1). Pushing back delivery by a year would give a robust figure (which does not need any discount) and thus results in only a small reduction in the contribution of this site to Council's five year supply figure (of about 40 dwellings.)

70. The promoter of site WE1, land west and south of Horton Heath, indicated that a planning application would be submitted by December 2014. This would be progressed in accordance with a performance agreement with the Council. The masterplan envisages two distinct residential areas and thus it is logical to assume two different developers. A new secondary school forms part of this allocation and the County Council requires this to be available by September 2018. This is clearly providing an impetus to progress the development quickly. A start on site mid-2016 seems realistic and the developer envisages 30 units per outlet in the first year to March 2017 (the Council assumes none). Subsequently, the developer estimates 60 units per outlet per year, not as much as the 155/160 units per year in the Council's trajectory. But as this site is without planning permission, the Council's housing supply calculation discounts the figures in the trajectory by 25%. Thus the Council's discounted delivery rate is cautious compared with the developer's and is robust.

71. On some other allocated sites, I consider that delivery might be delayed by a year compared with Council's assumptions, but still take place within five years, thus not reducing overall supply in this period.

72. In the three years since the base date of the Plan (2011), less than the Plan's average of 564 dpa has been delivered. The shortfall to 30 September 2014 is 790 homes (H15, 4.14). The Guidance states that Councils should aim to deal with any undersupply within the first five years of the plan where possible. Where this cannot be met they will need to work with neighbouring authorities under the Duty to Co-operate. The Council considers that the undersupply should be made-up over more than five years and to do otherwise is unrealistic. It cites the on-going effects of the recent recession; shortages of materials and skills; and the cycle of local plan production, resulting in previously allocated sites having been built out. However, in publishing the Guidance last year the Government would have been mindful of national circumstances in the house-building industry. The delay in having an up-to-date local plan is the Council's responsibility and does not justify delay in making good the shortfall. I have seen no evidence that it is not possible to achieve the preferred approach of the Guidance. Accordingly, on the basis of

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

73. I recognise that if the housing requirement were to be increased to help deliver more affordable housing, the shortfall would be greater and there would be a need to deliver even more in the first five years. Whether in that scenario such increased delivery would be possible would need to be considered in the light of the evidence at the time. The Council should have regard to the totality of the Guidance on this matter.

74. The Framework (paragraph 47) requires a buffer to be added to the five year supply of 5% or 20% where there has been persistent under delivery of the housing requirement. The assessment of past delivery needs to be considered over at least a 10 year period so as to cover a full economic cycle. In addition, as none of the plans required a specific target to be met each year, it is appropriate to consider delivery not just on an annual basis but over a whole plan period or phase if this is possible, so as to better iron-out ups and downs in delivery. In this case the adopted Local Plan Review covers the period 2001-2011 and so total delivery during this period can be compared with the overall requirement.

75. The Council has set out the past requirements and delivery from 2001-2 based on the Hampshire Structure Plan (421pa), the adopted Local Plan (561pa, excluding the reserve sites), and the South East Plan (SEP) (354 dpa). For the period 2001-2006 I consider that the requirement is that set out in the adopted Local Plan as this was adopted after the Structure Plan and reinterpreted that Plan's requirements, whilst remaining in conformity with it (see the complex explanation of the housing figures in the adopted Plan at 5.2-5.4, 5.10-5.18).

76. I requested a post-hearing note from the Council on the interpretation of the requirements of the SEP. Participants were given the opportunity to comment on the Council's interpretation and I have taken into account all relevant comments. The Council considers that the requirement during the period 2006-2013 (when the SEP was finally revoked) should be 354 pa, as a result of excluding any requirement arising from the Strategic Development Area (SDA) for 6,000 dwellings proposed for north/north east of Hedge End. Policy SH5 of the SEP sets out the annual average for the districts of South Hampshire and the SDAs over the period 2006-2026. For the Hedge End SDA the figure is 300 dpa implying an expected even supply from 2006. For this reason, developer interests consider that this figure should be added to the figure for Eastleigh Borough to create an overall requirement of 654 pa from 2006. The Council highlight that SEP Policy SH1 and supporting text 16.5 makes clear that delivery from the SDA was not expected to occur until 2016 (because of the required long lead-in to get development underway). There is clearly a tension in these different policies which makes their proper interpretation difficult for the exercise here.

77. It is important to bear in mind that the Framework's requirement for a 20% buffer is intended to assist delivery where Councils have experienced difficulty in the past delivering what they planned to deliver. Given the context in which the SEP was approved (recognising, as it did, that it was not meeting all housing needs in the South East), it would be perverse if the requirements of

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

78. For the 10 year period 2001-2011 the Local Plan's annual average was met in only two years and overall delivery fell well short of the required total. This is clear evidence of persistent under delivery. I have already noted that there has been under delivery since 2011 of the requirement identified in the submitted Plan. (Even if the lower requirement in the first draft of this Plan is used, delivery fell short, see footnote 8 in the Council's pre-hearing statement EBC/4/3). If the last years of the adopted Local Plan are replaced with the Council's preferred figure from the SEP, then delivery would have been met in 2009-2011, but in my view that is not sufficient to tip the overall balance to adequate delivery, given the shortfall before and since. Accordingly, I consider that a 20% buffer is currently required as part of the five year land supply calculation. Although there was a shortfall in delivery under the adopted Local Plan, I consider that the PUSH SHMA and the adjustments required as a result of my conclusions under issue 1 above represent a comprehensive new starting point for the assessment of needs from 2011 and so I do not add this backlog to the new requirement.

79. With a 20% buffer and making up the shortfall since 2011 within five years (the "Sedgefield" method), the Council calculates that there is only a 4.37 years supply (H15, Table after 5.30) in relation to the requirement set out in the submitted Local Plan. (There are small downward adjustments to be made to delivery from sites BO1 and E1, but these might be offset by better than projected delivery on WE1.) Accordingly, irrespective of the need to look to increase the overall requirement for the other reasons I have given, there is a need to boost the five year supply. From the evidence before me, I cannot see how the Council would be able to bring forward supply from later in the plan period and so the necessary boost is likely to require additional allocations which are capable of rapid delivery.

80. The overall supply position over the whole plan period is equally tight. This is not a robust position to take the Plan forward. There is no realistic flexibility in the Plan to respond to changing circumstances. It is important to ensure that any small delay in assumed delivery from sites contributing to the five year supply does not too easily result in a less than five year supply being available. The Plan needs to provide confidence that there will a five year supply at adoption and in future years.

81. There might be some large windfall sites in the future, but given that the SHLAA appears to have been very comprehensive in its search for sites this is too uncertain to be relied on as providing flexibility. The major greenfield sites included in the five year supply are being delivered as quickly as possible and there is nothing more that the Council can do to bring this delivery forward.

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

Overall conclusion on issue 2

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

Assessment of Legal Compliance

83. This report is based on a limited number of hearings. In the light of my adverse *Preliminary Conclusions*, I cancelled the hearings that were due to take place in January 2015 on, among other matters, site allocations. Those hearings would have taken into account representations in relation to the site assessment and selection process set out in the *Sustainability Appraisal* (EBC/G2) accompanying the submitted plan. I am therefore unable to come to any formal conclusion on the adequacy of the Sustainability Appraisal in this report.

84. For similar reasons, I am not able to come to a formal, final conclusion on the Duty to Co-operate. Some representations concerning this matter relate to infrastructure provision, which would have been heard at the later hearings. The Council has explained in its *Statement of Compliance with the Duty to Co-operate* (EBC/Subn5) why it considers that the Duty has been met. For the reasons set out under issue 1 above, I consider that the Council met the Duty in relation to strategic housing and employment matters because of its involvement with PUSH and willingness to take forward the South Hampshire Strategy 2012.

85. The following three paragraphs reproduce the relevant parts of my conclusions on the Council's Habitats Regulations Assessment (HRA) which I set out in my *Post Hearing Note 3 - Other Matters* ID/5.

86. The site-specific mitigation measures taken into account in screening-out potential significant effects which might arise from various allocations (see *Habitats Regulations Screening Report* EBC/GI10, 4.6.5/4.6.6 and 5.6.9-5.6.13) should be included in the policy requirements of the allocations concerned, even though an application-stage HRA would still be required as is already noted in the text of the Plan. This is to ensure that the general scope of the likely mitigation measures is made clear and that there is a complementarity between the HRA and the proposals/requirements in the Plan which the HRA is assessing. I note the necessary importance of retaining some flexibility in the scope and design of mitigation measures pending the application-level HRAs. Accordingly, I consider that changes along the lines of Option 2 of the Council's suggested alternatives would have been appropriate

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

87. The *Screening Report* (8.4.7) highlights the Forest Park and its linkage to Lakeside Country Park as an important element of the required mitigation in relation to the New Forest Special Area of Conservation and Special Protection Area. Policy E1 requires financial contributions to the Forest Park and an extension to Lakeside Country Park. But the Forest Park is largely outside the Borough boundary and its delivery is not directly within the control of the Council or developer. Test Valley Borough Council's *Forest Park Implementation Framework* October 2014 (GI14) includes Home Wood as part of the proposals for phase 1 in 2014-2019. Home Wood is adjacent to allocation E1, so there is a reasonable degree of alignment between the expectation to deliver part of the Forest Park and delivery of E1.

88. In order to meet the assumptions of the HRA, it is essential that the Plan highlights the purpose of the financial contribution to the Forest Park/Lakeside in relation to mitigation. It must also require alternative mitigation measures if an appropriate element of the Forest Park (eg Home Wood) has not been delivered in a timely manner in relation to the development of E1. Any such alternative mitigation must be of a suitable scale, quality and accessibility to achieve its purpose and its delivery closely linked to progress on the residential development. Accordingly, some additional wording along these lines would have been required in addition to the Council's suggestion in EBC/9, but would not need to be as specific as that suggested by Hampshire Wildlife Trust.

89. My conclusions regarding compliance on other legal requirements are summarised below.

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

Overall Conclusion and Recommendation

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

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

Simon Emerson

Inspector

Appendix SA8

SHMA 2014 Appendices U, V & X

SS2/207

GL Hearn

South Hampshire Strategic Housing Market Assessment

Partnership for Urban South Hampshire

Final Report: Appendices

Version 1: January 2014

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APPENDIX U: DETAILED PROJECTION OUTPUTS (PUSH WIDE)

Introduction

1.1 This section provides detailed outputs of the modelling under each of the nine scenarios run to look at population growth, employment change and housing needs. All the projections look at the period from 2011 to 2036 with outputs available for each year of the projection (although these have generally been summarised for five year periods). The projections run are summarised in table 9 below.

Table 9: Description of Projections used for Demographic Modelling

Projection	Description
PROJ 1	Linked to 2010- and 2011-based SNPP
PROJ 2	Linked to SNPP with adjusted migration
PROJ 3	10-year migration trends
PROJ 4	5-year migration trends
PROJ A	Jobs baseline
PROJ B	Residents in employment
PROJ X	Zero net migration
PROJ Y	Zero employment Growth
PROJ Z	Past Completions

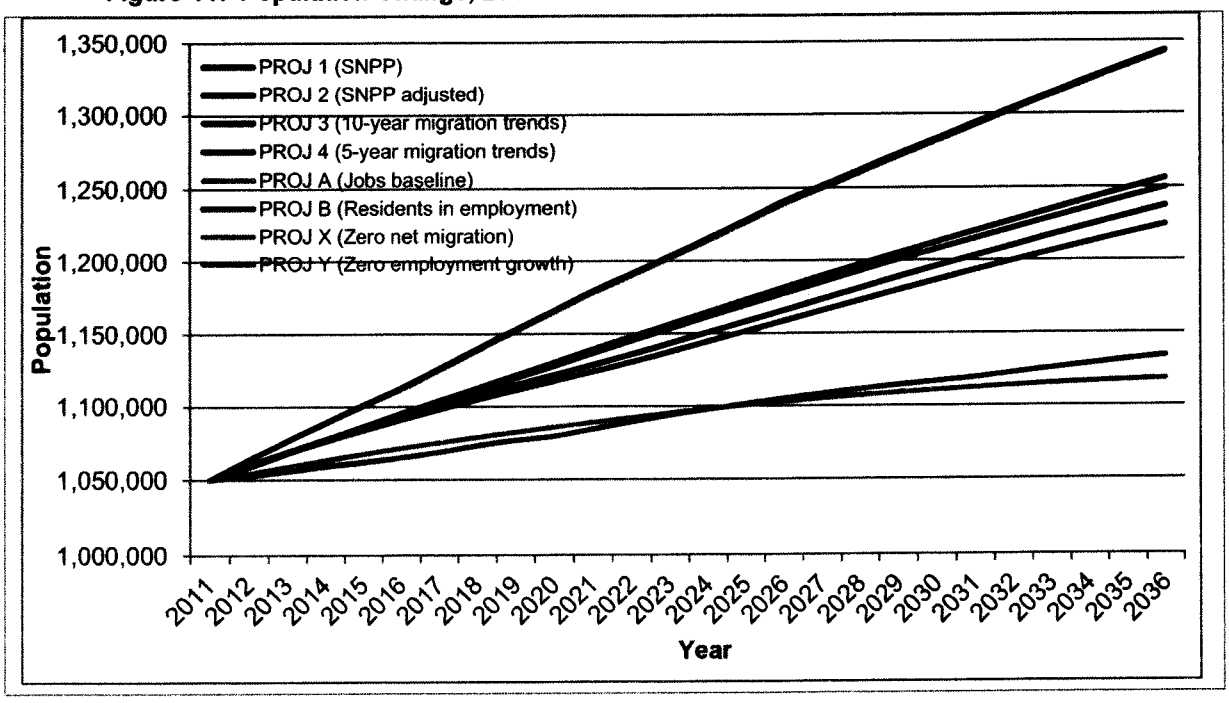
Population Projections

1.2 Table 10 and Figure 11 below show the expected growth in population under each of the nine projection runs.The projections are for the PUSH area as a whole.

Table 10: Population Estimates 2011 to 2036

	2011	2016	2021	2026	2031	2036
PROJ 1 (SNPP)	1,050,034 0.0%	1,090,762 3.9%	1,123,952 7.0%	1,158,311 10.3%	1,192,885 13.6%	1,224,502 16.6%
PROJ 2 (SNPP adjusted)	1,050,034 0.0%	1,093,052 4.1%	1,128,733 7.5%	1,165,712 11.0%	1,202,971 14.6%	1,237,340 17.8%
PROJ 3 (10-year migration trends)	1,050,034 0.0%	1,093,823 4.2%	1,136,568 8.2%	1,177,376 12.1%	1,215,084 15.7%	1,249,807 19.0%
PROJ 4 (5-year migration trends)	1,050,034 0.0%	1,095,054 4.3%	1,139,074 8.5%	1,181,150 12.5%	1,220,089 16.2%	1,256,038 19.6%
PROJ A (Jobs baseline)	1,050,034 0.0%	1,111,891 5.9%	1,178,075 12.2%	1,239,159 18.0%	1,291,968 23.0%	1,342,323 27.8%
PROJ B (Residents in employment)	1,050,034 0.0%	1,113,003 6.0%	1,179,299 12.3%	1,240,540 18.1%	1,293,172 23.2%	1,343,324 27.9%
PROJ X (Zero net migration)	1,050,034 0.0%	1,071,121 2.0%	1,088,868 3.7%	1,102,727 5.0%	1,112,327 5.9%	1,118,306 6.5%
PROJ Y (Zero employment growth)	1,050,034 0.0%	1,064,644 1.4%	1,084,084 3.2%	1,105,056 5.2%	1,119,450 6.6%	1,134,163 8.0%

Figure 11: Population Change, 2011 – 2036

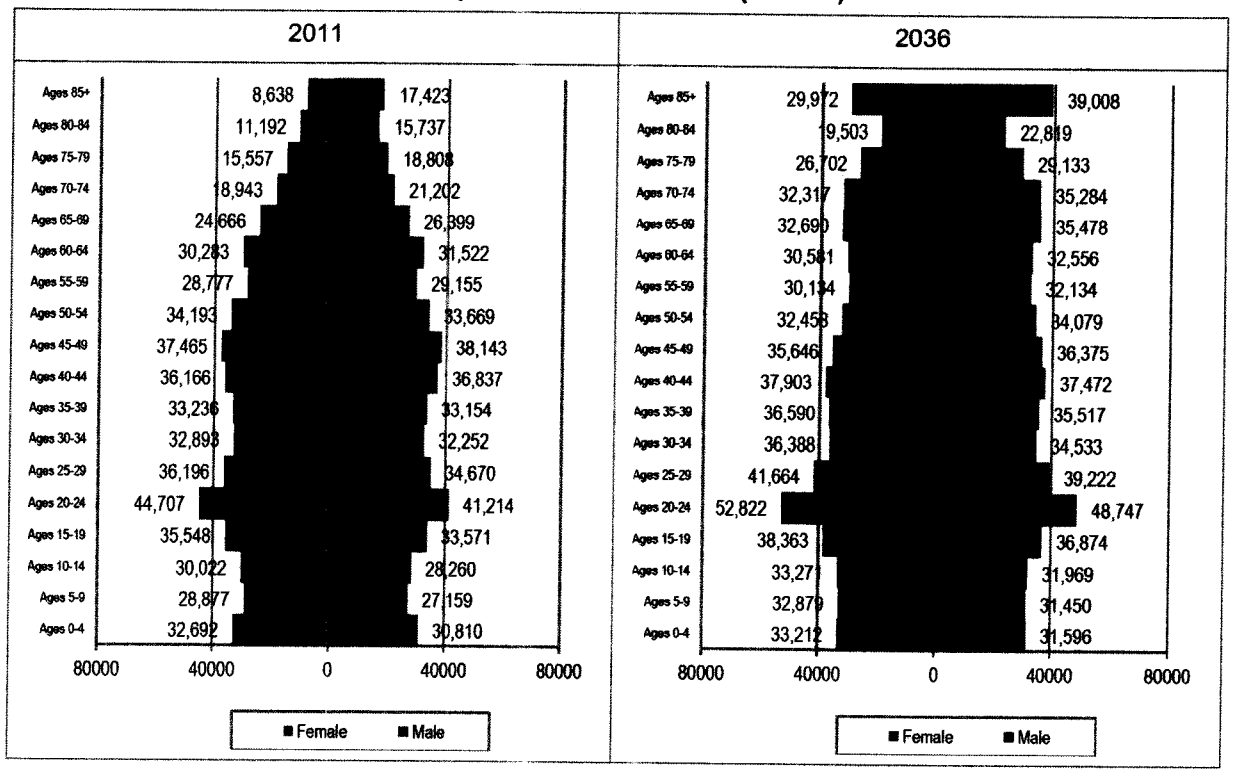


Impact on Population Age Structure

1.3 With the changes shown above there will also be a change in the age/sex profile of the population. We have therefore looked in a bit more detail at population change under PROJ 2 (linked to the adjusted SNPP). The figure below shows population pyramids for 2011 and 2036.

1.4 The 'pyramids' show the growth in population overall and highlight the ageing of the population with a greater proportion of the population expected to be in age groups aged 60 and over (and even more so for older age groups) - in particular the oldest age group (85+) shows an increase from 26,061 people to 68,980.

Figure 12: Distribution of Population 2011 and 2036 (PROJ 2)



1.5 Table 11 below summarises the findings for key (15 year) age groups. The largest growth will be in people aged over 60. In 2036 it is estimated that there will be 366,000 people aged 60 and over. This is an increase of 125,700 from 2011, representing growth of 52%. The population aged 75 and over is projected to increase by an even greater proportion, 91%.

1.6 The growth in the older population is an important driver of housing needs, in particular as older households typically are smaller than those in younger age groups.

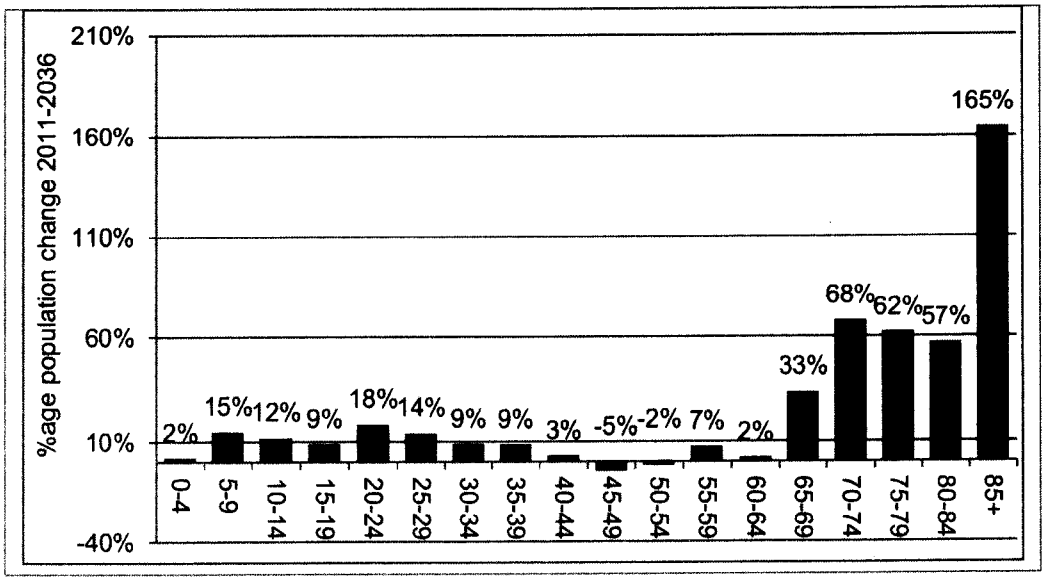
1.7 Looking at the other end of the age spectrum we can see that there are projected to be around 9% more people aged under 15 with increases seen for the 15-29 and 30-44 age groups. The 45-59 age group is expected to see a small decline in population.

Table 11: Population Change 2011 to 2036 by Fifteen Year Age Bands (PROJ 2)

Age group	Population 2011	Population 2036	Change in population	% change from 2011
Under 15	177,820	194,377	16,558	9.3%
15-29	225,905	257,690	31,785	14.1%
30-44	204,537	218,405	13,868	6.8%
45-59	201,403	200,827	-576	-0.3%
60-74	153,014	198,906	45,892	30.0%
75+	87,355	167,135	79,780	91.3%
Total	1,050,034	1,237,340	187,306	17.8%

1.8 Figure 13 below shows the percentage changes for each five year age group. The most stark trend is the increase in the population aged 85 and over (up 165%) which may have implications for future housing delivery as many of this group may require some form of specialist housing. In contrast we see only moderate increases (and some decreases) in most age groups up to age 65. The large projected growth in population in the oldest age groups is linked to projected improvements in life expectancy.

Figure 13: Forecast Population Change by Age Group 2011 – 2036



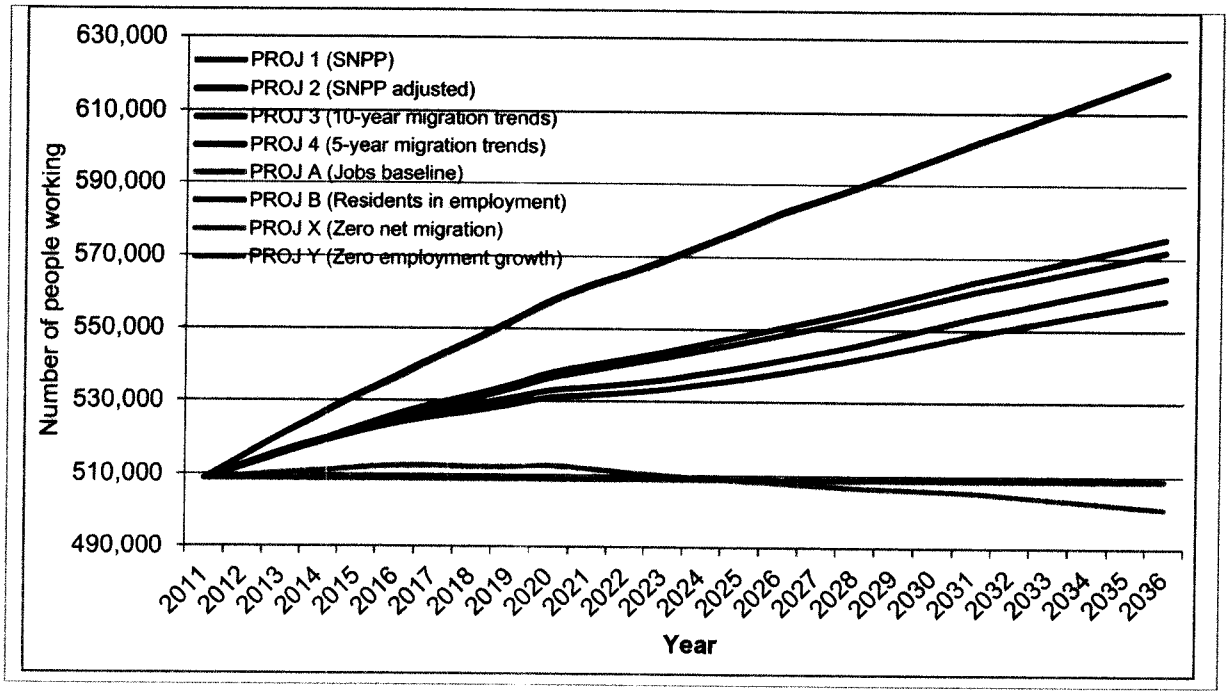
Employment Changes

1.9 The table and figure below show the estimated number of people living in the PUSH Area who are working under each of our eight projections. The figures are thus for 'residents in employment.'

Table 12: Employment Estimates 2011 to 2036

	2011	2016	2021	2026	2031	2036
PROJ 1 (SNPP)	508,825 0.0%	523,835 2.9%	531,498 4.5%	537,856 5.7%	548,717 7.8%	558,533 9.8%
PROJ 2 (SNPP adjusted)	508,825 0.0%	525,001 3.2%	533,786 4.9%	541,300 6.4%	553,473 8.8%	564,701 11.0%
PROJ 3 (10-year migration trends)	508,825 0.0%	525,277 3.2%	538,274 5.8%	548,340 7.8%	560,581 10.2%	571,753 12.4%
PROJ 4 (5-year migration trends)	508,825 0.0%	526,057 3.4%	539,709 6.1%	550,419 8.2%	563,362 10.7%	575,260 13.1%
PROJ A (Jobs baseline)	508,825 0.0%	535,957 5.3%	561,540 10.4%	581,700 14.3%	601,296 18.2%	620,859 22.0%
PROJ B (Residents in employment)	508,825 0.0%	536,584 5.5%	562,018 10.5%	582,104 14.4%	601,615 18.2%	621,093 22.1%
PROJ X (Zero net migration)	508,825 0.0%	512,391 0.7%	511,748 0.6%	507,971 -0.2%	505,571 -0.6%	501,193 -1.5%
PROJ Y (Zero employment growth)	508,825 0.0%	508,825 0.0%	508,825 0.0%	508,825 0.0%	508,825 0.0%	508,825 0.0%

Figure 14: Employment Change, 2011 – 2036



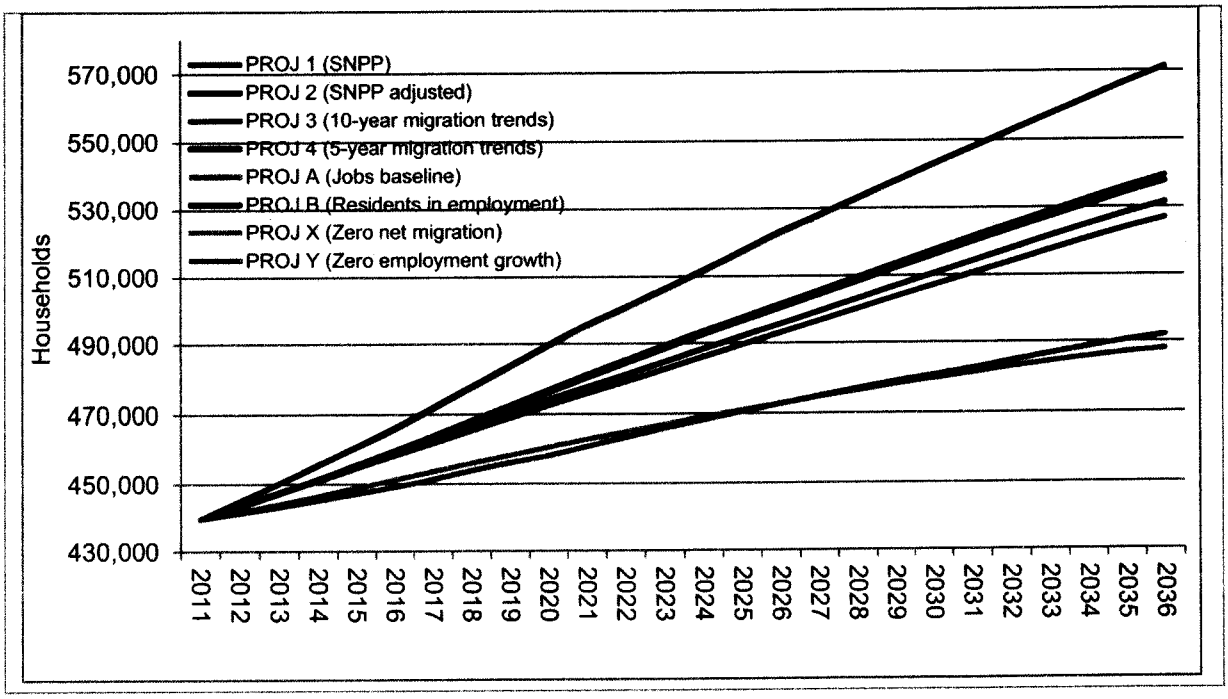
Household Growth

1.10 The table and figure below show the projected growth in the number of households under each of the main eight scenarios.

Table 13: Household Estimates 2011 to 2036

	2011	2016	2021	2026	2031	2036
PROJ 1 (SNPP)	439,639	458,286	475,815	492,922	510,479	526,744
	0.0%	4.2%	8.2%	12.1%	16.1%	19.8%
PROJ 2 (SNPP adjusted)	439,639	459,173	477,588	495,590	514,086	531,369
	0.0%	4.4%	8.6%	12.7%	16.9%	20.9%
PROJ 3 (10-year migration trends)	439,639	459,253	480,257	500,350	519,656	537,437
	0.0%	4.5%	9.2%	13.8%	18.2%	22.2%
PROJ 4 (5-year migration trends)	439,639	459,685	481,043	501,465	521,099	539,228
	0.0%	4.6%	9.4%	14.1%	18.5%	22.7%
PROJ A (Jobs baseline)	439,639	465,711	495,009	522,490	547,359	571,147
	0.0%	5.9%	12.6%	18.8%	24.5%	29.9%
PROJ B (Residents in employment)	439,639	466,202	495,480	522,879	547,592	571,250
	0.0%	6.0%	12.7%	18.9%	24.6%	29.9%
PROJ X (Zero net migration)	439,639	451,269	462,887	472,785	481,360	487,897
	0.0%	2.6%	5.3%	7.5%	9.5%	11.0%
PROJ Y (Zero employment growth)	439,639	449,102	460,768	472,683	482,565	491,880
	0.0%	2.2%	4.8%	7.5%	9.8%	11.9%

Figure 15: Household Change, 2011 – 2036



Dwelling Growth

1.11 The analysis above concentrated on the number of additional households. In reality there are always likely to be some vacant homes in the area and so the number of properties required to house all of these households will be slightly greater than the projected household numbers. We have therefore added a vacancy allowance of 3% to all of the above figures to make estimated housing requirements with figures shown in the table below.

Table 14: Estimated Housing Numbers with 3% Vacant & Second Home Allowance (to 2036)

Projection variant	Annual household growth	Annual requirement with vacancy allowance	Requirement over 25 years
PROJ 1 (SNPP)	3,484	3,589	89,719
PROJ 2 (SNPP adjusted)	3,669	3,779	94,482
PROJ 3 (10-year migration trends)	3,912	4,029	100,732
PROJ 4 (5-year migration trends)	3,984	4,103	102,576
PROJ A (Jobs baseline)	5,260	5,418	135,453
PROJ B (Residents in employment)	5,264	5,422	135,559
PROJ X (Zero net migration)	1,930	1,988	49,706
PROJ Y (Zero employment growth)	2,090	2,152	53,809

Demographic Projections at the Local Authority Level

1.12 The discussion and analysis above has concentrated upon the housing need generated across the PUSH area as a whole from the various projections. We now turn to consider the outcomes of the various projections for housing requirements at the individual district (or part district) level, focussing particularly on the following projections:

- PROJ 2 – Adjusted SNPP
- PROJ 2A – Adjusted SNPP with 2008 headship rate assumptions
- PROJ A – Jobs Baseline
- PROJ B – Residents in employment

1.13 Detailed outputs for population, employment and household growth for all of the projection scenarios are set out in **Appendix T**.

1.14 We have described the outputs for key projections below; before moving onto provide tables summarising key outputs for each local authority.

PROJ 2 – Adjusted SNPP

1.15 Table 15 below sets out the housing needs and annual growth rate for each local authority area (and part area) within the PUSH Area arising from the adjusted SNPP PROJ 2 projection.

Table 15: District Housing Needs – PROJ 2

East Hampshire (part)	2,025	81	1.0%
Eastleigh	16,987	677	0.9%
Fareham	9,108	364	0.8%
Gosport	10,364	415	0.8%
Havant	10,367	415	0.8%
New Forest (part)	6,889	276	0.8%
Portsmouth	17,411	696	0.8%
Southampton	17,689	708	0.8%
Test Valley (part)	3,550	142	0.8%
Winchester (part)	3,189	127	0.8%

PROJ 2A – Adjusted SNPP with 2008 Headship Rates

1.16 Table 16 below sets out the housing need and annual growth rate for each authority (and part authority) within the PUSH area arising from the adjusted SNPP PROJ 2A projection if 2008-based headship rates are used. These are based on longer-term trends in household formation dating back to 1971 and take less account of trends over the 2001-11 decade.

1.17 The impact of using the 2008 headship rates is to increase the projected household growth relative to those based on the 2011-based headship rates.

Table 16: District Housing Needs – PROJ 2A

East Hampshire (part)	2,325	93	1.1%
Eastleigh	16,987	677	0.9%
Fareham	10,653	426	0.9%
Gosport	11,918	477	0.9%
Havant	12,519	501	0.9%
New Forest (part)	8,185	327	1.0%
Portsmouth	21,479	859	1.0%
Southampton	22,029	881	1.0%
Test Valley (part)	4,209	168	1.0%
Winchester (part)	3,763	151	1.0%

PROJ A – Jobs Baseline

1.18 Table 17 below sets out the housing requirement and annual growth rate for each authority (and part authority) within the PUSH area arising from the adjusted SNPP PROJ A – Jobs Baseline projection. Across all areas we can see that meeting economic and employment trends could generate upward pressure on housing needs when compared to the PROJ 2 projection (although the same caveats apply as set out above regarding economic-driven projections as set out in the main report).

1.19 In particular, the PROJ A outputs show a particularly strong upward pressure on Winchester, Fareham, Southampton and New Forest. With the exception of Southampton this reflects the older population structure in these areas. In Southampton it would however be reasonable to assume that employment growth is partly supported by net inward commuting (consistent with past trends) as modelled in PROJ B.

Table 17: District Housing Needs – PROJ A

East Hampshire (part)	2,725	109	1.3%
Fareham	16,246	650	1.4%
Havant	14,164	567	1.1%
Portsmouth	24,578	983	1.1%
Test Valley (part)	5,326	213	1.2%

PROJ B – Residents in Employment

1.20 The table below sets out the housing requirement and annual growth rate for each authority (and part authority) within the PUSH area arising from the PROJ B projection. Again, we can see that economic and employment trends could create pressure on housing need when compared to PROJ 2.

1.21 It is particularly interesting to note the differences between PROJ B and PROJ A, which are driven by the commuting patterns and dynamics of each authority. In Southampton, Portsmouth and Winchester, taking account of commuting serves to reduce the housing need identified compared to

PROJ A. In all other authorities, commuting patterns serve to increase the housing requirement compared to PROJ A.

Table 18: District Housing Needs – PROJ B

East Hampshire (part)	3,050	122	1.5%
Eastleigh	16,760	670	1.5%
Fareham	17,608	704	1.5%
Gosport	10,884	435	1.2%
Havant	15,926	637	1.2%
New Forest (part)	11,665	466	1.0%
Portsmouth	21,320	853	1.3%
Southampton	27,358	1,094	1.3%
Test Valley (part)	5,514	221	1.3%
Winchester (part)	5,643	226	

PROJ 2 – Midpoint Headship

1.22 As described in the main report, the 2011-based Headship Rates project forward a degree of suppressed household formation. However not all of the difference between the results in Tables 15 and 16 above can be attributed to suppressed household formation; some is more likely to relate to international migration and the impact of household structures within migrant households.

1.23 As set out in the main report, it is reasonable to project forward on the basis that headship rates will fall around midway between those implied in the 2008- and 2011-based CLG Household Projections. This results in a housing need for each of the authorities as shown in Table 19 below. This has been calculated by identifying the midpoint annual requirement based on the figures derived in Tables 15 and 16 above.

Table 19: Housing Need based on Demographic Trends (Midpoint Headship)

East Hampshire (Part)	85
Fareham	395
Havant	455
Portsmouth	775
Test Valley	155
Winchester West	81
Fareham East	296
PUSH West (Southampton) HMA	2045

1.24 The identified needs in this table for each authority correspond to the conclusions regarding housing need in the main report. We consider that this projection represents a robust basis for forward planning based on the demographic evidence and market signals.

1.25 The figures for individual local authorities or part authorities should however be used with caution. They are based on past demographic trends which have been influenced in part by past policies on housing distribution and relative rates of housing delivery, which feed through into the projections.

1.26 It should be recognised that the figures are derived on policy-off basis and takes no account of land supply or development constraints within the PUSH area; nor 'Policy-On' aspirations for economic growth. The draft Planning Practice Guidance indicates that SHMAs should not apply constraints to the overall assessment of need such as issues related to land supply, infrastructure or environmental constraints. It should be noted that in some districts that when the annual housing need is aggregated over a plan period it would result in housing land requirements that cannot be met within that district. For example in Gosport, apart from the sites that have already been identified for development, physically there is a very limited amount of land that would be available for development notwithstanding other policy constraints and infrastructure requirements.

1.27 The figures for individual authorities are influenced by, and project forward to some extent, previous policies (which in particular impact on levels of migration). It is important therefore that they are considered in the context of the wider evidence. The wider evidence from the SHMA indicates that:

- Past relative housing delivery has been stronger in Gosport and Eastleigh, and weaker in Havant and that this influences the projections. In Gosport this is influenced by the release of former MOD properties and land onto the market;
- The affordable housing needs evidence provides some evidence of a need to consider higher housing provision (relative to the above figures), particularly in Eastleigh, East Hampshire, Fareham and Test Valley albeit that there are policy choices here;
- The level of growth in the workforce which might be expected is influenced in part by the population age structure, with the parts of New Forest, East Hampshire, Test Valley and Winchester – as well as Fareham and Havant – having an older age structure than other areas. However the relationship between housing/ population growth and the economy is sensitive to changes in employment rates and commuting.

1.28 These are relevant factors in considering the Policy-ON distribution of housing provision across the HMA, alongside issues related to land supply, infrastructure, development constraints and other strategy issues which will be undertaken through joint working at the PUSH level.

1.29 The authorities in working together to review the South Hampshire Strategy and developing their respective local plans will need to consider what scale of development can be sustainably accommodated, the interaction between the strategy for housing provision and economic growth and potential levels of affordable housing delivery. Economic forecasts have been commissioned by the LEP to support this. In considering how affordable housing needs can be met, it will be important to take account of available funding, what level can viably be delivered through mixed tenure schemes and the degree to which needs can be met in part through private rented sector lettings. The draft Planning Practice Guidance indicates that these may provide a basis for adjusting upwards the assessment of housing need.

1.30 How housing provision is ultimately distributed and met across the two housing market areas and the PUSH area as a whole should reasonably be decided at the local level and through dialogue between the authorities within the PUSH Partnership, taking account of constraints and land availability, the need to promote sustainable patterns of development and other policy aspirations (such as regeneration). The SHMA analysis is thus intended to provide a 'starting point' and input to this which is to be taken forward through the development and review of the South Hampshire Strategy and authorities' development plans.

What Homes Where?

1.31 If the projections herein are compared with findings from the What Homes Where Toolkit on the How Many Homes website (www.howmanyhomes.org) it is important to bear in mind that the Toolkit currently (at the time of writing in 2013) uses the CLG's 2008-based Household Projections. These

pre-date the release of information from the 2011 Census. The projections herein have sought to consider and update projections based on the latest demographic information.

APPENDIX V: DETAILED PROJECTION OUTPUTS (INDIVIDUAL DISTRICT)

1.32 This appendix summarises the demographic projection prepared for each authority (or part authority) within the PUSH Area. It provides figures for the 2011-36 period and on an annual basis, setting out expected population growth, housing need and employment/labour supply growth for each projection run.

Eastleigh

Summary of projections 2011 to 2036 – annual						
Projection	Population growth		Housing numbers		Employment growth	
	Per annum	% change	Per annum	% change	Per annum	% change
PROJ 1 (SNPP)	1,038	0.8%	474	0.9%	351	0.5%
PROJ 2 (SNPP adjusted)	1,254	1.0%	556	1.0%	474	0.7%
PROJ 3 (10-year migration trends)	1,033	0.8%	472	0.9%	350	0.5%
PROJ 4 (5-year migration trends)	1,280	1.0%	566	1.0%	490	0.7%
PROJ A (Jobs baseline)	1,489	1.2%	646	1.2%	606	0.9%
PROJ B (Residents in employment)	1,552	1.2%	670	1.2%	641	1.0%
PROJ X (Zero net migration)	296	0.2%	191	0.4%	-68	-0.1%
PROJ Y (Zero employment growth)	417	0.3%	237	0.4%	0	0.0%
PROJ Z (Past completions)	1,146	0.9%	515	1.0%	416	0.6%
PROJ 2A (2008-based headship)	1,254	1.0%	677	1.3%	474	0.7%

Summary of projections 2011 to 2036 – total						
Projection	Population growth		Housing numbers		Employment growth	
	Total	% change	Total	% change	Total	% change
PROJ 1 (SNPP)	25,941	20.6%	11,839	21.9%	8,786	13.4%
PROJ 2 (SNPP adjusted)	31,345	24.9%	13,898	25.7%	11,854	18.0%
PROJ 3 (10-year migration trends)	25,825	20.5%	11,795	21.8%	8,752	13.3%
PROJ 4 (5-year migration trends)	31,995	25.4%	14,146	26.2%	12,256	18.6%
PROJ A (Jobs baseline)	37,230	29.6%	16,159	29.9%	15,149	23.0%
PROJ B (Residents in employment)	38,790	30.8%	16,756	31.0%	16,031	24.4%
PROJ X (Zero net migration)	7,408	5.9%	4,777	8.8%	-1,705	-2.6%
PROJ Y (Zero employment growth)	10,430	8.3%	5,914	10.9%	0	0.0%
PROJ Z (Past completions)	28,640	22.8%	12,863	23.8%	10,395	15.8%
PROJ 2A (2008-based headship)	31,345	24.9%	16,937	31.4%	11,854	18.0%

Fareham

Summary of projections 2011 to 2036 – annual						
Projection	Population growth		Housing numbers		Employment growth	
	Per annum	% change	Per annum	% change	Per annum	% change
PROJ 1 (SNPP)	925	0.8%	452	0.9%	211	0.4%
PROJ 2 (SNPP adjusted)	690	0.6%	364	0.8%	80	0.1%
PROJ 3 (10-year migration trends)	203	0.2%	184	0.4%	-193	-0.3%
PROJ 4 (5-year migration trends)	557	0.5%	316	0.7%	5	0.0%
PROJ A (Jobs baseline)	1,450	1.3%	650	1.4%	504	0.9%
PROJ B (Residents in employment)	1,595	1.4%	704	1.5%	584	1.0%
PROJ X (Zero net migration)	-204	-0.2%	32	0.1%	-420	-0.7%
PROJ Y (Zero employment growth)	549	0.5%	310	0.6%	0	0.0%
PROJ Z (Past completions)	625	0.6%	338	0.7%	46	0.1%
PROJ 2A (2008-based headship)	690	0.6%	426	0.9%	80	0.1%

Summary of projections 2011 to 2036 – total						
Projection	Population growth		Housing numbers		Employment growth	
	Total	% change	Total	% change	Total	% change
PROJ 1 (SNPP)	23,122	20.7%	11,298	23.5%	5,287	9.4%
PROJ 2 (SNPP adjusted)	17,240	15.4%	9,108	18.9%	1,997	3.5%
PROJ 3 (10-year migration trends)	5,066	4.5%	4,593	9.5%	-4,823	-8.5%
PROJ 4 (5-year migration trends)	13,935	12.4%	7,894	16.4%	137	0.2%
PROJ A (Jobs baseline)	36,257	32.4%	16,246	33.8%	12,590	22.3%
PROJ B (Residents in employment)	39,870	35.6%	17,608	36.6%	14,609	25.9%
PROJ X (Zero net migration)	-5,099	-4.6%	809	1.7%	-10,507	-18.6%
PROJ Y (Zero employment growth)	13,732	12.3%	7,756	16.1%	0	0.0%
PROJ Z (Past completions)	15,634	14.0%	8,453	17.6%	1,142	2.0%
PROJ 2A (2008-based headship)	17,240	15.4%	10,653	22.1%	1,997	3.5%

Gosport

Summary of projections 2011 to 2036 – annual						
Projection	Population growth		Housing numbers		Employment growth	
	Per annum	% change	Per annum	% change	Per annum	% change
PROJ 1 (SNPP)	484	0.6%	303	0.8%	96	0.2%
PROJ 2 (SNPP adjusted)	772	0.9%	415	1.1%	240	0.6%
PROJ 3 (10-year migration trends)	673	0.8%	376	1.0%	192	0.5%
PROJ 4 (5-year migration trends)	575	0.7%	338	0.9%	142	0.4%
PROJ A (Jobs baseline)	680	0.8%	378	1.0%	193	0.5%
PROJ B (Residents in employment)	823	1.0%	433	1.2%	264	0.7%
PROJ X (Zero net migration)	209	0.3%	197	0.5%	-41	-0.1%
PROJ Y (Zero employment growth)	294	0.4%	229	0.6%	0	0.0%
PROJ Z (Past completions)	470	0.6%	298	0.8%	90	0.2%
PROJ 2A (2008-based headship)	772	0.9%	477	1.3%	240	0.6%

Summary of projections 2011 to 2036 – total						
Projection	Population growth		Housing numbers		Employment growth	
	Total	% change	Total	% change	Total	% change
PROJ 1 (SNPP)	12,105	14.6%	7,580	20.8%	2,408	6.0%
PROJ 2 (SNPP adjusted)	19,293	23.3%	10,364	28.4%	6,012	15.0%
PROJ 3 (10-year migration trends)	16,823	20.3%	9,412	25.8%	4,788	12.0%
PROJ 4 (5-year migration trends)	14,364	17.4%	8,460	23.2%	3,556	8.9%
PROJ A (Jobs baseline)	17,008	20.6%	9,460	25.9%	4,816	12.0%
PROJ B (Residents in employment)	20,564	24.9%	10,834	29.7%	6,591	16.5%
PROJ X (Zero net migration)	5,230	6.3%	4,922	13.5%	-1,022	-2.6%
PROJ Y (Zero employment growth)	7,359	8.9%	5,730	15.7%	0	0.0%
PROJ Z (Past completions)	11,747	14.2%	7,445	20.4%	2,246	5.6%
PROJ 2A (2008-based headship)	19,293	23.3%	11,918	32.6%	6,012	15.0%

Havant

Summary of projections 2011 to 2036 – annual						
Projection	Population growth		Housing numbers		Employment growth	
	Per annum	% change	Per annum	% change	Per annum	% change
PROJ 1 (SNPP)	440	0.4%	262	0.5%	-51	-0.1%
PROJ 2 (SNPP adjusted)	837	0.7%	415	0.8%	144	0.3%
PROJ 3 (10-year migration trends)	383	0.3%	240	0.5%	-80	-0.1%
PROJ 4 (5-year migration trends)	543	0.4%	302	0.6%	-1	0.0%
PROJ A (Jobs baseline)	1,232	1.0%	567	1.1%	335	0.6%
PROJ B (Residents in employment)	1,415	1.2%	637	1.2%	425	0.8%
PROJ X (Zero net migration)	-49	0.0%	74	0.1%	-292	-0.5%
PROJ Y (Zero employment growth)	548	0.5%	304	0.6%	0	0.0%
PROJ Z (Past completions)	385	0.3%	241	0.5%	-78	-0.1%
PROJ 2A (2008-based headship)	837	0.7%	501	0.9%	144	0.3%

Summary of projections 2011 to 2036 – total						
Projection	Population growth		Housing numbers		Employment growth	
	Total	% change	Total	% change	Total	% change
PROJ 1 (SNPP)	11,000	9.1%	6,553	12.4%	-1,276	-2.3%
PROJ 2 (SNPP adjusted)	20,919	17.3%	10,367	19.6%	3,596	6.5%
PROJ 3 (10-year migration trends)	9,579	7.9%	6,011	11.4%	-1,991	-3.6%
PROJ 4 (5-year migration trends)	13,582	11.2%	7,551	14.3%	-24	0.0%
PROJ A (Jobs baseline)	30,795	25.5%	14,164	26.8%	8,385	15.1%
PROJ B (Residents in employment)	35,374	29.3%	15,926	30.1%	10,631	19.1%
PROJ X (Zero net migration)	-1,217	-1.0%	1,860	3.5%	-7,294	-13.1%
PROJ Y (Zero employment growth)	13,705	11.3%	7,589	14.4%	0	0.0%
PROJ Z (Past completions)	9,629	8.0%	6,025	11.4%	-1,940	-3.5%
PROJ 2A (2008-based headship)	20,919	17.3%	12,519	23.7%	3,596	6.5%

Portsmouth

Summary of projections 2011 to 2036 – annual						
Projection	Population growth		Housing numbers		Employment growth	
	Per annum	% change	Per annum	% change	Per annum	% change
PROJ 1 (SNPP)	1,335	0.6%	633	0.7%	498	0.5%
PROJ 2 (SNPP adjusted)	1,493	0.7%	696	0.8%	584	0.6%
PROJ 3 (10-year migration trends)	2,630	1.3%	1,156	1.3%	1,194	1.2%
PROJ 4 (5-year migration trends)	2,445	1.2%	1,081	1.2%	1,094	1.1%
PROJ A (Jobs baseline)	2,195	1.1%	983	1.1%	959	1.0%
PROJ B (Residents in employment)	1,874	0.9%	853	1.0%	786	0.8%
PROJ X (Zero net migration)	1,310	0.6%	624	0.7%	481	0.5%
PROJ Y (Zero employment growth)	415	0.2%	259	0.3%	0	0.0%
PROJ Z (Past completions)	1,295	0.6%	617	0.7%	476	0.5%
PROJ 2A (2008-based headship)	1,493	0.7%	859	1.0%	584	0.6%

Summary of projections 2011 to 2036 – total						
Projection	Population growth		Housing numbers		Employment growth	
	Total	% change	Total	% change	Total	% change
PROJ 1 (SNPP)	33,380	16.2%	15,820	17.9%	12,455	12.9%
PROJ 2 (SNPP adjusted)	37,332	18.2%	17,411	19.7%	14,591	15.1%
PROJ 3 (10-year migration trends)	65,742	32.0%	28,892	32.7%	29,858	30.9%
PROJ 4 (5-year migration trends)	61,121	29.8%	27,032	30.6%	27,361	28.3%
PROJ A (Jobs baseline)	54,876	26.7%	24,578	27.9%	23,968	24.8%
PROJ B (Residents in employment)	46,859	22.8%	21,320	24.2%	19,654	20.3%
PROJ X (Zero net migration)	32,738	15.9%	15,601	17.7%	12,022	12.4%
PROJ Y (Zero employment growth)	10,381	5.1%	6,487	7.4%	0	0.0%
PROJ Z (Past completions)	32,373	15.8%	15,413	17.5%	11,911	12.3%
PROJ 2A (2008-based headship)	37,332	18.2%	21,479	24.3%	14,591	15.1%

Southampton

Summary of projections 2011 to 2036 – annual						
Projection	Population growth		Housing numbers		Employment growth	
	Per annum	% change	Per annum	% change	Per annum	% change
PROJ 1 (SNPP)	1,615	0.7%	836	0.8%	701	0.6%
PROJ 2 (SNPP adjusted)	1,300	0.6%	708	0.7%	528	0.5%
PROJ 3 (10-year migration trends)	2,320	1.0%	1,127	1.1%	1,080	1.0%
PROJ 4 (5-year migration trends)	2,021	0.9%	1,005	1.0%	916	0.8%
PROJ A (Jobs baseline)	2,492	1.1%	1,199	1.2%	1,173	1.0%
PROJ B (Residents in employment)	2,238	0.9%	1,094	1.1%	1,035	0.9%
PROJ X (Zero net migration)	1,580	0.7%	825	0.8%	674	0.6%
PROJ Y (Zero employment growth)	341	0.1%	315	0.3%	0	0.0%
PROJ Z (Past completions)	1,681	0.7%	867	0.9%	735	0.7%
PROJ 2A (2008-based headship)	1,300	0.6%	881	0.9%	528	0.5%

Summary of projections 2011 to 2036 – total						
Projection	Population growth		Housing numbers		Employment growth	
	Total	% change	Total	% change	Total	% change
PROJ 1 (SNPP)	40,370	17.1%	20,905	20.7%	17,515	15.6%
PROJ 2 (SNPP adjusted)	32,504	13.8%	17,689	17.5%	13,197	11.7%
PROJ 3 (10-year migration trends)	58,008	24.6%	28,186	27.9%	27,006	24.0%
PROJ 4 (5-year migration trends)	50,530	21.4%	25,130	24.9%	22,902	20.3%
PROJ A (Jobs baseline)	62,308	26.4%	29,968	29.7%	29,337	26.1%
PROJ B (Residents in employment)	55,951	23.7%	27,358	27.1%	25,873	23.0%
PROJ X (Zero net migration)	39,498	16.7%	20,621	20.4%	16,847	15.0%
PROJ Y (Zero employment growth)	8,526	3.6%	7,872	7.8%	0	0.0%
PROJ Z (Past completions)	42,024	17.8%	21,670	21.5%	18,378	16.3%
PROJ 2A (2008-based headship)	32,504	13.8%	22,029	21.8%	13,197	11.7%

East Hants (part)

Summary of projections 2011 to 2036 – annual						
Projection	Population growth		Housing numbers		Employment growth	
	Per annum	% change	Per annum	% change	Per annum	% change
PROJ 1 (SNPP)	137	0.7%	73	0.9%	22	0.2%
PROJ 2 (SNPP adjusted)	160	0.8%	81	1.0%	34	0.3%
PROJ 3 (10-year migration trends)	80	0.4%	53	0.6%	-8	-0.1%
PROJ 4 (5-year migration trends)	137	0.7%	73	0.9%	22	0.2%
PROJ A (Jobs baseline)	236	1.2%	108	1.3%	74	0.7%
PROJ B (Residents in employment)	274	1.4%	122	1.5%	94	0.9%
PROJ X (Zero net migration)	-37	-0.2%	12	0.1%	-70	-0.7%
PROJ Y (Zero employment growth)	96	0.5%	59	0.7%	0	0.0%
PROJ Z (Past completions)	43	0.2%	40	0.5%	-27	-0.3%
PROJ 2A (2008-based headship)	160	0.8%	93	1.1%	34	0.3%

Summary of projections 2011 to 2036 – total						
Projection	Population growth		Housing numbers		Employment growth	
	Total	% change	Total	% change	Total	% change
PROJ 1 (SNPP)	3,427	17.4%	1,832	22.1%	552	5.6%
PROJ 2 (SNPP adjusted)	4,002	20.3%	2,034	24.5%	856	8.6%
PROJ 3 (10-year migration trends)	1,994	10.1%	1,332	16.0%	-209	-2.1%
PROJ 4 (5-year migration trends)	3,419	17.3%	1,832	22.1%	543	5.5%
PROJ A (Jobs baseline)	5,907	30.0%	2,711	32.6%	1,849	18.6%
PROJ B (Residents in employment)	6,858	34.8%	3,047	36.7%	2,349	23.6%
PROJ X (Zero net migration)	-920	-4.7%	310	3.7%	-1,747	-17.6%
PROJ Y (Zero employment growth)	2,388	12.1%	1,467	17.7%	0	0.0%
PROJ Z (Past completions)	1,080	5.5%	1,008	12.1%	-676	-6.8%
PROJ 2A (2008-based headship)	4,002	20.3%	2,325	28.0%	856	8.6%

New Forest (part)

Summary of projections 2011 to 2036 – annual						
Projection	Population growth		Housing numbers		Employment growth	
	Per annum	% change	Per annum	% change	Per annum	% change
PROJ 1 (SNPP)	587	0.8%	318	1.0%	128	0.4%
PROJ 2 (SNPP adjusted)	478	0.7%	275	0.9%	72	0.2%
PROJ 3 (10-year migration trends)	222	0.3%	173	0.5%	-63	-0.2%
PROJ 4 (5-year migration trends)	183	0.3%	158	0.5%	-84	-0.3%
PROJ A (Jobs baseline)	848	1.2%	423	1.3%	264	0.8%
PROJ B (Residents in employment)	948	1.3%	463	1.5%	316	1.0%
PROJ X (Zero net migration)	-315	-0.4%	-40	-0.1%	-344	-1.0%
PROJ Y (Zero employment growth)	343	0.5%	221	0.7%	0	0.0%
PROJ Z (Past completions)	135	0.2%	139	0.4%	-107	-0.3%
PROJ 2A (2008-based headship)	478	0.7%	327	1.0%	72	0.2%

Summary of projections 2011 to 2036 – total						
Projection	Population growth		Housing numbers		Employment growth	
	Total	% change	Total	% change	Total	% change
PROJ 1 (SNPP)	14,663	20.7%	7,960	25.1%	3,210	9.7%
PROJ 2 (SNPP adjusted)	11,949	16.9%	6,880	21.7%	1,789	5.4%
PROJ 3 (10-year migration trends)	5,541	7.8%	4,334	13.7%	-1,583	-4.8%
PROJ 4 (5-year migration trends)	4,574	6.5%	3,950	12.5%	-2,089	-6.3%
PROJ A (Jobs baseline)	21,195	30.0%	10,570	33.3%	6,588	19.8%
PROJ B (Residents in employment)	23,689	33.5%	11,565	36.5%	7,889	23.8%
PROJ X (Zero net migration)	-7,877	-11.1%	-1,006	-3.2%	-8,609	-25.9%
PROJ Y (Zero employment growth)	8,569	12.1%	5,533	17.5%	0	0.0%
PROJ Z (Past completions)	3,374	4.8%	3,463	10.9%	-2,675	-8.1%
PROJ 2A (2008-based headship)	11,949	16.9%	8,185	25.8%	1,789	5.4%

Test Valley (part)

Summary of projections 2011 to 2036 – annual						
Projection	Population growth		Housing numbers		Employment growth	
	Per annum	% change	Per annum	% change	Per annum	% change
PROJ 1 (SNPP)	204	0.5%	120	0.7%	8	0.0%
PROJ 2 (SNPP adjusted)	264	0.6%	142	0.8%	40	0.2%
PROJ 3 (10-year migration trends)	154	0.4%	103	0.6%	-20	-0.1%
PROJ 4 (5-year migration trends)	119	0.3%	90	0.5%	-38	-0.2%
PROJ A (Jobs baseline)	458	1.1%	213	1.2%	145	0.7%
PROJ B (Residents in employment)	478	1.2%	221	1.3%	156	0.7%
PROJ X (Zero net migration)	-31	-0.1%	36	0.2%	-119	-0.6%
PROJ Y (Zero employment growth)	190	0.5%	116	0.7%	0	0.0%
PROJ Z (Past completions)	186	0.5%	114	0.7%	-2	0.0%
PROJ 2A (2008-based headship)	264	0.6%	168	1.0%	40	0.2%

Summary of projections 2011 to 2036 – total						
Projection	Population growth		Housing numbers		Employment growth	
	Total	% change	Total	% change	Total	% change
PROJ 1 (SNPP)	5,097	12.5%	3,008	17.5%	192	0.9%
PROJ 2 (SNPP adjusted)	6,599	16.2%	3,550	20.6%	1,005	4.8%
PROJ 3 (10-year migration trends)	3,839	9.4%	2,572	14.9%	-488	-2.3%
PROJ 4 (5-year migration trends)	2,976	7.3%	2,260	13.1%	-954	-4.6%
PROJ A (Jobs baseline)	11,440	28.0%	5,326	30.9%	3,616	17.3%
PROJ B (Residents in employment)	11,954	29.3%	5,514	32.0%	3,894	18.7%
PROJ X (Zero net migration)	-767	-1.9%	908	5.3%	-2,978	-14.3%
PROJ Y (Zero employment growth)	4,759	11.7%	2,890	16.8%	0	0.0%
PROJ Z (Past completions)	4,649	11.4%	2,840	16.5%	-41	-0.2%
PROJ 2A (2008-based headship)	6,599	16.2%	4,209	24.5%	1,005	4.8%

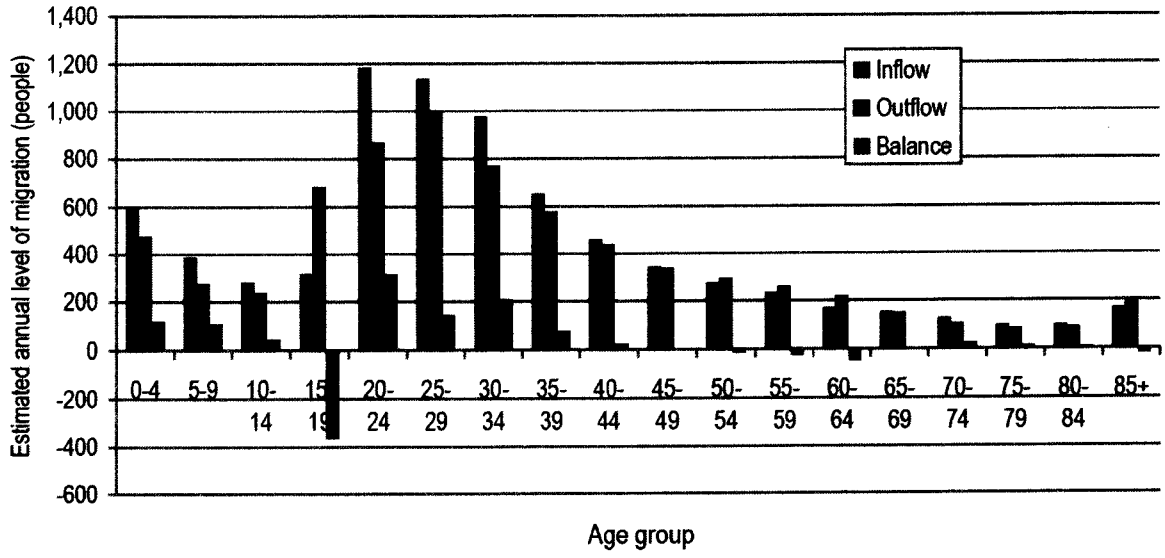
Winchester (part)

Summary of projections 2011 to 2036 – annual						
Projection	Population growth		Housing numbers		Employment growth	
	Per annum	% change	Per annum	% change	Per annum	% change
PROJ 1 (SNPP)	215	0.6%	117	0.8%	23	0.1%
PROJ 2 (SNPP adjusted)	245	0.7%	127	0.8%	39	0.2%
PROJ 3 (10-year migration trends)	294	0.8%	144	1.0%	65	0.4%
PROJ 4 (5-year migration trends)	380	1.1%	173	1.2%	110	0.6%
PROJ A (Jobs baseline)	611	1.7%	251	1.7%	229	1.3%
PROJ B (Residents in employment)	535	1.5%	225	1.5%	190	1.1%
PROJ X (Zero net migration)	-29	-0.1%	36	0.2%	-105	-0.6%
PROJ Y (Zero employment growth)	171	0.5%	103	0.7%	0	0.0%
PROJ Z (Past completions)	408	1.1%	182	1.2%	125	0.7%
PROJ 2A (2008-based headship)	245	0.7%	151	1.0%	39	0.2%

Summary of projections 2011 to 2036 – total						
Projection	Population growth		Housing numbers		Employment growth	
	Total	% change	Total	% change	Total	% change
PROJ 1 (SNPP)	5,363	14.8%	2,926	19.5%	578	3.3%
PROJ 2 (SNPP adjusted)	6,122	16.9%	3,180	21.2%	978	5.5%
PROJ 3 (10-year migration trends)	7,358	20.3%	3,604	24.0%	1,616	9.1%
PROJ 4 (5-year migration trends)	9,508	26.3%	4,322	28.8%	2,747	15.5%
PROJ A (Jobs baseline)	15,274	42.2%	6,270	41.8%	5,735	32.3%
PROJ B (Residents in employment)	13,380	36.9%	5,633	37.6%	4,747	26.7%
PROJ X (Zero net migration)	-722	-2.0%	904	6.0%	-2,637	-14.8%
PROJ Y (Zero employment growth)	4,281	11.8%	2,571	17.1%	0	0.0%
PROJ Z (Past completions)	10,198	28.2%	4,543	30.3%	3,123	17.6%
PROJ 2A (2008-based headship)	6,122	16.9%	3,763	25.1%	978	5.5%

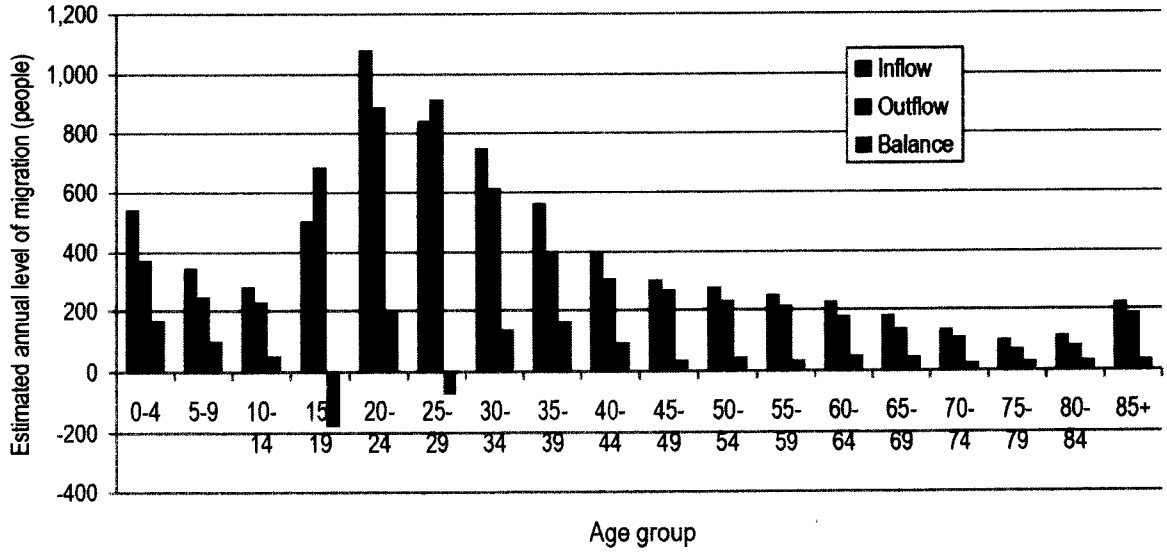
APPENDIX X: DETAILED MIGRATION ASSUMPTIONS (FULL AUTHORITIES ONLY)

Figure AX.1: Estimated annual level of migration by five-year age band (2011-2036) – Eastleigh



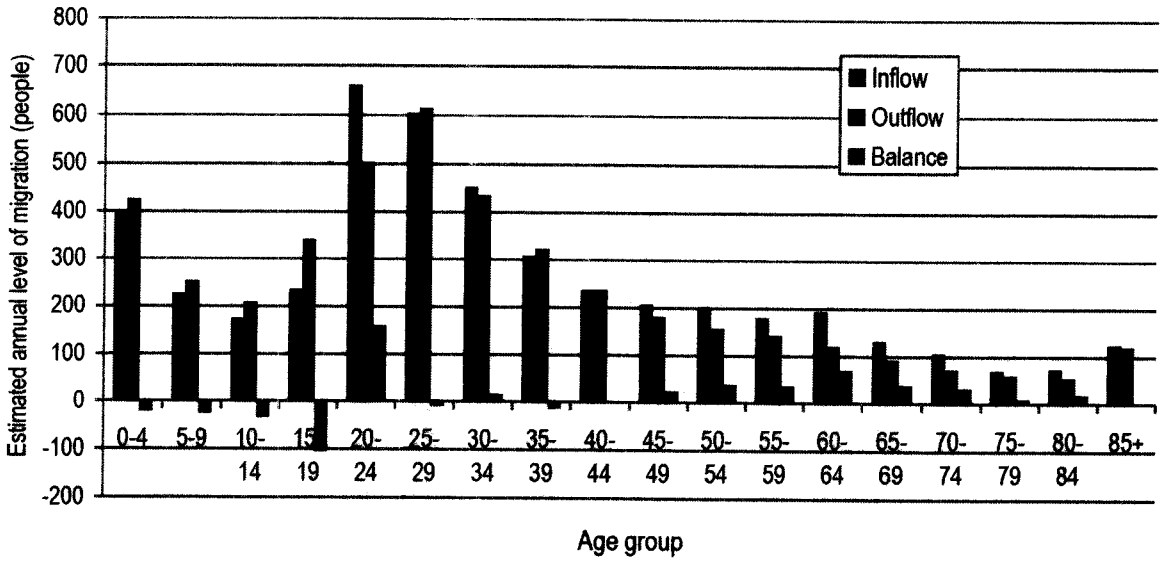
Source: Derived from ONS 2010-based population projections

Figure AX.2: Estimated annual level of migration by five-year age band (2011-2036) – Fareham



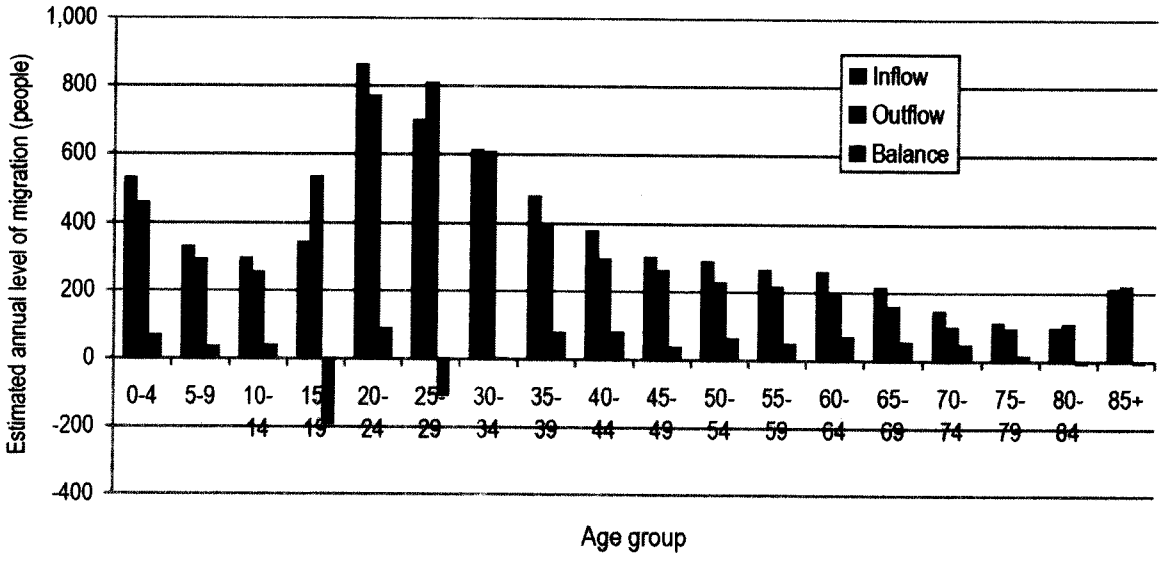
Source: Derived from ONS 2010-based population projections

Figure AX.3: Estimated annual level of migration by five-year age band (2011-2036) – Gosport



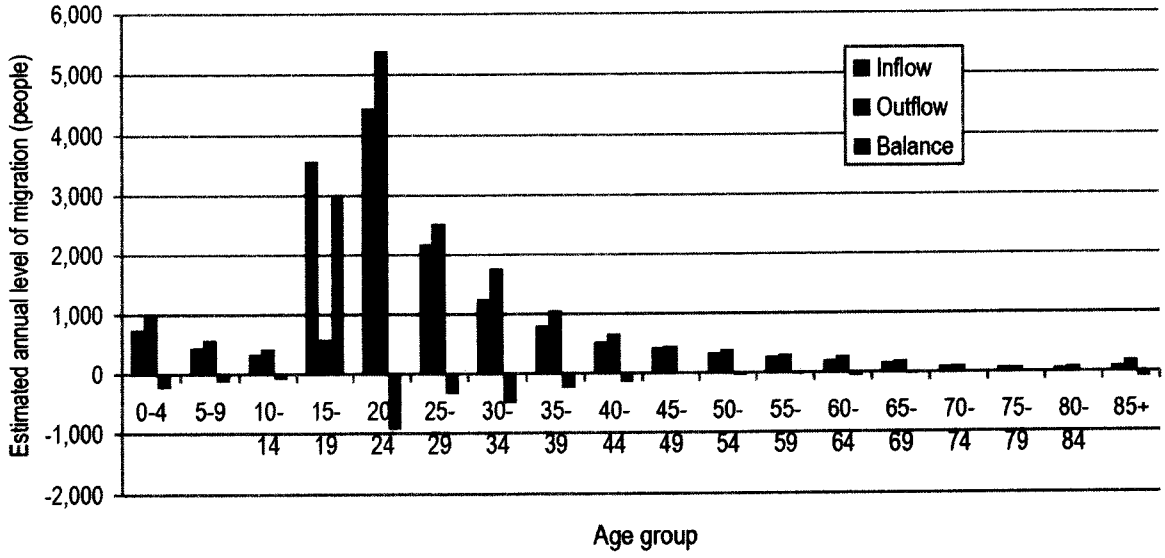
Source: Derived from ONS 2010-based population projections

Figure AX.4: Estimated annual level of migration by five-year age band (2011-2036) – Havant



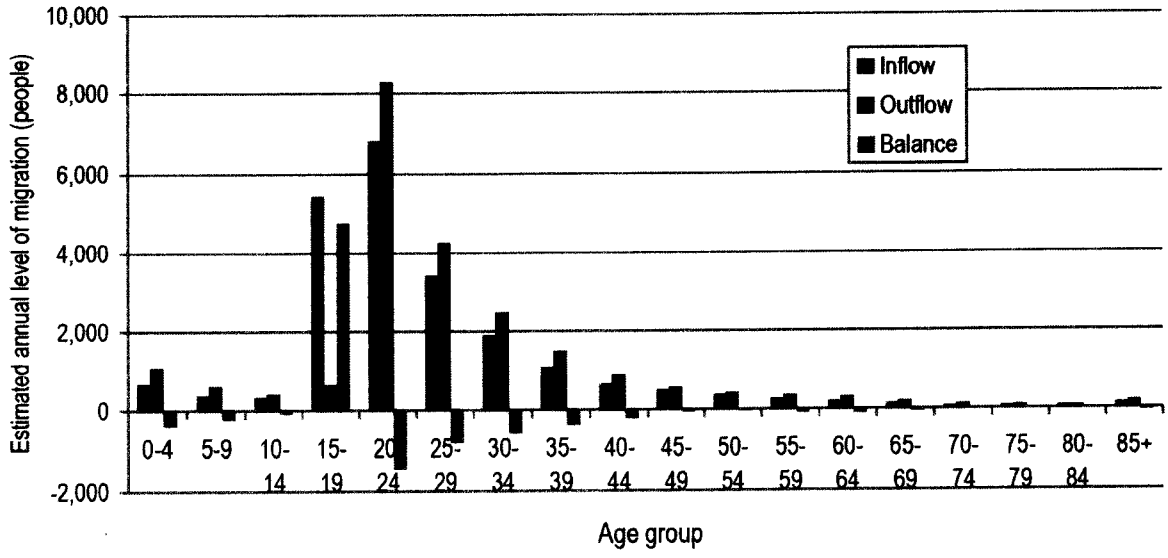
Source: Derived from ONS 2010-based population projections

Figure AX.5: Estimated annual level of migration by five-year age band (2011-2036) – Portsmouth



Source: Derived from ONS 2010-based population projections

Figure AX.6: Estimated annual level of migration by five-year age band (2011-2036) – Southampton



Source: Derived from ONS 2010-based population projections

APPENDIX X: DISTRICT LEVEL AFFORDABLE NEEDS ASSESSMENT OUTPUTS

Introduction

This appendix provides the same information as seen in **Section 8** of the report but at a smaller area level. For the purposes of this analysis a total of 12 different sub-areas were developed and these are listed below:

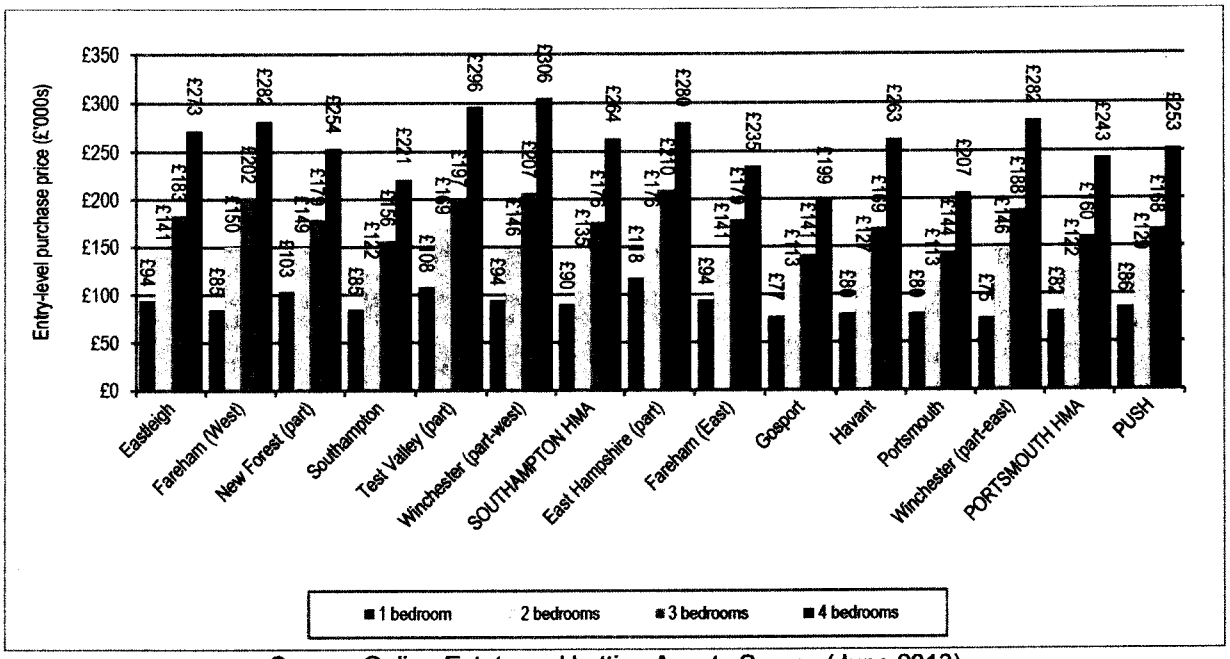
- Southampton HMA
    - Eastleigh (whole Borough)
    - Fareham (West wards)
    - New Forest (part)
    - Southampton (whole City)
    - Test Valley (part)
    - Winchester (part – West wards)

- Portsmouth HMA
    - East Hampshire (part)
    - Fareham (East wards)
    - Gosport (whole Borough)
    - Havant (whole Borough)
    - Portsmouth (whole City)
    - Winchester (part – East wards)

The analysis following simply provides the more local area level information. Details about the methodology employed at each stage of the analysis can be found in **Section 8** of the main report.

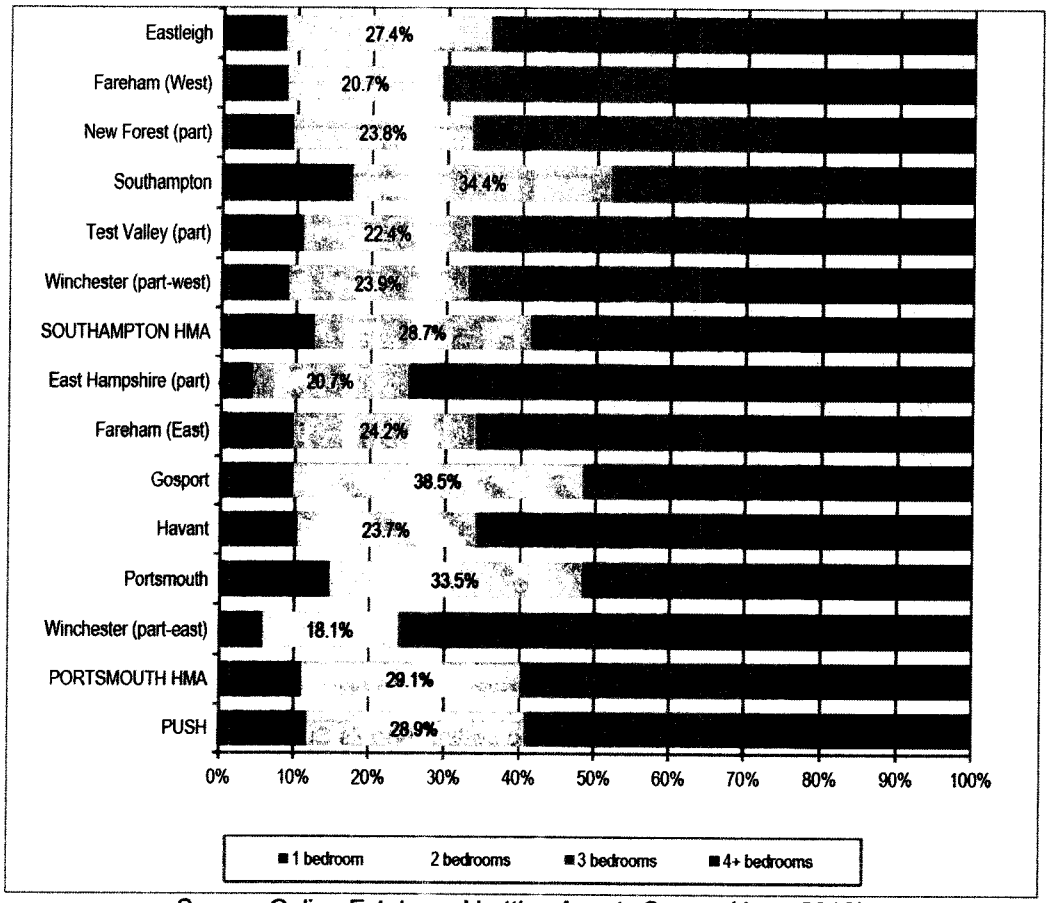
Survey of Local Prices & Rents

Figure 16: Entry-level Purchase Prices, 2013



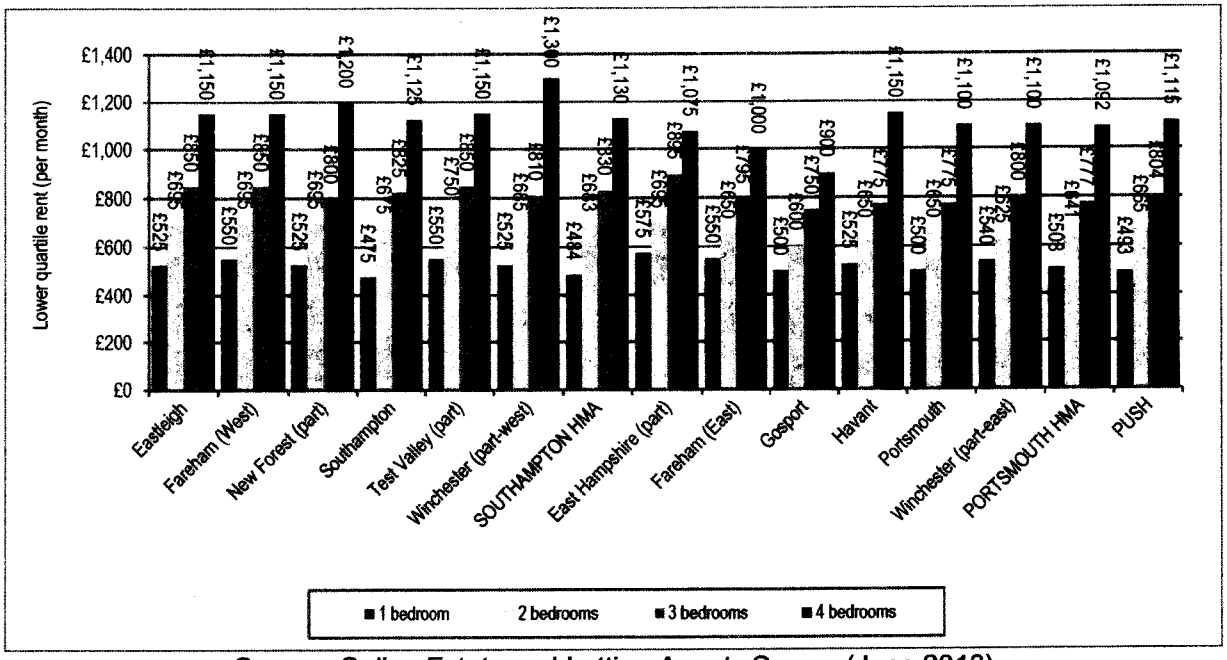
Source: Online Estate and Letting Agents Survey (June 2013)

Figure 17: Profile of Properties Advertised for Sale



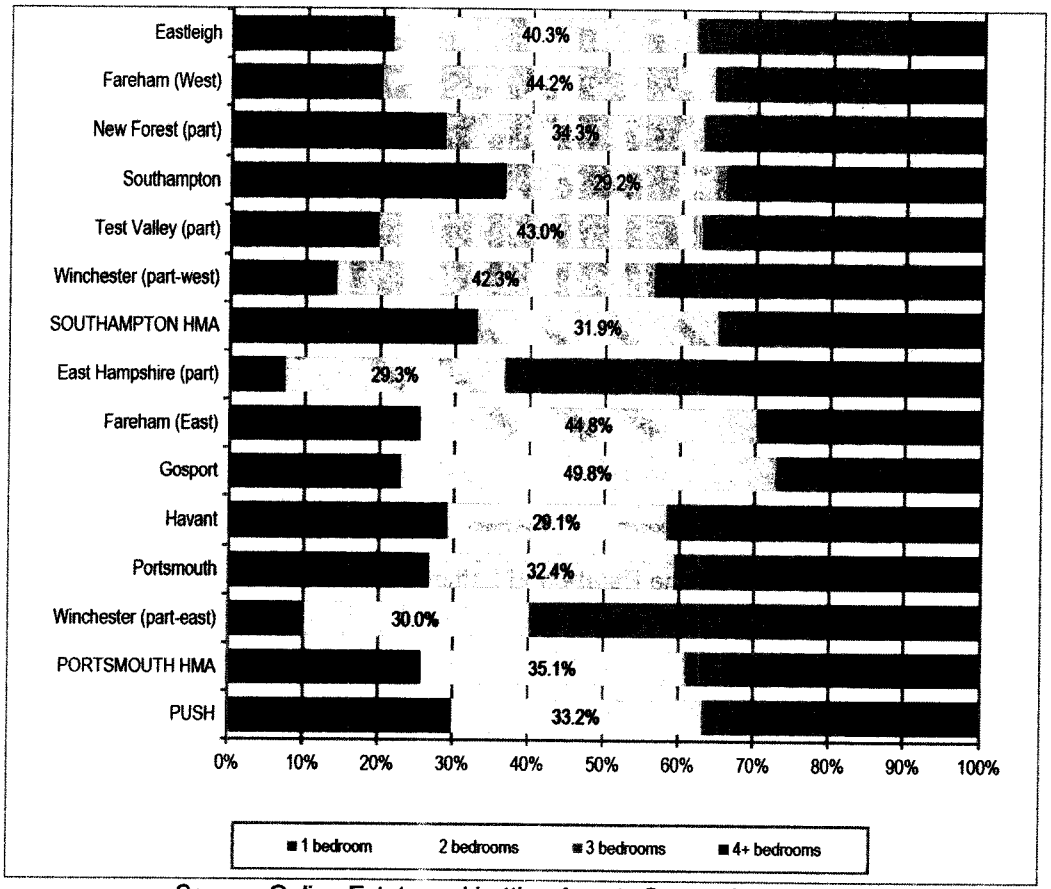
Source: Online Estate and Letting Agents Survey (June 2013)

Figure 18: Entry-level Private Rents



Source: Online Estate and Letting Agents Survey (June 2013)

Figure 19: Profile of Properties Advertised to Rent



Source: Online Estate and Letting Agents Survey (June 2013)

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Cost of Affordable Housing

Table 20: Monthly average social rent levels

Area	1 bedroom	2 bedrooms	3+ bedrooms
Eastleigh	£405	£440	£490
Fareham (West)	£357	£440	£503
New Forest (part)	£372	£425	£473
Southampton	£345	£374	£421
Test Valley (part)	£389	£446	£511
Winchester (part-west)	£399	£446	£523
SOUTHAMPTON HMA	**£362**	**£397**	**£447**
East Hampshire (part)	£383	£454	£527
Fareham (East)	£357	£440	£503
Gosport	£355	£426	£424
Havant	£350	£432	£494
Portsmouth	£403	£456	£491
Winchester (part-east)	£399	£446	£523
PORTSMOUTH HMA	**£376**	**£443**	**£483**
PUSH	**£369**	**£420**	**£465**

Source: CORE (2013)

Table 21: Cost of Affordable Rented Housing by Size and Sub-Area (per month)

Area	1 bedroom	2 bedrooms	3 bedrooms	4 bedrooms
Eastleigh	£420	£556	£680	£920
Fareham (West)	£440	£556	£680	£920
New Forest (part)	£420	£556	£640	£960
Southampton	£380	£540	£660	£900
Test Valley (part)	£440	£600	£680	£920
Winchester (part-west)	£420	£548	£648	£1,040
SOUTHAMPTON HMA	**£387**	**£547**	**£664**	**£904**
East Hampshire (part)	£460	£556	£716	£860
Fareham (East)	£440	£520	£636	£800
Gosport	£400	£480	£600	£720
Havant	£420	£520	£620	£920
Portsmouth	£400	£520	£620	£880
Winchester (part-east)	£432	£500	£640	£880
PORTSMOUTH HMA	**£406**	**£513**	**£621**	**£874**
PUSH	**£394**	**£532**	**£643**	**£892**

Source: Derived from Online Estate and Letting Agents Survey (June 2013)

Gaps in the Housing Market

Table 22: Indicative Income required to Purchase/Rent without Additional Subsidy

Sub-area	Lower quartile purchase price	Lower quartile private rent	Affordable rent	Lower quartile social rent
Eastleigh	£45,657	£27,000	£21,600	£16,811
Fareham (West)	£52,371	£27,000	£21,600	£15,412
New Forest (part)	£45,657	£25,000	£20,000	£15,423
Southampton	£38,943	£25,000	£20,000	£14,010
Test Valley (part)	£51,029	£27,800	£22,240	£16,005
Winchester (part-west)	£53,714	£27,000	£21,600	£16,244
SOUTHAMPTON HMA	**£44,358**	**£25,333**	**£20,267**	**£14,829**
East Hampshire (part)	**£59,086**	**£32,000**	**£25,600**	**£15,988**
Fareham (East)	£44,314	£24,000	£19,200	£15,412
Gosport	£33,571	£22,000	£17,600	£14,300
Havant	£41,629	£23,800	£19,040	£14,842
Portsmouth	£34,914	£24,000	£19,200	£16,206
Winchester (part-east)	£53,177	£28,000	£22,400	£16,244
PORTSMOUTH HMA	**£40,005**	**£23,968**	**£19,175**	**£15,445**
PUSH	**£42,188**	**£24,829**	**£19,863**	**£15,133**

Source: Online Estate and Letting Agents Survey (June 2013) and CORE

Income levels and Affordability

Table 23: Income levels by Area (Southampton HMA)

Income band	Eastleigh	Fareham (West)	New Forest (part)	South-ampton	Test Valley (part)	Wincheste r (part-west)	SOUTH-AMPTON HMA
Under £10k	2.9%	1.3%	4.9%	10.4%	1.7%	1.5%	6.2%
£10k to £20k	24.8%	17.5%	28.0%	30.2%	20.2%	19.3%	26.5%
£20k to £30k	18.2%	18.1%	18.9%	19.7%	18.0%	18.0%	18.9%
£30k to £40k	14.2%	13.5%	13.7%	13.8%	14.1%	13.9%	13.9%
£40k to £50k	10.7%	10.8%	10.8%	8.6%	10.4%	10.5%	9.8%
£50k to £60k	8.2%	8.7%	6.6%	4.9%	8.9%	9.0%	6.7%
£60k to £80k	8.5%	12.1%	7.0%	5.6%	10.8%	11.2%	7.6%
£80k to £100k	4.4%	6.0%	4.2%	4.0%	5.3%	5.5%	4.4%
Over £100k	8.2%	12.1%	6.0%	2.9%	10.7%	11.1%	6.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Mean	£42,809	£52,286	£38,145	£32,001	£48,788	£49,900	£38,806
Median	£32,560	£39,768	£29,013	£24,340	£37,107	£37,953	£28,961

Source: Derived from ASHE, Experian, SHE, CACI and ONS data

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Table 24: Income levels by Area (Portsmouth HMA)

Income band	East Hampshire (part)	Fareham (East)	Gosport	Havant	Ports-mouth	Winchester (part-east)	PORTS-MOUTH HMA
Under £10k	2.1%	3.7%	6.9%	6.7%	9.3%	1.8%	6.9%
£10k to £20k	22.1%	26.3%	29.2%	29.1%	30.0%	20.6%	28.5%
£20k to £30k	18.0%	18.4%	19.5%	19.4%	19.6%	18.1%	19.3%
£30k to £40k	14.3%	14.0%	13.5%	13.5%	13.8%	14.1%	13.7%
£40k to £50k	10.4%	10.9%	10.1%	10.2%	9.1%	10.4%	9.9%
£50k to £60k	8.8%	7.5%	5.8%	5.9%	5.1%	8.9%	6.0%
£60k to £80k	9.8%	7.8%	6.3%	6.3%	5.7%	10.6%	6.6%
£80k to £100k	4.9%	4.3%	4.1%	4.2%	4.1%	5.2%	4.2%
Over £100k	9.7%	7.2%	4.6%	4.8%	3.4%	10.4%	4.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Mean	£46,319	£40,700	£35,434	£35,714	£32,952	£48,188	£36,114
Median	£35,230	£30,956	£26,951	£27,164	£25,063	£36,651	£27,236

Source: Derived from ASHE, Experian, SHE, CACI and ONS data

Table 25: Estimated Proportion of Household Unable to Afford Market Housing without Subsidy

Sub-area	Income required to access market	Number unable to afford	Estimated households (2013)	% of households unable to afford
Eastleigh	£27,000	21,978	53,670	41.0%
Fareham (West)	£27,000	4,794	14,912	32.2%
New Forest (part)	£25,000	12,828	30,007	42.7%
Southampton	£25,000	51,102	99,516	51.4%
Test Valley (part)	£27,800	6,371	17,430	36.5%
Winchester (part-west)	£27,000	3,310	9,663	34.2%
SOUTHAMPTON HMA	-	**100,382**	**225,199**	**44.6%**
East Hampshire (part)	£32,000	3,877	8,586	45.2%
Fareham (East)	£24,000	12,445	32,706	38.1%
Gosport	£22,000	14,605	36,287	40.3%
Havant	£23,800	22,633	52,090	43.5%
Portsmouth	£24,000	41,551	87,018	47.8%
Winchester (part-east)	£28,000	2,566	6,870	37.4%
PORTSMOUTH HMA	-	**97,677**	**223,557**	**43.7%**
PUSH	-	**198,059**	**448,755**	**44.1%**

Source: Online Estate and Letting Agents Survey (June 2013) and Income modelling

Current Housing Need (Backlog)

Table 26: Estimated number of households in unsuitable housing

	In unsuitable housing	Total number of households	% in unsuitable housing
Eastleigh	1,000	53,670	1.9%
Fareham (West)	213	14,912	1.4%
New Forest (part)	543	30,007	1.8%
Southampton	4,008	99,516	4.0%
Test Valley (part)	267	17,430	1.5%
Winchester (part-west)	168	9,663	1.7%
SOUTHAMPTON HMA	6,200	225,199	2.8%
East Hampshire (part)	107	8,586	1.2%
Fareham (East)	504	32,706	1.5%
Gosport	932	36,287	2.6%
Havant	938	52,090	1.8%
Portsmouth	3,255	87,018	3.7%
Winchester (part-east)	128	6,870	1.9%
PORTSMOUTH HMA	5,864	223,557	2.6%
PUSH	12,064	448,755	2.7%

Source: Census (2011) and data modelling

Table 27: Estimated Backlog Need by Sub-Area

	In unsuitable housing	% Unable to Afford	Revised Gross Need (including Affordability)
Eastleigh	1,000	59.1%	591
Fareham (West)	213	49.1%	105
New Forest (part)	543	60.7%	330
Southampton	4,008	69.2%	2,775
Test Valley (part)	267	54.2%	145
Winchester (part-west)	168	51.6%	87
SOUTHAMPTON HMA	6,200	65.0%	4,033
East Hampshire (part)	107	63.3%	68
Fareham (East)	504	56.0%	282
Gosport	932	58.4%	544
Havant	938	61.6%	577
Portsmouth	3,255	65.7%	2,140
Winchester (part-east)	128	55.3%	71
PORTSMOUTH HMA	5,864	62.8%	3,682
PUSH	12,064	63.9%	7,714

Source: Census (2011), data modelling and income analysis

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Newly-Arising Need

Table 28: Estimated Level of Housing Need from Newly Forming Households (2013-2036)

	Number of new households	% unable to afford	Total in need
Eastleigh	25,341	49.4%	**12,519**
Fareham (West)	6,592	39.8%	**2,624**
New Forest (part)	11,528	51.3%	**5,914**
Southampton	44,422	59.9%	**26,609**
Test Valley (part)	6,201	44.3%	**2,747**
Winchester (part-west)	3,662	42.0%	**1,538**
SOUTHAMPTON HMA	97,745	53.1%	**51,903**
East Hampshire (part)	3,169	54.1%	**1,715**
Fareham (East)	11,845	46.0%	**5,449**
Gosport	14,292	48.6%	**6,946**
Havant	17,793	52.3%	**9,306**
Portsmouth	39,601	56.7%	**22,454**
Winchester (part-east)	2,548	45.3%	**1,154**
PORTSMOUTH HMA	89,249	52.6%	**46,945**
PUSH	**186,995**	**52.9%**	**98,920**

Source: Projection Modelling/Income analysis

Table 29: Estimated level of Housing Need from Existing Households (2013-36)

	Number of Existing Households falling into Need	% of Need
Eastleigh	4,020	8.6%
Fareham (West)	644	1.4%
New Forest (part)	2,217	4.7%
Southampton	18,570	39.8%
Test Valley (part)	929	2.0%
Winchester (part-west)	612	1.3%
SOUTHAMPTON HMA	26,997	57.8%
East Hampshire (part)	396	0.8%
Fareham (East)	2,318	5.0%
Gosport	3,119	6.7%
Havant	2,581	5.5%
Portsmouth	10,787	23.1%
Winchester (part-east)	497	1.1%
PORTSMOUTH HMA	19,702	42.2%
PUSH	**46,699**	100.0%

Source: CORE/affordability analysis

Table 30: Estimated Future Housing Need (2013-36)

	Newly-forming Households in Need	Existing Households falling into Need	Total Newly-Arising Need 2013-36
Eastleigh	12,519	4,020	**16,539**
Fareham (West)	2,624	644	**3,268**
New Forest (part)	5,914	2,217	**8,131**
Southampton	26,609	18,570	**45,179**
Test Valley (part)	2,747	929	**3,676**
Winchester (part-west)	1,538	612	**2,150**
SOUTHAMPTON HMA	51,903	26,997	**78,900**
East Hampshire (part)	1,715	396	**2,111**
Fareham (East)	5,449	2,318	**7,767**
Gosport	6,946	3,119	**10,065**
Havant	9,306	2,581	**11,887**
Portsmouth	22,454	10,787	**33,241**
Winchester (part-east)	1,154	497	**1,651**
PORTSMOUTH HMA	46,945	19,702	**66,647**
PUSH	**98,920**	**46,699**	**145,619**

Supply of Affordable Housing

Table 31: Analysis of past social rented housing supply (past 5 years) – Southampton HMA

		Eastleigh	Fareham (West)	New Forest (part)	South-ampton	Test Valley (part)	Winchester (part-west)	SOUTH-AMPTON HMA
General needs	Total lettings	1,402	242	768	6,002	438	223	9,075
	% as non-newbuild	56.8%	69.7%	86.6%	87.5%	72.4%	84.2%	81.4%
	Lettings in existing stock	797	169	666	5,252	317	188	7,388
	% non-transfers	73.9%	70.5%	68.6%	56.3%	61.0%	69.1%	60.2%
	Total lettings to new tenants	589	119	457	2,957	193	130	4,446
Supported	Total lettings	859	145	480	5,445	203	169	7,300
	% as non-newbuild	93.4%	93.8%	97.9%	97.0%	93.3%	96.6%	96.5%
	Lettings in existing stock	802	136	469	5,283	189	163	7,043
	% non-transfers	61.8%	71.5%	67.6%	68.9%	71.7%	66.3%	68.1%
	Total lettings to new tenants	495	97	317	3,641	136	108	4,795
Total lettings to new tenants		1,085	216	774	6,598	329	238	9,240
Total lettings per annum		217	43	155	1,320	66	48	1,848

Source: CORE

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Table 32: Analysis of past social rented housing supply (past 5 years) – Portsmouth HMA

		East Hampshire (part)	Fareham (East)	Gosport	Havant	Ports-mouth	Winchester (part-east)	PORTS-MOUTH HMA
General needs	Total lettings	139	806	1,793	937	1,808	175	5,657
	% as non-newbuild	71.9%	69.7%	77.9%	78.2%	64.7%	84.2%	72.6%
	Lettings in existing stock	100	562	1,396	733	1,171	147	4,108
	% non-transfers	64.7%	70.5%	55.7%	63.4%	62.5%	69.1%	61.7%
	Total lettings to new tenants	65	396	778	464	731	102	2,535
Supported	Total lettings	117	483	387	659	3,611	132	5,388
	% as non-newbuild	98.6%	93.8%	79.9%	94.2%	99.2%	96.6%	96.6%
	Lettings in existing stock	115	453	309	621	3,581	128	5,207
	% non-transfers	69.5%	71.5%	52.7%	67.3%	81.5%	66.3%	76.6%
	Total lettings to new tenants	80	323	163	418	2,918	85	3,987
Total lettings to new tenants		145	719	941	882	3,649	186	6,522
Total lettings per annum		29	144	188	176	730	37	1,305

Source: CORE

Table 33: Supply of Affordable Housing by Area (2013-2036)

	Social rented relets	Intermediate housing 'relets'	Total supply (2013-2036)
Eastleigh	4,991	428	**5,419**
Fareham (West)	989	152	**1,141**
New Forest (part)	3,565	184	**3,749**
Southampton	30,360	1,343	**31,703**
Test Valley (part)	1,518	69	**1,587**
Winchester (part-west)	1,104	55	**1,159**
SOUTHAMPTON HMA	42,504	2,231	**44,735**
East Hampshire (part)	667	37	**704**
Fareham (East)	3,312	166	**3,478**
Gosport	4,324	285	**4,609**
Havant	4,048	115	**4,163**
Portsmouth	16,790	888	**17,678**
Winchester (part-east)	851	101	**952**
PORTSMOUTH HMA	30,015	1,587	**31,602**
PUSH	**72,519**	**3,818**	**76,337**

Net Housing Need

Table 34: Estimated level of Housing Need (2013-36) excluding Pipeline

Sub-area	Backlog need	Newly forming households	Existing households falling into need	Total Need	Supply	Net Need	Net Need per annum
Eastleigh	591	12,519	4,020	17,130	5,419	**11,711**	**509**
Fareham (West)	105	2,624	644	3,373	1,141	**2,232**	**97**
New Forest (part)	330	5,914	2,217	8,461	3,749	**4,712**	**205**
Southampton	2,775	26,609	18,570	47,954	31,703	**16,251**	**707**
Test Valley (part)	145	2,747	929	3,821	1,587	**2,234**	**97**
Winchester (part-west)	87	1,538	612	2,237	1,159	**1,078**	**47**
SOUTHAMPTON HMA	4,033	51,903	26,997	82,933	44,735	**38,198**	**1,661**
East Hampshire (part)	68	1,715	396	2,179	704	**1,475**	**64**
Fareham (East)	282	5,449	2,318	8,049	3,478	**4,571**	**199**
Gosport	544	6,946	3,119	10,609	4,609	**6,000**	**261**
Havant	577	9,306	2,581	12,464	4,163	**8,301**	**361**
Portsmouth	2,140	22,454	10,787	35,381	17,678	**17,703**	**770**
Winchester (part-east)	71	1,154	497	1,722	952	**770**	**33**
PORTSMOUTH HMA	3,682	46,945	19,702	70,329	31,602	**38,727**	**1,684**
PUSH	**7,714**	**98,920**	**46,699**	**153,333**	**76,337**	**76,996**	**3,348**

Source: Census (2011)/CORE/Projection Modelling and affordability analysis

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Role of the Private Rented Sector in Meeting Housing Need

Table 35: Number of People claiming LHA in Private Rented Sector (Feb 2011 and Feb 2013)

	February 2011	February 2013	Absolute change	% change
Eastleigh	1,710	1,888	178	10.4%
Fareham (West)	425	481	57	13.3%
New Forest (part)	1,100	1,158	57	5.2%
Southampton	7,140	7,974	834	11.7%
Test Valley (part)	412	412	0	0.0%
Winchester (part-west)	216	216	0	0.2%
SOUTHAMPTON HMA	11,003	12,129	1,126	10.2%
East Hampshire (part)	140	144	4	3.2%
Fareham (East)	845	958	112	13.3%
Gosport	2,060	2,089	29	1.4%
Havant	2,370	2,480	110	4.6%
Portsmouth	7,590	8,063	473	6.2%
Winchester (part-east)	171	171	0	0.2%
PORTSMOUTH HMA	13,176	13,905	729	5.5%
PUSH	24,178	26,034	1,856	7.7%

Source: Department of Work and Pensions

Table 36: Private Rented Sector LHA claimants by Area (per annum)

	LHA claimants in PRS	Households in PRS	Claimants as % of households	Estimated lettings per annum	Estimated lettings to LHA households
Eastleigh	1,888	6,438	29.3%	837	**196**
Fareham (West)	481	1,554	31.0%	202	**50**
New Forest (part)	1,158	3,320	34.9%	432	**121**
Southampton	7,974	24,449	32.6%	3,178	**829**
Test Valley (part)	412	1,765	23.3%	229	**43**
Winchester (part-west)	216	1,087	19.9%	141	**22**
SOUTHAMPTON HMA	12,129	38,613	31.4%	5,020	**1,261**
East Hampshire (part)	144	653	22.1%	85	**15**
Fareham (East)	958	3,091	31.0%	402	**100**
Gosport	2,089	5,777	36.2%	751	**217**
Havant	2,480	5,087	48.8%	661	**258**
Portsmouth	8,063	21,098	38.2%	2,743	**838**
Winchester (part-east)	171	861	19.9%	112	**18**
PORTSMOUTH HMA	13,905	36,567	38.0%	4,754	**1,445**
PUSH	26,034	75,180	34.6%	9,773	**2,705**

Source: Census (2011), DWP

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Need for Different Types of Affordable Housing

Table 37: Estimated level of Housing Need (2013-36) by Type of Affordable Housing (Numbers)

Sub-area	Intermediate			Social/affordable rented		
	Total need	Supply	Net need	Total need	Supply	Net need
Eastleigh	3,227	428	2,799	13,903	4,991	8,912
Fareham (West)	765	152	613	2,608	989	1,619
New Forest (part)	1,528	184	1,344	6,933	3,565	3,368
Southampton	6,771	1,343	5,428	41,183	30,360	10,823
Test Valley (part)	776	69	707	3,045	1,518	1,527
Winchester (part-west)	469	55	414	1,768	1,104	664
SOUTHAMPTON HMA	**13,459**	**2,231**	**11,228**	**69,474**	**42,504**	**26,970**
East Hampshire (part)	397	37	360	1,782	667	1,115
Fareham (East)	1,561	166	1,395	6,488	3,312	3,176
Gosport	1,966	285	1,681	8,643	4,324	4,319
Havant	2,296	115	2,181	10,168	4,048	6,120
Portsmouth	5,669	888	4,781	29,712	16,790	12,922
Winchester (part-east)	337	101	236	1,385	851	534
PORTSMOUTH HMA	**12,187**	**1,587**	**10,600**	**58,142**	**30,015**	**28,127**
PUSH	**25,660**	**3,818**	**21,842**	**127,673**	**72,519**	**55,154**

Source: Housing Needs Analysis

Table 38: Estimated level of Housing Need (2013-36) by Type of Affordable Housing (Percentages)

Sub-area	Intermediate	Affordable rent	Social rent	Total
Eastleigh	23.9%	19.2%	56.9%	100.0%
Fareham (West)	27.5%	32.0%	40.5%	100.0%
New Forest (part)	28.5%	17.8%	53.7%	100.0%
Southampton	33.4%	18.5%	48.1%	100.0%
Test Valley (part)	31.6%	25.3%	43.1%	100.0%
Winchester (part-west)	38.4%	20.6%	41.0%	100.0%
SOUTHAMPTON HMA	29.4%	19.9%	50.7%	100.0%
East Hampshire (part)	24.4%	33.5%	42.1%	100.0%
Fareham (East)	30.5%	16.1%	53.4%	100.0%
Gosport	28.0%	14.8%	57.1%	100.0%
Havant	26.3%	17.7%	56.0%	100.0%
Portsmouth	27.0%	10.7%	62.3%	100.0%
Winchester (part-east)	30.6%	23.9%	45.5%	100.0%
PORTSMOUTH HMA	27.4%	14.1%	58.5%	100.0%
PUSH	**28.4%**	**17.3%**	**54.4%**	**100.0%**

Source: Housing Needs Analysis

SUPPORTING STATEMENT 3

Statement by Paul Basham Associates Regarding [illegible]

SS3/1

paulbasham ASSOCIATES

047.0046.HAN1

Project Name:	London Road, Purbrook
Document Number:	047.0046.HAN2
Document Type:	Highway Appeal Note
Prepared By:	Tom Hilliard (29/07/16)
Approved By:	Paul Basham (29/07/16)

1.1 This Highways Appeal Note has been prepared by Paul Basham Associates (PBA) on behalf of McCarthy & Stone in support of the forthcoming appeal regarding an application for 42 retirement living units at London Road, Purbrook (ref: APP/15/00896). In particular the HAN considers the highways reason for refusal and the associated officer's comments and seeks to address the concerns raised.

1.2 Reason for Refusal no. 4 states:

On the basis of the information provided and in the absence of binding arrangements necessary to secure the alterations to the surrounding highway network as anticipated in the submitted Transport Assessment and shown on the proposed plans, it has not been adequately demonstrated that the access and highway works associated with the London Road access and the parking spaces on Stakes Road would not result in harm to the amenity and safety of users of the highway. The proposal is therefore contrary to the policies CS16, CS20 and DM11 of the Havant Borough Local Plan (Core Strategy) 2011 and the National Planning Policy Framework 2012.

1.3 In relation to the Committee Report and e-mail correspondence with the highways officer the following concerns were outlined which led to the above reason for refusal:

- Any changes to the existing access arrangements would require the provision of a detailed engineering plan for agreement with Hampshire County Council (HCC);
- The proposed access gate should be removed or relocated further from the highway;
- More detail required on the proposed parking on Stakes Road.

1.4 With regards to the first point we can confirm that the access arrangement is being retained as existing and this is shown in the plan attached as **Appendix A**. As no changes are proposed a detailed engineering plan is not required

1.5 It should be confirmed that the second line of Paragraph 4.12 of the Transport Statement (ref: 047.0046/TS/1) is erroneous and therefore the paragraph should read: *"For the retail units either side of the access deliveries are proposed to take place using the existing loading bay to the south of the site."*

1.6 In terms of the original gated access it can also be confirmed that no gate is to be provided and therefore there will be no associated impact on the operation of London Road.

1.7 A detailed plan showing the proposed parking bays on Stakes Road is provided in plan no. 046.0047.002 attached as **Appendix B**. In addition two of the spaces can be conditioned to be for the use of the retail spaces if required by HCC.

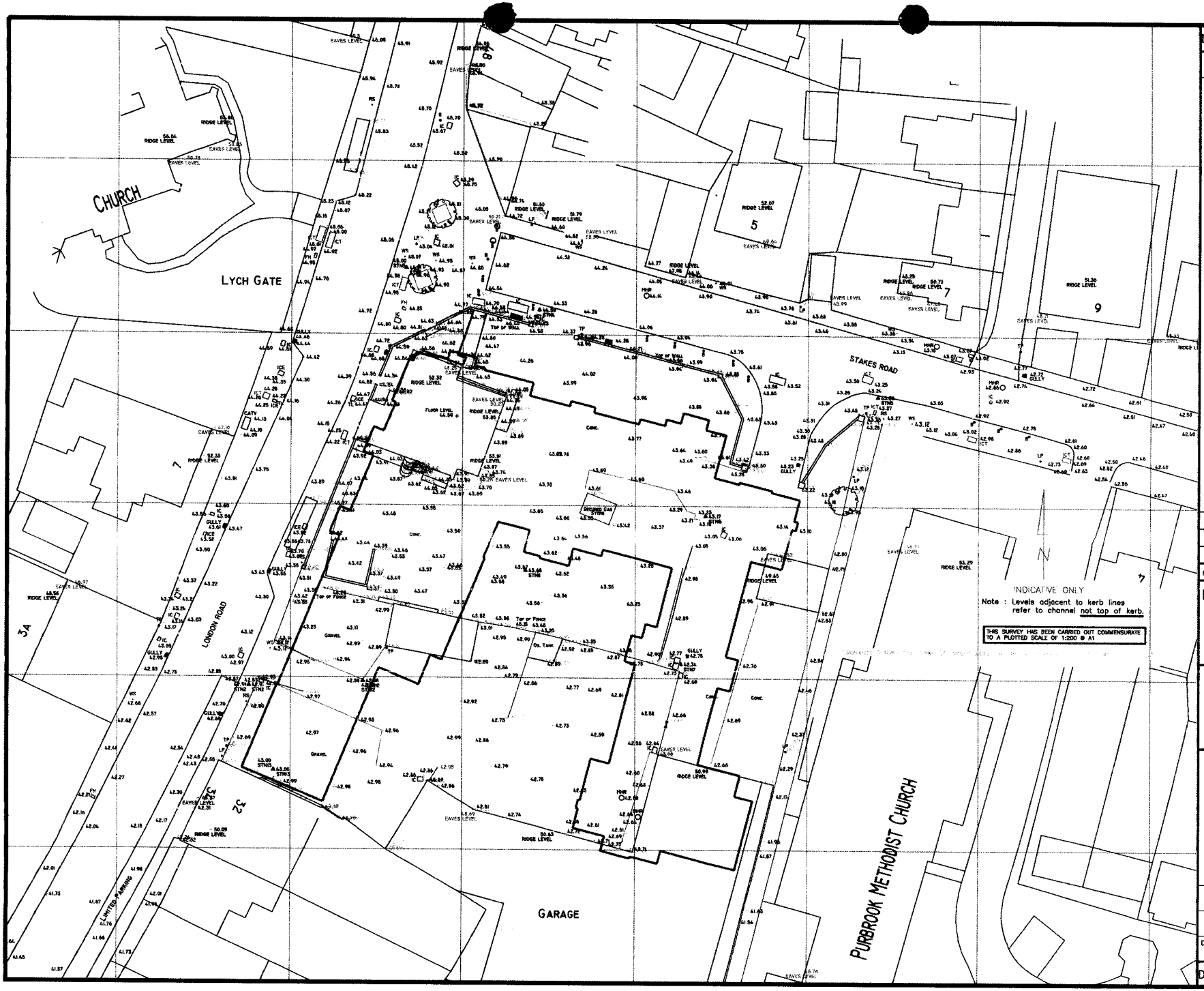
1.8 The highways comments also made reference to the possible requirement for a Traffic Regulation Order (TRO) to be implemented on Stakes Road in association with the proposed parking spaces. It is assumed that this is related to observed parking at the end of Stakes Road which may conflict with the use of the proposed parking spaces. To consider this further a swept path analysis has been undertaken showing two scenarios: one with two 7.5t box vans at the end of Stakes Road and

one with an additional vehicle parked across the road from the parking bays. The tracking plans are provided in **Appendix C** and demonstrate that, even in this worst case scenario, all the proposed bays are able to be used. A TRO is therefore not considered to be essential to the proposals being acceptable in highways terms.

1.9 In summary by confirming that there would be no changes to the existing access arrangements and that there would be no gate provided at the access to the car park along with further details on the proposed parking bays on Stakes Road it can now be demonstrated that the development would not have a significant impact on the operation or safety of the local highway network in line with the National Planning Policy Framework and Policies CS16, CS20, DM11 of the Havant Borough Local Plan (Core Strategy) 2011.

SS3/3

Appendix A



DRG NO: PP/3066/M&S/PURBROOK/F1

LEGEND

3066Purbrook-F1.dwg

STATION CO-ORDINATES

STATION	TYPE	EASTING	NORTHING	LEVEL
STN2	NAIL	467315.177	107959.027	42.909
STN3	NAIL	467333.332	108007.580	43.001
STN4	NAIL	467346.734	106002.853	44.503
STN5	NAIL	467308.183	107992.869	43.265

BENCH MARK INFORMATION:
ALL LEVELS IN METRES TO ORDNANCE SURVEY
DATUM AND BASED ON BENCH MARK:
LEVELS AND COORDINATES SET BY GPS AND CORRECTED TO ORDNANCE SURVEY ACTIVE NETWORK

REV	DRG. AMENDMENTS	BY	DATE

McCARTHY & STONE

2 GENESIS BUSINESS PARK
ALVERT DRIVE
WOKING
GU21 5RW

38-44 LONDO ROAD

PURBROOK
PO7 5LJ

TOPOGRAPHICAL SURVEY

PROSPAPLANS LIMITED
CHARTERED LAND SURVEYORS
CENTRAL OFFICE
O'HANA HOUSE, 1 MELTON CLOSE
BEETLEY
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T: +44 (0) 1562 668504
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E: INFO@PROSPAPLANS.COM
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SCALE: 1:200

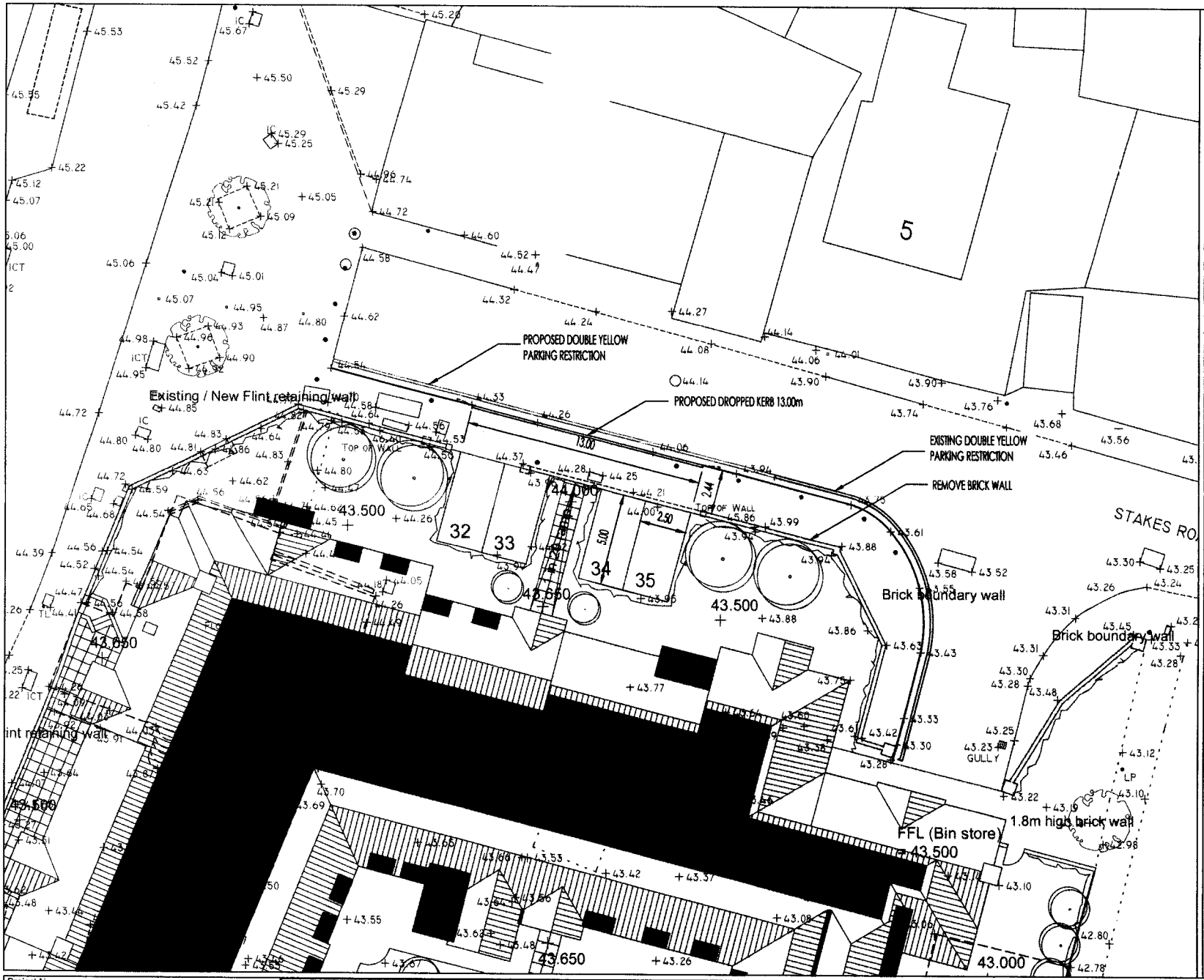
DATE: APRIL 2015

DRAWN BY:	CHECKED BY:
R WELTON	G RUTHERFORD

DRG NO: PP/3066/M&S/PURBROOK/F1

SS 3/5

Appendix B



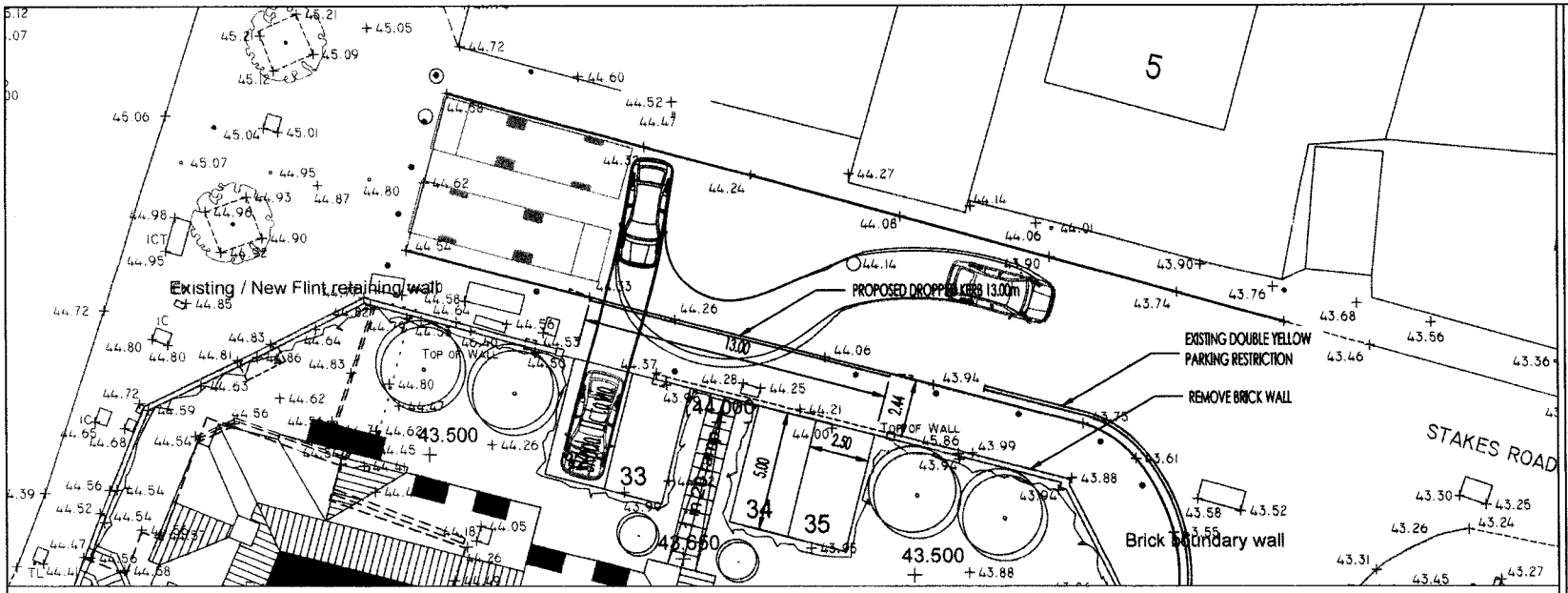
GENERAL NOTES

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2. ANY VARIATIONS OR DISCREPANCIES BETWEEN THESE DRAWINGS IN TERMS OF DIMENSIONS OR DETAILS SHOULD BE DRAWN TO THE ATTENTION OF THE ARCHITECT AND/OR THE ENGINEER FOR CLARIFICATION.
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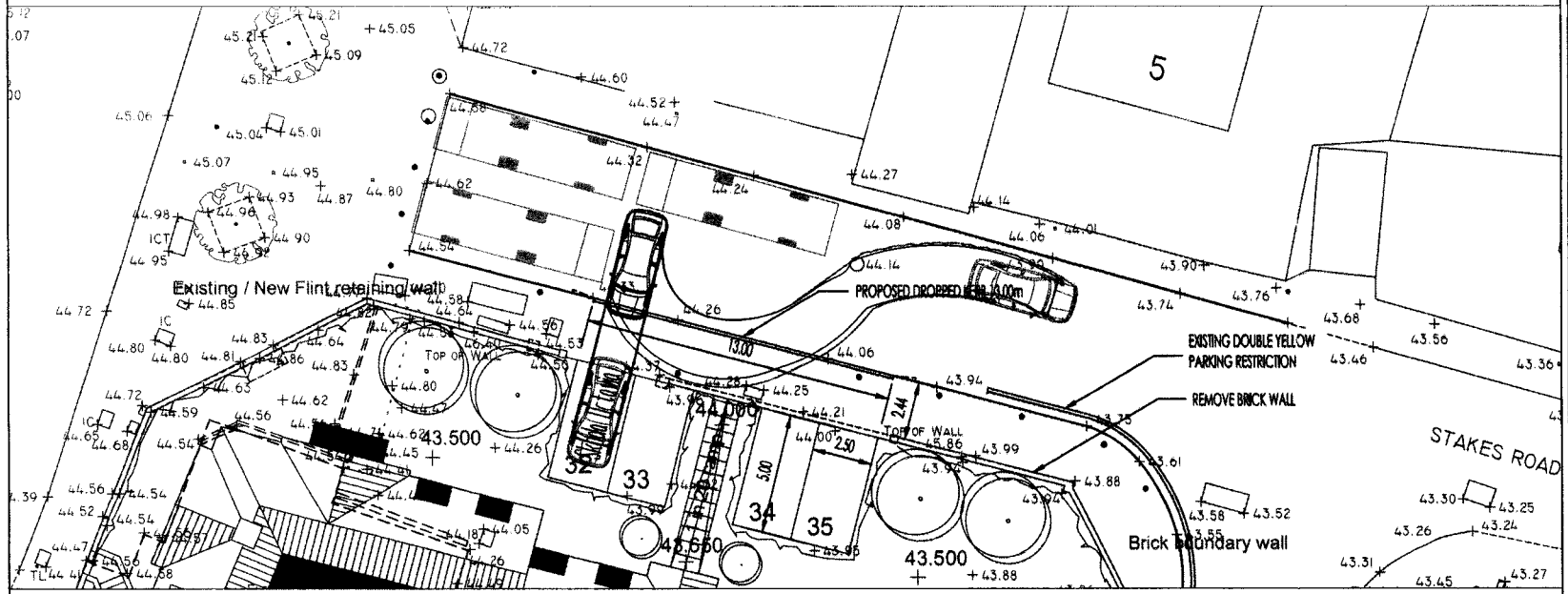
NORTH

Project Name: LONDON ROAD PURBROOK	Title: STAKES ROAD PARKING LAYOUT	paulbasham ASSOCIATES — Paul Basham Associates Ltd, Lancaster Court, 6 Barnes Wallis Road, Fareham Hampshire PO15 5TU, T +44 (0) 1489 566134, E info@paulbasham-associates.com, W www.paulbasham-associates.com	Client: McCarthy & Stone — The UK's leading retirement housebuilder	Checked By: JH	Checked Date: 10.02.16	Scale: 1:250 (AT A3 SIZE)
Project Phase: PRELIMINARY				Drawn By: BK	Drawn Date: 09.02.16	Client Drawing No.: - / PBA Drawing No.: 047-0046-002 / Revision: -

Appendix C



PARKING VEHICLE 1



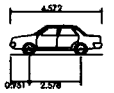
PARKING VEHICLE 2

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NORTH

VEHICLE PROFILE



Skoda Octavia	
Overall Length	4.572m
Overall Width	1.769m
Overall Body Height	1.488m
Min Body Ground Clearance	0.249m
Max Track Width	1.713m
Lock to Lock Time	4.00s
Kerb to Kerb Turning Radius	5.100m

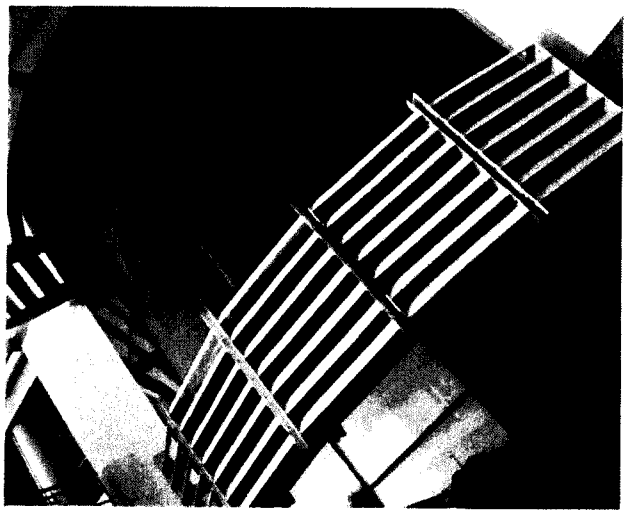
Project Name: LONDON ROAD PURBROOK	Title: VEHICLE TRACKING	paulbasham ASSOCIATES	Client: McCarthy & Stone	Checked By: JH	Checked Date: 25.02.16	Scale: 1:250 (AT A3 SIZE)
Project Phase: PRELIMINARY				Drawn By: BK	Drawn Date: 25.02.16	Client Drawing No.: - / PBA Drawing No.: 047-0046-003 / Revision: -

SUPPORTING STATEMENT 4

Statement by Alder King on Development Viability Review

SS4/1







Confidential – Not for public disclosure

Financial Viability Assessment

In respect of the
Proposed Redevelopment of:

38-44 LONDON ROAD PURBROOK WATERLOOVILLE HAMPSHIRE PO7 5LJ

Prepared on behalf of:

McCarthy & Stone

14 August 2015

Issued by:

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Kembrey Park
SWINDON SN2 8UP

Ref: AC/HJH/1403/82299

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alder king
PROPERTY CONSULTANTS

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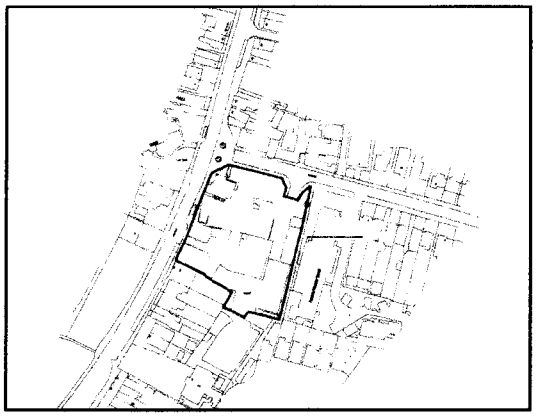
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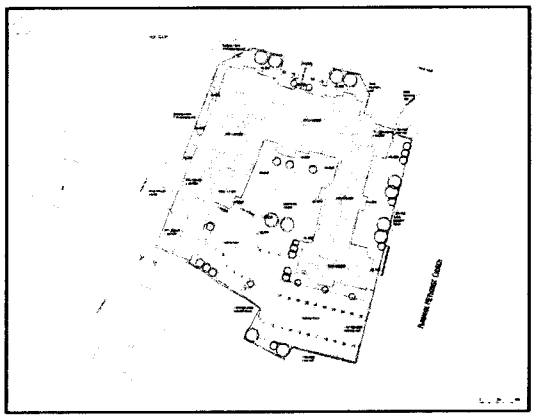
EXECUTIVE SUMMARY

For convenience, we summarise the key features of this Financial Viability Assessment and Review which should nevertheless be read in full.

Location Plan



Proposed Site Layout



Property Type/Use: Commercial site comprising builders merchant and yard, vehicle repair and tyre workshops, plus vehicle sales outlet situated on London Road in the village of Purbrook.

Proposed Scheme:

Type	No. of Units
1 Bed Retirement Living Apartments	23
2 Bed Retirement Living Apartments	19
Total	**42**

Planning Proposal: Application to be submitted for the demolition of the existing buildings on site and the erection of a 42 unit retirement living apartment scheme with associated landscaping and parking.

Benchmark Site Value: £750,000

Potential Planning Obligations Package: **CIL - £222,637**

Other S106 Obligations including Offsite Affordable Housing Contribution - £32,736

1. INTRODUCTION

We are instructed by The Planning Bureau Limited (TPB), acting as Planning Consultants for McCarthy & Stone Retirement Lifestyles Limited (McC&S), to undertake a Financial Viability Assessment (FVA) of a proposed redevelopment of 38-44 London Road, Purbrook, Waterlooville, PO7 5LJ (the Property).

This independent FVA is to provide support to McC&S in demonstrating to the local planning authority, Havant Borough Council (HBC), whether or not planning obligations, and a developer's contribution towards off-site affordable housing in particular, can be afforded by the McC&S development proposals.

The assessment relates to the submission of a full planning application (the Application), for the redevelopment of the Property as a 42 unit retirement living (sheltered housing Category II) apartment development.

This assessment follows the publication of our RICS 'Red Book' compliant Market Valuation. Our Valuation and Report dated 20 May 2015 produces a Market Value of £750,000 for the freehold interest in the Property on a vacant possession basis. It is against this benchmark Market Value that the viability of the proposed scheme has been tested.

This FVA report has been prepared in accordance with the RICS Guidance Note 'Financial Viability in Planning', 1st edition, published August 2012. This Guidance Note provides users with recommendations for accepted good practice, as followed by competent and conscientious practitioners in undertaking Financial Viability Assessments.

This FVA is provided on a confidential basis to HBC. We therefore request that the report should not be disclosed to any third parties (other than consultants instructed by HBC to review this report) under the Freedom of Information Act 2000 (sections 41 and 43 (2)) or under the Environmental Regulations.

2. DEFINITIONS

For ease of reference, the following key abbreviations used in this report are defined as follows:

- **Current Use Value (CUV)** is defined in the Royal Institution of Chartered Surveyors Viability in Planning Guidance Note 1st Edition (RICS Viability GN) as:

  "Market value for the continuing existing use of the site or property assuming all hope value is excluded, including value arising from any planning permission or alternative use. This also differs from the Existing Use Value. It is hypothetical in a market context as property generally does not transact on a CUV basis."

- **Residual Land Value (RLV)** is defined in the RICS Viability GN as:

  "The amount remaining once the GDC of a scheme is deducted from its GDV and an appropriate return has been deducted"

  - **Gross Development Cost (GDC)** is defined in the RICS Viability GN as:

    "The cost of undertaking a development, which normally includes the following:

    acquisition costs
    site specific related costs
    build costs
    fees and expenses
    interest or financing costs; and
    holding costs during the development period"

  - **Gross Development Value (GDV)** is defined in the RICS Viability GN as:

    "The aggregate market value of the proposed development, assessed on the special assumption that the development is complete as at the date of valuation in the market conditions prevailing at that date."

- **Benchmark** is defined in the RICS Viability GN as:

  "A comparator for either the outputs or inputs into the appraisal, i.e. Site Value or developer's return"

- **Site Value (SV)** is defined in the RICS Viability GN as:

  "Market value subject to the following assumption: that the value has regard to development plan policies and all other material planning considerations and disregards that which is contrary to the development plan"

3. ALDER KING

Alder King LLP (www.alderking.com) is widely recognised as a market-leading multi-discipline property and planning consultancy and multiple winner of one of the Estates Gazette 'Most Active Agent' awards. Alder King has a heritage stretching back over a century and with that comes a culture of sound professionalism, innovative thinking and practical advice borne out of experience.

The firm attracts clients across the property spectrum, from institutional investors and government agencies through to planning authorities and developers. Businesses large and small in both the public and private sector depend on its broad range of property and planning expertise to inform their property decisions.

The Alder King network of offices and strategic alliances ensures in-depth market knowledge and a national perspective that its clients rely upon. Alder King provides strategic insight and adds real value into new planning, development and investment opportunities; it not only manages nationwide portfolios but also advises start-up businesses taking their very first commercial space. Alder King has provided development consultancy advice for many of the McCarthy & Stone developments in a wide range of locations from Truro (Cornwall) to the west, Clacton-on-Sea (Essex) to the east, Glasgow (Scotland) to the north and Worthing (Sussex) to the south, to name but a few.

In the last 30 years or so Alder King has been at the forefront of Office and Business Park development dealing with the numerous new developments, lettings and sales of buildings and rent reviews, lease renewals etc. Alder King is an industry expert in employment land and the Office and Business Park market.

Alder King is also an industry expert in the residential land sector. The consultancy has acted as property advisors to McCarthy & Stone and The Planning Bureau for over 20 years, in recent times providing specialist development viability in planning advice. The Viability team, drawn from Valuation, Development and Planning departments, delivers practical, timely and effective advice on the viability of residential and mixed-use developments.

While viability has always been a key part of the property development process, financial viability has increasingly become a material consideration in the town planning process.

Alder King provides specialist development and viability guidance to a wide range of private developer and landowner clients and is currently advising on volume and niche housing schemes, city centre mixed-use regeneration projects and strategic land urban extensions for housing and employment land uses.

Alder King's Viability team has broad experience of appeals and providing expert witness evidence, including high profile Planning Appeal cases involving valuation and viability matters. They include the recent test cases of Shinfield (PINS Ref: APP/X0360/A/12/2179141) following the publication of the RICS Viability GN, and Holsworthy (PINS Ref: APP/W1145/Q/13/2204429) following the introduction of the Section 106 AB, BB amendments.

4. BACKGROUND

A Location Plan showing the extent of the 0.394 ha (0.973 acres) gross site (the Property) for identification purposes is at Appendix 1.

Appendix 1 – Location and Context Plan

The Property is located in a corner position fronting the A3 London Road with a return frontage to Stakes Road. Surrounding properties are in mixed uses; on the western side of London Road is The Parish Church of St John the Baptist; the Old School House (now used as a nursery and pre-school); a small gym; and a development site to the south with planning consent for a ground floor Tesco convenience store with three x two bed flats on first floor level. To the east of the Property is the recently refurbished Purbrook Centre whilst to the north are residential properties and a detached retail property on the corner of Stakes Road and London Road. To the south is a retail property and its rear garden; the beer garden to The Woodman Public House; and a pocket of modern housing overlooking a public car park. Further along London Road to the south is a parade of retail units including takeaways, pharmacy and a One Stop convenience store.

The Property currently provides a builders merchant and yard, vehicle repair and tyre workshops, plus a vehicle sales outlet situated within a range of buildings currently on site. These include a detached two storey former house (formerly the Vicarage to the Church of St John the Baptist) and a small detached workshop/store, both currently occupied by the builders merchant; a subdivided 'L' shaped industrial unit occupied by the builders merchant, a vehicle repair operation and a tyre depot operation; and a small single storey office building occupied by the vehicles sales operation.

McC&S intend to purchase and redevelop the Property (subject to the receipt of a satisfactory planning permission) for a new 42 unit Retirement Living Apartment scheme (the Proposed Scheme) with associated communal facilities following the demolition of all existing buildings on site.

This report is for feasibility assessment purposes of the McC&S proposals only and it does not constitute a formal valuation. The advice contained in this report is exempt from the current RICS Valuation Professional Standards January 2014 – Global and UK Edition (the Red Book). We reserve the right to update, amend or vary our advice should the matter progress to a planning Appeal Hearing or Inquiry.

We have produced this Viability Assessment utilising the Argus Developer residual appraisal software. Argus Developer is an established property development appraisal software program used by owners, commercial developers, house builders, land developers, agents and financial institutions. It is designed to work for all forms of property development, including commercial, single or multiphase residential, retail, office, industrial, hotels, land development and any combination for mixed use developments. This report summarises our assumptions, inputs and outcomes of our Argus model.

5. VIABILITY IN PLANNING – POLICY CONTEXT

5.1. National Planning Policy Framework (NPPF)

In March 2012 the Government published the National Planning Policy Framework, now generally referred to as either the NPPF or simply the Framework. This document forms a key part of reforms to make the planning system less complex, more accessible and to promote sustainable growth. This document replaces all national Planning Policy Statements and Guidance Notes, with the exception of national waste policies.

The Framework sets out the Government's economic, environmental and social planning policies for England and also articulates their vision of sustainable development.

A key principle set out in the document is the presumption in favour of sustainable development. A requirement is placed on local planning authorities to plan positively for new development, and approve all individual proposals wherever possible (see Para 14).

In terms of housing, the presumption in favour of sustainable development means that Local Plans should be prepared on the basis that objectively assessed development needs should be met, unless the adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole.

In order to ensure viability and deliverability the Framework states at Para 173:

"Pursuing sustainable development requires careful attention to viability and costs in plan-making and decision-taking. Plans should be deliverable. Therefore, the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened. To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable."

5.2. National Planning Practice Guidance (NPPG)

The Department for Communities and Local Government in March 2014 revised and updated planning guidance designed to be easily accessible on-line and user friendly. The NPPG contains 41 categories; from 'Advertisements' to 'Water supply'.

The category of relevance in context with this report is the Guidance on 'Viability'. In the Viability and Decision Taking section, Land value is guided as follows:

"Central to the consideration of viability is the assessment of land or site value. Land or site value will be an important input into the assessment. The most appropriate way to assess land or site value will vary from case to case but there are common principles which should be reflected.

In all cases, land or site value should:

- *Reflect policy requirements and planning obligations and, where applicable, any Community Infrastructure Levy charge;*
- *Provide a competitive return to willing developers and land owners (including equity resulting from those wanting to build their own homes); and*
- *Be informed by comparable, market-based evidence wherever possible. Where transacted bids are significantly above the market norm, they should not be used as part of this exercise."*

5.2.1. As a update, Mr Justice Holgate in his Judgement in West Berks & Reading Councils v DCLG 2015 stated:

Para 173 of the NPPF "*enables a developer to put forward legitimate viability arguments to show the overall cost of a local authority's planning requirement (including affordable housing) for a particular site needs to be reduced if the site is to be deliverable."*

5.3. Further National Guidance on Viability

The NPPF approach to viability is supported by other national guidance and clarification.

5.3.1. The Harman Report

The report "Viability Testing Local Plans: Advice for Planning Practitioners" by the Local Housing Delivery Group (chaired by Sir John Harman) and known as "the Harman Report" was published in June 2012. The report was commissioned by the Housing Minister to provide advice from a cross industry group to help support the Government's ambition to increase the supply of housing through viable local planning.

Whilst the report focuses mainly at a Local Plan preparation level, some of the general observations appear to give helpful guidance at a site specific level. At Page 14, the report provides the following definition of viability, which states:

"An individual development is viable if, after taking account of all costs, including central and local government policy and regulatory costs and the cost and availability of development finance, the scheme provides a competitive return to the developer to ensure that development takes place and generates a land value sufficient to persuade the landowner to sell the land for the development proposed. If these conditions are not met, a scheme will not be delivered".

The report effectively emphasizes the need that for land to be released for development, there should be a *"willingness and ability of the private sector to implement a development proposal having regard to acceptable developer return"* (Page 24). There should also be the *"willingness of a landowner to sell land at an acceptable return"* (Page 24). With regard to the latter, the report uses the term *"Threshold Land Value"*, defining this as:

"the value at which a typical willing landowner is likely to release land for development before payment of taxes (such as capital gains tax)" (Page 28).

Later on Page 28, the report goes on to state its recommendations that the Threshold Land Value should be based on a **premium** (AK emphasis) over current use values and credible alternative use values, noting certain exceptions.

SS4/13

5.3.2. RICS Viability Guidance Note

The Royal Institution of Chartered Surveyors (RICS) published their Guidance Note titled "Financial Viability in Planning" 1st Edition (RICS Viability GN) in August 2012. The document has the status of a Guidance Note to set out best practice for practitioners involved in undertaking viability appraisal work.

The RICS Viability GN provides the Institution's own definition of financial viability for the purpose of town planning decisions:

"An objective financial viability test of the ability of a development project to meet its costs, including the cost of planning obligations, while ensuring an appropriate site value for the landowner and a market risk adjusted return to the developer in delivering that project."

The RICS Viability GN also defines Site Value:

"Site Value should equate to the market value subject to the following assumption: that the value has regard to development plan policies and all other material planning considerations and disregards that which is contrary to the development plan."

The RICS Viability GN similarly highlights the importance of providing acceptable returns to both developer and landowner. The RICS Viability GN suggests that the uplift in value between existing use and its residual land value for development should be sufficient to cover planning gain obligations. At the same time it emphasizes these obligations cannot use up the whole of this value difference as allowance must be made for the "competitive returns" required under the NPPF. Para 3.4.3 of the RICS Viability GN states:

"The residual land value (ignoring any planning obligations and assuming planning permission is in place) and current use value represent the parameters within which to assess the level of any planning obligations. Any planning obligations imposed will need to be paid out of this uplift but cannot use of the whole of this difference, other than in exceptional circumstances, as that would remove the likelihood of the land being released for development."

The RICS Viability GN is referred to again in Section 7 of this report.

6. THE PROPOSED SCHEME

The scheme to be submitted by McC&S is for the development of a 42 unit Retirement Living development in a part two/part three storey block (the Scheme).

All apartments are to be open market units in the mix as detailed below:

Type	No. of Open Market Units
1 Bed Apartments	23
2 Bed Apartments	19

In common with most new build Retirement Living apartment schemes the floorspace can be broken down into the saleable and non-saleable areas.

The saleable area of the 42 Apartments is 2,718.21 m^2 (29,259 sq ft). The saleable areas are the individual apartments for which capital receipts are expected from each of the occupiers. The non-saleable areas are the common parts, which in this case include entrance lobby and concierge desk, resident's lounge, communal WC, stores/plant rooms, buggy store, refuse store, and guest suite as well as typical circulation space (corridors, lift/stair wells).

In addition, the Proposed Scheme provides two ground floor retail units fronting London Road. The gross internal area of Unit 1 is 72.2 m^2 (777 sq ft) whilst Unit 2 extends to 89.9 m^2 (968 sq ft).

We are advised that the Gross Internal Area (GIA) of the Proposed Scheme is 3,934 m^2 (42,347 sq ft). On the basis that the retail accommodation is fully self-contained (100% net/gross) we have calculated that the design of the residential Retirement Living apartment part of the Proposed Scheme provides a 72%/28% saleable/ gross internal area ratio.

Externally the Proposed Scheme provides car parking for 31 vehicles and communal landscaped gardens.

The Proposed Scheme Site Layout Plan is at Appendix 2.

Appendix 2 – Site Layout Plan

7. VIABILITY ASSESSMENT

As noted at 5.3.2, the Royal Institution of Chartered Surveyors (RICS) published their Guidance Note titled 'Financial Viability in Planning' in August 2012.

The usual test applied in establishing whether a planning obligations package (including Affordable Housing) is viable, is to consider whether the residual site value of the proposed scheme exceeds the benchmark Site Value of the property. If it does, there is financial headroom for a planning obligations package. If it does not, there is no financial headroom and thus there is no viability for a planning obligations package to be included.

The Site Value can either be inputted into the Argus appraisal as a fixed input or can be used as a comparative benchmark against which the residual element produced by an appraisal can be compared.

As noted in Section 1, our report assesses the viability of the Scheme against a benchmark Site Value of £750,000, taken from our Valuation Report dated 20 May 2015.

We have adopted build costs based on RICS Building Cost Information Service (BCIS) indices and certain specific estimates provided to us by McCarthy & Stone obtained in respect of certain identified abnormal site preparation and external area costs made necessary by the scheme. We have adopted anticipated sales revenue figures based on comparable evidence from other retirement home schemes in the region, making adjustment for the Waterlooviillle location where appropriate in comparison.

Our Argus Developer appraisal summary of the scheme is at Appendix 3 but our assumptions and outcomes are summarised below.

Appendix 3 – Argus Developer Appraisal Summary

7.1. Development Programme/Timing Assumptions

In terms of timing it is assumed that construction would commence at month 7, i.e. following a 6 month lead-in period to receive all necessary consents. The construction period is assumed to be 12 months for a flatted scheme of this size with Practical Completion at the end of month 18 and the overall scheme end date is assumed to be in month 42 i.e. following a 24 month sales period (1.75 sales per month).

Our monitoring of sales rates at comparable McCarthy & Stone sheltered schemes across the country indicates on average that approximately 10% of apartments are sold at practical completion. A further 40% - 50% are then sold to the end of the first year of sales. The rate of sales then slows to over the following two to three years depending on the size of the scheme, with the average overall selling rate being around 1 per month.

The rate of sale adopted for the Waterlooville scheme adopts a much more optimistic sales rate. We have assumed 8 apartments (20%) are sold at practical completion; with a further 23 apartments (55%) selling to the end of year 1 and the remaining 11 apartments (25%) selling through to the end of year 2.

7.2. Appraisal Revenue - Gross Development Value (GDV)

The open market GDV figures comprise receipts from the apartment sales themselves plus the investment sale of their capitalised groundlease income secured.

Generally speaking, retirement apartment property development, as a small and specialist sub-sector of the overall residential market, is price sensitive to the location.

We have had regard to the evidence demonstrated by a recent McCarthy & Stone scheme completed in Waterlooville itself, at Victory Court. Our analysis of this evidence is summarised in the following table:

Location		Sale Prices 2013 - Present		
		Achieved Sales	Average 1 Bed Price	Average 2 Bed Price
Victory Court Waterlooville	New 38 unit sheltered scheme. Sales commenced June 2012. Scheme Sold Out May 2014. 26 x 1 bedroom and 12 x 2 bedroom apartments sold 2012 – 2014.		£187,000	£267,000

Victory Court is approximately 1½ miles north of the proposed scheme in Purbrook. It took just under 2 years to sell out (23 months at an average rate of 1.65 per month). The average 1 bed flat achieved approximately £187,000 whilst the average 2 bed achieved £267,000. In terms of the range of values achieved, the 1 beds achieved between £160,000 - £210,950 whilst the 2 beds achieved between £249,950 - £280,950.

Taking into account the values recently achieved in Waterlooville, together with the nature of the residential market since that time, we have taken an optimistic view and estimate the appropriate average GDV level for the proposed McCarthy & Stone scheme at Purbrook to be £215,000 for the one bed apartments; and £290,000 for the two bed apartments. In both cases these anticipated average values are in excess of the highest values that were achieved at Victory Court.

The apartment sales produce a capital receipt of £10,455,000.

The GDV of the ground rental income stream (assessed at £425 p.a. per one bed flat and £495 p.a. per two bed flat) assumes all flats are sold once income producing within the project timescale and is based on an investment yield of 6% equating to an additional ground rent capital value of £319,667.

The commercial content comprising the 2 x ground floor retail units are assumed to be let as a shell specification at a rental based on £161 m^2 (£15 psf). It is assumed a six months' rent free period would be granted for tenant fit out (unit completed to a shell specification). The net income stream is capitalised at an investment yield of 8.5% deferred 6 months to arrive at a retail capital value of £295,633.

From the combined ground rent and retail investment capital value, purchaser's acquisition costs of 5.8% equating to £35,687 are subtracted, resulting in a net investment capital value of £579,613.

The total Net Realisation for the scheme is therefore **£11,034,612**.

7.3. Appraisal Outlay – Land, Residential Building, Marketing and S106 Costs

7.3.1. Land Acquisition Costs

The Argus appraisal has been set up so as to enable both the land value and the profit to be entered as fixed inputs. The result of the appraisal, the 'Residualised Amount for S106/Offsite AH' is thus either the additional value generated above the 'Fixed Price' land value by the scheme proposals which can be made available for S106/Off-Site Affordable Housing contributions. Conversely, a negative 'Residualised Amount for S106/Offsite AH' demonstrates there is no financial headroom for such contributions.

We have fixed the land value (the 'Fixed Price') at our benchmark Site Value of **£750,000.** Added to the land value is 4% Stamp Duty, a 1% Agent Fee and a 0.75%.

7.3.2. Construction Cost

We have undertaken research using BCIS Review Online. The Building Cost Information Service (BCIS) of the Royal Institution of Chartered Surveyors (RICS) produces detailed cost information and indices and is a recognised source of assessing build costs when testing viability.

We have had regard to the average BCIS cost estimates for Sheltered Housing rebased by the location factor for Havant. We have limited the BCIS sample to those schemes constructed within the past 5 years, thus it is assumed that the sample will have incorporated building standards meeting the Code for Sustainable Homes Level 3 (CSH3).

With regard to the retail unit, we have again had regard to BCIS costs for retail units (shell specification) rebased by the location factor for Havant.

To these base costs we have added an appropriate 10% allowance for general external works. This results in an overall basic building cost of £5,440,914.

Extra-over and site abnormal costs (i.e. costs not reflected within the BCIS index) associated with developing this brownfield site have been budgeted by McCarthy & Stone as follows:

- Demolition/Asbestos Removal - £75,000
- Break Out Hardstanding - £18,180
- Site Clearance - £5,000
- Japanese Knotweed remediation - £18,500
- Contamination - £20,000
- Excavate to reduced Levels - £36,960

These additional costs amount to £173,640 in total.

A building cost Contingency of 5% on the base build plus extra-over estimates equates to £280,728.

Total Construction Costs therefore are **£5,895,282**.

7.3.3. Professional Fees

Professional building design fees (Architect QS etc.) are assumed to be 10% of the total construction cost to include all planning and building regulation fees equates to **£589,528**.

7.3.4. Marketing and Letting Fees

Typically, Marketing Costs (including show home, brochures etc.) for retirement schemes are in the order of 6%+ (including sale agent's fees). Marketing costs are therefore assumed at 4% of each apartment sale totalling £418,200.

Marketing of the retail units has been assumed to amount to £5,000.

Letting agent and legal fees on the retail unit are assumed at 10% and 5% respectively of the annual rent.

Total Marketing and Letting Fees are therefore **£427,126**.

7.3.5. Disposal Fees

Sales agent's fees on open market sales at 2% of each sale in total equate to £209,100.

Legal costs on apartment sales equating to £600 per apartment total £25,200.

Agent and legal costs on the combined ground rent and retail investment sale are also assumed at a combined 1.8% equating to £10,433.

Total Disposal Fees therefore are **£244,733**.

7.3.6. Additional Costs

Bank Arrangement Fee – In the current market a typical finance package from mainstream banks is an arrangement fee representing 1 - 2% of the maximum cash-flow borrowing requirement associated with an interest rate of say 5.5%. This results in a bank arrangement fee of approximately **£78,000.**

Empty Property Costs – An allowance for Empty Property Costs for this single phase flatted development has been made over the 24 month sales period. This equates to **£69,921** as shown on the Schedule at Appendix 4.

Appendix 4 – Schedule of Empty Property Costs

CIL – HBC's Community Infrastructure Levy Charging Schedule has been adopted since February 2013. For the location of the Property, the Schedule identifies that any new build retail development would attract a CIL rate of £80 per m² (although it is located within a designated Local Centre, we are advised by HBC that local centres are not exempt from CIL, only town centres are exempt) and any new build residential development would also attract a CIL rate of £80 per m². CIL is calculated on the net additional floorspace of the development (thus is offset by the existing buildings, in this instance totalling 1,151.12m²). We have calculated that the Proposed Scheme would therefore generate a CIL payment of **£222,637** on the additional floorspace of 2,782.96m².

Decanting Tenants – Two current Tenants on site, SIG Trading and Nicholas Craig (assigned to Michael Dixon) appear to benefit from 1954 Act protection. We have therefore allowed for the cost of decanting these tenants at a cost amounting to 1 x their respective Rateable Values. This equates to **£35,900.**

7.4. Finance Costs

An interest rate of 5.5% together with a credit rate of 2.5% produces interest payments of **£431,564** over the project timetable.

7.5. Developer's Return for Risk and Profit

The Profit amount is fixed at **£2,214,060**, representing in performance measures, 20% Profit on GDV.

This level of profit is the current accepted norm of the marketplace (Developers would typically seek a profit level of 20% on open market GDV for a large flatted development of this nature).

7.6. Appraisal Summary

The Argus model has been utilised to establish whether the scheme provides any surplus for S106 contributions, including an amount towards off-site Affordable Housing.

In this instance it is evident that a surplus is available for such contributions. Having fixed the profit level at 20% on GDV, and the land value at the benchmark Site Value of £750,000, the model produces a 'Residualised Amount for S106/Offsite AH' of **£32,736**.

The summary table overleaf shows the developers residual profit level arising out of the assumptions made and inputs used for a redevelopment for 42 Retirement Living apartments.

Illustrative Financial Appraisal – 42 Unit Retirement Living Scheme			
Appraisal Revenue:			
Retirement Living Apartments	£10,455,000		
Ground Rents	£319,667		
Retail Units	£295,633		
Gross Development Value (GDV)		£11,070,300	
Less Purchasers Costs		(-£35,687)	
Net Development Value/Net Realisation			**£11,034,613**
Appraisal Outlay:			
Fixed Price	£750,000		
Stamp Duty	£30,000		
Agent Fee	£7,500		
Legal Fee	£5,625	£793,125	
Core Construction Cost		£5,440,914	
Other Construction Costs		£173,640	
Contingency		£280,728	
Professional Fees		£589,528	
Marketing		£427,126	
Disposal Fees		£244,733	
Additional Costs -			
Arrangement Fee	£78,000		
Empty Property Costs	£69,921		
CIL	£222,637		
Decanting Tenants	£35,900	£406,458	
Finance		£431,564	
Total Costs			**£8,787,816**
Developers Profit :		**20% on GDV**	**£2,214,060**
Residualised Amount for S106/Offsite AH			**£32,736**

The Argus summary worksheet of this appraisal is at Appendix 3.

8. CONCLUSION

Our Financial Viability Assessment and review of the McCarthy & Stone Scheme for the 42 unit Retirement Living Apartment Scheme leads us to conclude there is financial headroom available for a planning obligations package, after accounting for the anticipated gross sales receipts and all reasonable aspects of the outlay necessary.

This is demonstrated by the proposed scheme producing a 'Residualised Amount for S106/Offsite AH' of £32,736 in the Argus Appraisal Summary at Appendix 3.

This amount available is in addition to the CIL payment of £222,637 which would also be payable to the Local Planning Authority.

We trust that his Financial Viability Assessment report is suitable for your purposes but please do not hesitate to contact us if you require any further detail or information.

9. NOTES

Alder King accepts no responsibility whatsoever to any other person or third party who, choosing to rely upon this report, will do so entirely at their own risk. This applies even to a person or third party who pays the client for this report. Any right of any person to enforce Alder King's responsibility under the agreed terms and conditions of engagement pursuant to the Contract (Rights of Third Parties) Act 1999 are excluded.

This report should be read as a whole so that no part may be taken out of context. Neither the whole nor any part of this report, or any reference to it, may be included in any published document, circular or statement in any way without the written approval of Alder King as to the form and context in which it may appear.

Andrew Cullen BA (Hons) MRICS
Senior Surveyor
RICS Registered Valuer

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Kembrey Park
SWINDON SN2 8UP

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Email: acullen@alderking.com

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APPENDIX 1

Location Plan

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0m 50 100

project title McCarthy & Stone Proposed Retirement Living, 38-44 London Road, Purbrook, Hampshire	drawing title Location Plan
	scale 1:1250 @ A3 date May 2015 drawing number SE-2168-02-AC-001 revision

design bdb

Church Barn, Milton Manor Farm, Ashford Road, Canterbury, Kent, CT4 7PP
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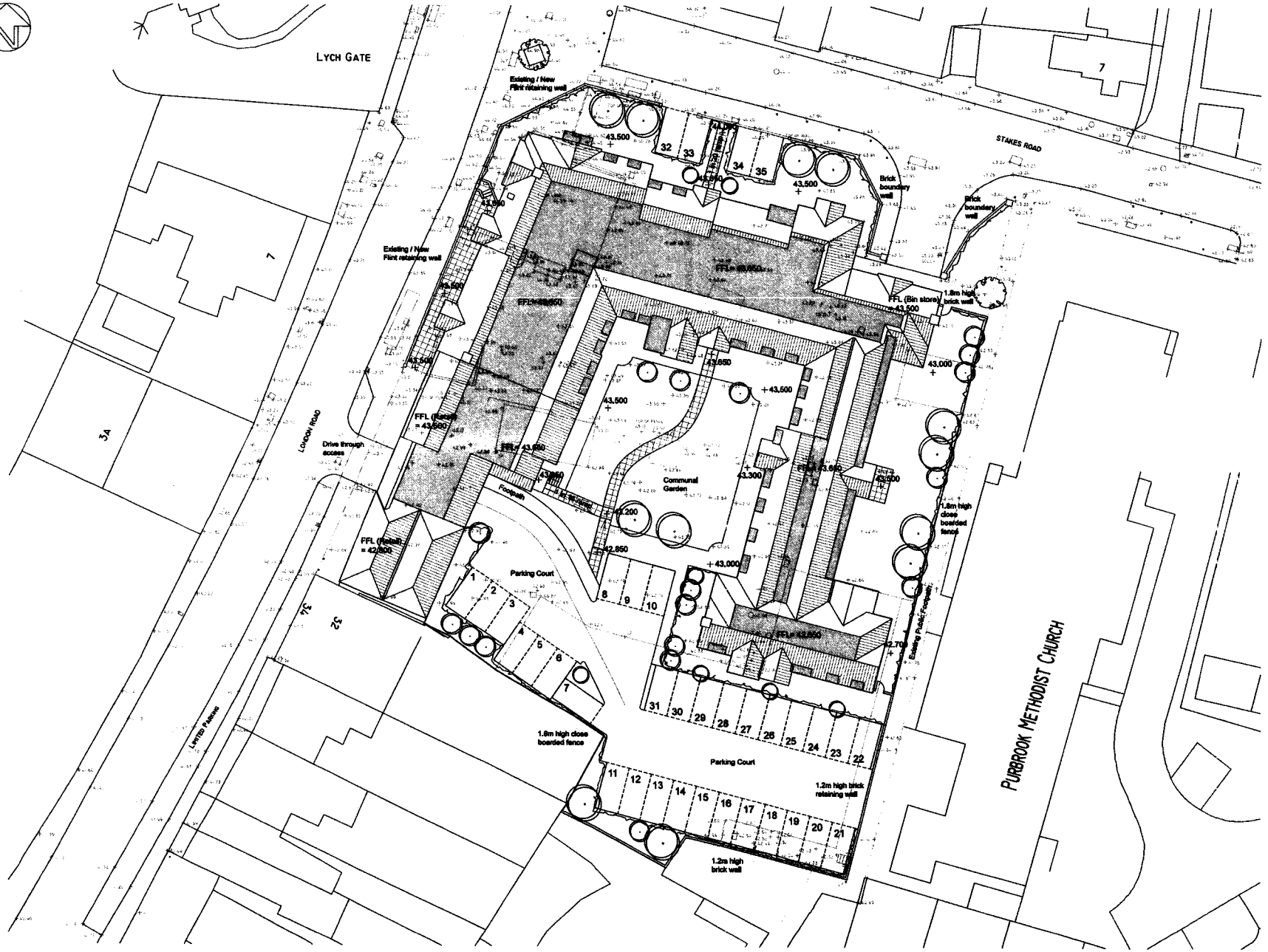
SS4/27

APPENDIX 2

Site Layout Plan

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Notes:

Please report all discrepancies, errors and omissions.

Verify all dimensions on site before commencing any work on site or preparing shop drawings.

All materials, components and workmanship are to comply with the relevant British Standards, Codes of Practice, and appropriate manufacturers recommendations that from time to time shall apply.

For all specialist work, see relevant drawings.

This drawing and design are copyright of BDB Design.

When this document is provided in electronic file format it is intended as a guide only and the recipient is to verify all dimensions and details with the Architects. If this is not acceptable, the files must be returned unused together with a written communication declining acceptance of this condition.

Revisions :

rev	date	revision
A	21-05-15	Roof plan amended to line with second floor plan.
B	22-05-15	Roof plan amended to line with floor plans. Steps to shoppers entrance amended.

design bdb
Church Barn, Milton Manor Farm, Ashford Road, Canterbury, Kent, CT4 7PP
t: 01227 456699 www: bdb-design.co.uk

project title
McCarthy & Stone
Proposed Retirement Living
36-44 London Road,
Purbrook, Hampshire

drawing title
Proposed Site Plan

scale 1:200 @ A1 | drawing number SE-2168-02-AC-002 | revision B
date May 2015

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APPENDIX 3

Argus Developer Appraisal Summary

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APPRAISAL SUMMARY — ALDER KING LLP

Purbrook - 42 Unit McC&S Scheme

Summary Appraisal for Phase 1

Currency in £

REVENUE

Sales Valuation	**Units**	**ft²**	**Rate ft²**	**Unit Price**	**Gross Sales**
1 Bed Apartments	23	13,268	372.70	215,000	4,945,000
2 Bed Apartments	19	15,991	344.57	290,000	5,510,000
Totals	**42**	**29,259**			**10,455,000**

Rental Area Summary

	Units	**ft²**	**Rate ft²**	**Initial MRV/Unit**	**Net Rent at Sale**
1 Bed Ground Rent	23			425	9,775
2 Bed Ground Rent	19			495	9,405
Retail Unit	1	777	15.00	11,655	11,655
Retail Unit	1	968	15.00	14,520	14,520
Totals	**44**	**1,745**			**45,355**

Investment Valuation					
1 Bed Ground Rent					
Current Rent	9,775	YP @	6.0000%	16.6667	162,917
2 Bed Ground Rent					
Current Rent	9,405	YP @	6.0000%	16.6667	156,750
Retail Unit					
Market Rent	11,655	YP @	8.5000%	11.7647	
(6mths Rent Free)		PV 6mths @	8.5000%	0.9600	131,637
Retail Unit					
Market Rent	14,520	YP @	8.5000%	11.7647	
(6mths Rent Free)		PV 6mths @	8.5000%	0.9600	163,996
					615,300

GROSS DEVELOPMENT VALUE			**11,070,300**	
Purchaser's Costs		5.80%	(35,687)	
			(35,687)	
NET DEVELOPMENT VALUE			**11,034,612**	
NET REALISATION			**11,034,612**	
OUTLAY				
ACQUISITION COSTS				
Residualised Amount for S106/Offsite AH		32,736		
Fixed Price		750,000		
Total Acquisition			782,736	
			782,736	
Stamp Duty		4.00%	30,000	
Agent Fee		1.00%	7,500	
Legal Fee		0.75%	5,625	
			43,125	

CONSTRUCTION COSTS				
Construction	**ft²**	**Rate ft²**	**Cost**	
Retail Unit	777 ft²	74.29 pf²	57,723	
Retail Unit	968 ft²	74.29 pf²	71,913	
1 Bed Apartments	18,412 ft²	130.81 pf²	2,408,474	
2 Bed Apartments	22,191 ft²	130.81 pf²	2,902,805	
Totals	**42,348 ft²**		**5,440,914**	**5,440,914**
Contingency		5.00%	280,728	
				280,728
Other Construction				
Demolition/Asbestos Removal			75,000	

APPRAISAL SUMMARY — ALDER KING LLP

Purbrook - 42 Unit McC&S Scheme

Break out hardstanding			18,180	
Site Clearance			5,000	
Japanese Knotweed			18,500	
Contamination			20,000	
Excavate to Reduced Levels			36,960	
				173,640
PROFESSIONAL FEES				
Professional Fees		10.00%	589,528	
				589,528
MARKETING & LETTING				
Marketing		4.00%	418,200	
Marketing - Commercial			5,000	
Letting Agent Fee		10.00%	2,618	
Letting Legal Fee		5.00%	1,309	
				427,126
DISPOSAL FEES				
Sales Agent Fee		2.00%	209,100	
Sales Agent Fee - Investment		1.00%	5,796	
Sales Legal Fee	42 un	600.00 /un	25,200	
Sales Legal Fee - Investment		0.80%	4,637	
				244,733
Additional Costs				
Arrangement Fee			78,000	
Empty Property Costs			69,921	
CIL			222,637	
Decanting Tenants			35,900	
				406,458
FINANCE				
Debit Rate 5.500%, Credit Rate 2.500% (Nominal)				
Land			66,466	
Construction			180,767	
Other			184,331	
Total Finance Cost				431,564
TOTAL COSTS				**8,820,552**
PROFIT				**2,214,060**

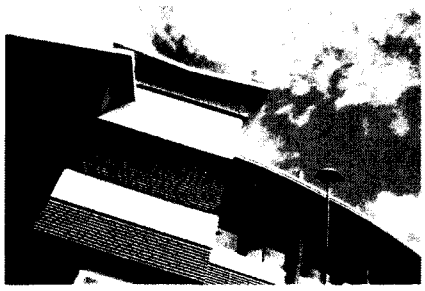
Performance Measures	
Profit on Cost%	25.10%
Profit on GDV%	20.00%
Profit on NDV%	20.06%
Development Yield% (on Rent)	0.51%
Equivalent Yield% (Nominal)	7.23%
Equivalent Yield% (True)	7.57%
IRR	24.33%
Rent Cover	48 yrs 10 mths
Profit Erosion (finance rate 5.500%)	4 yrs 1 mth

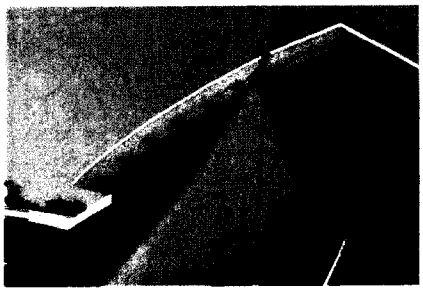
APPENDIX 4

Schedule of Empty Property Costs

Purbrook								
Empty Property Costs								
14/08/2015								
Council Tax Calculation (Havant BoroughCouncil)					Per Year	Per Month	Saleable No.	Total/month
1 bed apartment - Band C					£1,288.33	£107.36	23	£2,469.30
2 bed apartment - Band D					£1,449.37	£120.78	19	£2,294.84
							42	£4,764.14
						average per unit per month =		**£113.43**
Council Tax Discounts/Charges (Havant BoroughCouncil)								
No discount								
Service Charge (source: McCarthy & Stone)						Per Month	Saleable No.	Total/month
1 Bed apt @ £1,625 per annum						£135.42	23	£3,114.66
2 Bed apt @ £2,440 per annum						£203.33	19	£3,863.27
							42	£6,977.93
						average per unit per month =		**£166.14**
Ground Rents (source: McCarthy & Stone)					Per Year	Per Month	Saleable No.	Total/month
1 Bed apt @ £425 per annum					£425.00	£35.42	23	£814.58
2 Bed apt @ £495 per annum					£495.00	£41.25	19	£783.75
							42	£1,598.33
						average per unit per annum =		**£38.06**
Monthly Budget								
				Costs			**Offsets**	
Month	**Sales Rate**		**Unsold Units**	**Service Charge**	**Council Tax**	**Electricity**	**Ground Rent Income**	**Total pcm**
	%	**No. of Sales**						
Assumed Cost per month				**£166**	**£113**	**£10**	**£38**	
0			42					
1	20% at PC	8	34.0	£5,649	£3,857	£340	£304.44	£9,541.04
2			31.9	£5,301	£3,620	£319	£384.02	£8,856.00
3			29.8	£4,954	£3,382	£298	£463.59	£8,170.95
4			27.7	£4,607	£3,145	£277	£543.16	£7,485.91
5			25.6	£4,259	£2,908	£256	£622.73	£6,800.87
6			23.5	£3,912	£2,671	£235	£702.30	£6,115.83
7	55%	23	21.5	£3,564	£2,434	£215	£781.87	£5,430.79
8			19.4	£3,217	£2,196	£194	£861.44	£4,745.75
9			17.3	£2,870	£1,959	£173	£941.01	£4,060.70
10			15.2	£2,522	£1,722	£152	£1,020.58	£3,375.66
11			13.1	£2,175	£1,485	£131	£1,100.15	£2,690.62
12			11.0	£1,828	£1,248	£110	£1,179.72	£2,005.58
13			10.1	£1,675	£1,144	£101	£1,214.61	£1,705.25
14			9.2	£1,523	£1,040	£92	£1,249.49	£1,404.93
15			8.3	£1,371	£936	£83	£1,284.38	£1,104.60
16			7.3	£1,218	£832	£73	£1,319.26	£804.28
17			6.4	£1,066	£728	£64	£1,354.14	£503.95
18	25%	11	5.5	£914	£624	£55	£1,389.03	£203.62
19			4.6	£761	£520	£46	£1,423.91	-£96.70
20			3.7	£609	£416	£37	£1,458.80	-£397.03
21			2.8	£457	£312	£28	£1,493.68	-£697.35
22			1.8	£305	£208	£18	£1,528.56	-£997.68
23			0.9	£152	£104	£9	£1,563.45	-£1,298.01
24			0.0	£0	£0	£0	£1,598.33	-£1,598.33
		42		£54,910	£37,489	£3,305	£25,783	£69,921
Av Rate of Sale			**1.75**	**per month**	**Cost**			

SS5/1





Employment Land Report

Prepared for:

McCarthy & Stone

38 – 44 London Road
Purbrook
Waterlooville
HAMPSHIRE
PO7 5LJ

14 March 2016

Prepared by: James Chaffer MRTPI MRICS

Ref: JSRC/HJH/81679

Alder King Property Consultants

15 Cherry Orchard West, Kembrey Park, Swindon, SN2 8UP

Email: jchaffer@alderking.com

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- 6.4 Employment Creation
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- 6.6 Havant Borough Employment Land Review
- 6.7 Annual Monitoring Report
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Appendix 2 - CoStar Report - Available office and light industrial floorsapce

Appendix 3 - Employment Redevelopment Appraisal – Whole Site – Offices

Appendix 4 - Employment Redevelopment Appraisal – Part Site – Offices

Appendix 5 - Employment Redevelopment Appraisal – Whole Site – Light Industrial

Appendix 6 - Employment Redevelopment Appraisal – Part Site – Light Industrial

Address: 38 – 44 London Road, Purbrook, Waterlooville, Hampshire

1.0 Instructions

1.1 We are instructed by The Planning Bureau Limited (TPB), acting as Planning Consultants for McCarthy & Stone Retirement Lifestyles Limited (McC&S), to provide an Employment Land Report (ELR) in respect of a proposed redevelopment of the Property located at and known as: 38-44 London Road, Purbrook, Waterlooville, PO7 5LJ (The Property).

2.0 Background

2.1 The Property comprises an irregular shaped level site extending to approximately 0.394 ha (0.973 acres) which currently provides a builders merchant and yard, vehicle repair and tyre workshops, plus a vehicle sales outlet.

2.2 The McC&S planning application is for the erection of a new building to provide retirement apartments (for older persons with communal facilities and associated parking) following the demolition of the Property.

2.3 The Local Planning Authority (LPA) is Havant Borough Council (HBC).

2.4 The existing planning use of the Property in garage and tyre fitting use is a B2 (General Industrial) use and the builders merchant and vehicle sales sui generis, i.e. not within the 'B' Uses as defined in the Town and Country Planning Use Classes Order 1987 (as amended).

2.5 HBC consider the whole of the site to be in employment use and subject to 'Policy DM3 – Protection of Existing Employment and Tourism Sites'.

2.6 In the context of this Employment Land Report, refusal reason No.1 states:

"The proposed development would lead to the loss of existing employment uses on the site including Class B uses. These uses make a valuable contribution to the local economy providing employment and services to the community. In the Local Planning Authorities opinion it has not been satisfactorily demonstrated that the site is not fit for purpose or financially unviable for B use class employment, or other types of economic development, in particular it is not satisfied that a suitable comprehensive marketing exercise has been carried out. Therefore the proposal is contrary to policies CS2 and DM3 of the Havant Borough Local Plan (Core Strategy) 2011 and the National Planning Policy Framework 2012."

2.7 This ELR reviews the existing use and planning Policies CS2 and DM3 the context of the McC&S proposals to redevelop this brownfield site for specialist retirement housing.

2.8 McC&S planning application Ref. No. APP/15/00896 was refused planning permission on 11 December 2015

3.0 Issues

3.1 The main points of issue (so far as this ELR is concerned) reflect the Background above, namely:

- To what extent should the Property be considered as employment land?
- Local stock of employment premises for B uses
- Local supply of employment land
- The Viability in hypothetical terms of employment use redevelopment of the Property.

4.0 Alder King

4.1 Alder King LLP is a leading multi-discipline property and planning consultancy and 15 times winner of one of the regional Estates Gazette 'Most Active Agent' awards. It is headquartered in Bristol and has six regional offices located in England and Wales delivering expert advice on all aspects of commercial property and development land.

4.2 In the last 30 years or so Alder King has been at the forefront of Business Park and employment land development dealing with the numerous new developments, lettings and sales of buildings and rent reviews, lease renewals etc. Alder King is an industry expert in employment land and its Property market.

5.0 Documentation

5.1 The following list comprises those background documents supplied to Alder King and on which this ELR is based:

- National Planning Policy Framework 2012
- Havant Borough Local Plan (Core Strategy) 2011
- Refusal of Planning Permission APP/15/00896
- Employment Land Review (2010 and 2012)
- Annual Monitoring Reports (2009 – 2015)

6.0 Technical Background

6.1. Introduction

6.1.1. This overall section reviews the relevant factual supplemental technical information, which has been provided to or researched by Alder King, into the following interrelated technical background subsections:

- Policy CS2 - Employment (2011 Havant Borough Local Plan (Core Strategy)) (6.2)
- Policy DM3 - Protection of Existing Employment and Tourism Sites (2011 Havant Borough Local Plan (Core Strategy)) (6.3)
- Employment Creation (6.4)
- Employment Land (6.5)
- Havant Borough Employment Land Review (6.6)
- Annual Monitoring Report (6.7)
- West of Waterlooville Major Development Area (6.8)
- Employment Floospace Authority (6.9)
- The Property (6.10)
- Employment Redevelopment Viability Assessment (6.11)

6.2. Planning Policy CS2 - Employment

6.2.1. Policy CS2 seeks to ensure that there is sufficient employment land and premises to be provided in the Borough of Havant between 2006 and 2026. The floorspace figures referred to within Policy CS2 refer only to the B class uses namely offices, manufacturing and warehousing.

"The Council will to seek to accommodate flexibly a net total of 162,000 square metres of new employment floorspace between 2006 and 2026 as follows:

- *75,000 square metres of B1 offices*
- *45,500 square metres of B2 manufacturing*
- *41,500 square metres of B8 warehousing.*

Planning permission will be granted for development proposals that:

1. Prioritise the use of previously developed land for the provision of new employment floorspace.

2. Favour town centre locations for the provision of B1a offices and other town centre uses.

3. Promote local employment and training initiatives on new employment sites particularly with regard to construction skills.

4. Promote existing and potential business clusters and sectors particularly advanced manufacturing and marine businesses.

5. Safeguard existing employment sites and allocations that ***are fit for purpose*** *from development proposals for non-employment uses [Our emphasis].*

6. Provide jobs, generate wealth or produce an economic output on existing employment sites that are ***not fit for current purpose*** *[Our emphasis].*

7. Protect marine businesses located on waterfront locations from non-marine related employment and other uses.

8. Encourage smart economic growth and promote advances in information and communications technologies."

6.2.2. The property is considered to be close to outliving its useful economic life and whether it is fit for purpose is dealt with later in this report.

6.3. Planning Policy 'DM3 Protection of Existing Employment and Tourism Sites'

6.3.1. Policy DM3 recognises that it is important for the Borough's economy to protect existing employment sites that are fit for purpose. Policy DM3.1 seeks to safeguard B use classes namely offices, manufacturing and warehousing.

6.3.2. The supporting text to DM3 does recognise that other forms of economic development can provide significant employment opportunities through jobs, wealth generation or economic output.

6.3.3. The Local Plan states that the proposed redevelopment should provide new full time equivalent jobs of a similar number and quality as those existing or previously existing on site.

Policy DM3: Protection of Existing Employment and Tourism Sites'

1 *"The change of use or development of land or premises currently or last used for B use class employment purposes to non-B use class employment will only be permitted where it has been demonstrated that the land or premises are* ***not fit for purpose*** *and* ***financially unviable for B use*** *class purposes [Our emphasis] ...*

Where it is clearly demonstrated that the site is no longer suitable for B use class employment, other types of economic development should be considered in the first instance. These uses will be expected to provide employment opportunities of similar quality and quantity as those which previously existed.

Only if another type of economic development cannot be found which provides similar quality and quantity of employment opportunity, will other uses then be considered . . ."

"For both employment and tourism sites this shall be demonstrated through an active and exhaustive marketing process covering at least 18 months for a major site and 12 months for all other sites. In all cases the marketing process requires as a minimum:

i.i Confirmation by the marketing agent on headed company paper that the premises were appropriately and extensively marketed for the required length of time as set out by the council.

i.ii Dated *photographs of marketing board/s of an appropriate quality, size, scale, location and number, during this time, on the premises.*

i.iii An enquiry log, how it was followed up and why it was unsuccessful.

6.3.4. The AMRs are reviewed at section 6.7 of this report.

i.iv A copy of all advertisements in the local press and trade journals (should be at least four weeks' worth of advertisements spread across a six month period).

i.v Evidence of marketing via the internet."

6.3.5. Policy DM3 is a retention policy where loss of B-Use Class activity outside of the identified Employment Areas requires the above tests to be met. It is considered that these tests do not apply to sui generis uses.

6.4. Employment Creation

6.4.1. The Havant Borough Core Strategy, at paragraph 3.11 (page 34) refers to the South East England Partnership Board's publication of Interim Job Numbers (IJN) for Havant and the rest of the South East in 2009.

6.4.2. The Partnership Board advised that *"the IJN were not targets, but indicative and aspirational benchmarks. The figures refer to* ***all jobs and not just those in B use classes*** *(emphasis added) and it will be important to monitor job creation as well as the delivery of new employment floorspace in the Borough over the plan period and reported this in the Annual Monitoring Report (AMR)."*

6.5. Employment Land

What is Employment Land?

6.5.1. The evidence base for the adopted Core Strategy relied upon the 2010 Employment Land Study (ELS). The ELS was undertaken in line with the then available guidance, i.e. ODPM (Office of the Deputy Prime Minister) Employment Land Reviews: Guidance Note December 2004. The ELS was updated in 2012 to assess the demand for and supply of employment land in the Borough up to 2026.

6.5.2. The 2010 ELS provides an explanation of the methodology adopted. At 1.4 on Page 5:

"A key aspect of the supply assessment is the development of a database consisting . . . data on all B class business premises in use across Havant, ... appraisals of employment sites ... and available floorspace ..."

The ODPM (Office of the Deputy Prime Minister) Employment Land Reviews: Guidance Note December 2004 provides: *"planning authorities with effective tools with which to assess the demand for and supply of land for employment. In particular, sites allocated for employment need to reflect the changing requirements of businesses and local economies. This guide will help authorities assess the suitability of sites for employment development, safeguard the best sites in the face of competition from other higher value uses and help identify those which are no longer suitable for employment development which should be made available for other uses".* (Section 1 Introduction – Purpose of the Guide 1.1).

At 2.25 – 2.28 Scope of Employment Land Reviews in the Employment Land Reviews Guidance Note it states: *"Employment land reviews should focus on those employment land uses or premises which are within the scope of PPG4 (DoE, 1992), specifically:*

- *offices, both in town centres and elsewhere, including those for public administration;*
- *light and general industry;*
- *wholesale and freight distribution; and*
- *high technology premises, including research, business and science parks."*

"Employment land reviews should not cover retail or other town centre uses (apart from offices) for which other guidance is relevant."

6.5.3. Motor trade and builder's merchant uses are considered in planning terms to be sui generis, i.e. outside of and not specifically categorised by the four main planning use classes, including specifically the 'B' use classes.

6.5.4. To consider sui generis uses as Employment Land is contrary to the ODPM Guidance and the stated objectives of the 2010 and 2012 ELS as well as Policy CS2 and DM3.

6.6. 2010 and 2012 Employment Land Reviews

6.6.1. The Employment Land Review (ELR) is the main evidence based study of employment land in the borough. The ELR produced by DTZ for the HBC in February 2010 was updated by HBC in 2012.

6.6.2. To enable HBC to plan, monitor, manage employment land activity, the ELR portfolio is reviewed and updated annually and key findings reported in the HBC Annual Monitoring Report (AMR).

6.6.3. The 2012 ELR identified that a total of 168,591 square metres of new employment floorspace could be provided in the Borough, which meets the requirement for 162,000 square metres set in the Local Plan (Core Strategy).

6.7. Annual Monitoring Report

6.7.1. The 2010 ELR measured the existing floorspace in Havant Borough to stand at 634,440 sqm. Since the ELR was produced, the Annual Monitoring Reports (2009 – 2015) have recorded net completions (including losses) of 6,954 sqm. The existing floorspace within the Borough therefore now totals 641,394 sqm.

6.7.2. In terms of identifying potential employment sites/plots the 2010 ELR confirms that only sites over a size threshold of 0.25 hectare and of 500 sqm and above of rateable employment floorspace have been identified and assessed.

Table 1: Employment Floorspace Completions (AMR, 2009 – 2015)

Annual Monitoring Report	Net Floorspace Completions (sqm)
2009 - 2010	-8,756
2010 - 2011	484
2011 - 2012	1,726
2012 - 2013	-4,945
2013 - 2014	-2,026
2014 - 2015	15,472
Total (2009 - 2015)	6,954

6.7.3. As noted above, Policy CS2 of the Core Strategy sets a requirement for 162,000 square metres of new employment floor space between 2006 and 2026. Table 2 (AMR 2014) below outlines the contribution of a number of sources of supply of floor space towards this target. The total of 166,505 square metres of employment floor space has been identified on sites in the borough which come from four principle sources of supply – completions; sites with extant planning permission; strategic sites allocated in the Core Strategy; and sites allocated in the Local Plan (Allocations).

Table 2: Table 5.9 Havant Borough Employment Provision 2006 – 2026 (AMR 2014)

Area	Net completions	Extant Permissions *	Strategic Sites	Housing Losses	Local Plan (Allocations)	Totals
Emsworth	0	0	0	0	2,200	2,220
Havant	13,860	1,798	3,800	-3,300	63,300	85,458
Hayling Island	1,611	0	0	0	1,000	2,611
Leigh Park	15,418	0	61,779	-5,601	1,300	72,896
Waterlooville	2,968	372	0	0	0	3,340
Totals	33,857	2,170	65,579	-8,901	73,800	166,506

* Excludes permissions on Core Strategic sites and sites allocated in the Local Plan (Allocations)

6.7.4. The 2014 Employment Provision summary provided within Table 2 (Table 5.9 AMR 2014) shows that 95% of the new employment floorspace was located in Havant (51.3%) and Leigh Park (43.7%) This is primarily due to the allocation of a strategic employment site of Dunsbury Hill Farm is located on the edge of Leigh Park.

6.7.5. The 2015 AMR shows a loss of 20,437 sqm within Waterlooville relating primarily to the demolition of the BAE Systems Tech Park buildings to make way for Elettra Park, a 12.5 acre site with potential to accommodate 13,935 sqm (150,000 sqft) to let in various sizes for new retail, leisure, industrial and trade counter units. The scheme includes the retention of E Block for B1 uses (375 sqm / c. 4,040sqm).

6.7.6. Prior to the 2015 AMR and the demolition of the BAE site, the 2014 AMR and those of the preceding 2 years, identified that 2% of new employment floorspace within Havant Borough was located in Waterlooville (and Purbrook).

6.8. West of Waterlooville Major Development Area

6.8.1. The data shown in the AMRs for Waterlooville, as one would expect, focus upon the land and premises within the Borough's boundaries. However, Waterlooville itself is provided for by cross boundary provision in the adjacent District of Winchester.

6.8.2. A new community is proposed at West of Waterlooville, one of four Major Development Areas (MDAs) required by the Hampshire County Structure Plan 1996-2011 (Review).

6.8.3. The West of Waterlooville MDA is situated in the south-east extremity of the Winchester District adjoining Waterlooville, which is within the administrative area of Havant Borough Council. The majority of the development area is within Winchester District, but a small part is within Havant Borough.

6.8.4. The MDA is comprises two key sites, Taylor Wimpey's Old Park Farm, south of Hambledon Road, Waterlooville and the Grainger Trust scheme at Berewood, Waterlooville. As summarised below both are residential led developments containing employment land allocations.

Old Park Farm, south of Hambledon Road

- 450 new homes,
- 24 live/work units,
- 7.29 hectares of employment land,
- provision for retail, food and drink, financial/professional and health,
- areas set aside for recreation and open space
- Winchester City Council reference no. 05/00500/OUT

Subsequently two further applications have been approved for a nursing/care home, an Extra Care home and a further phase 5 for residential development. In total there will be 553 residential units on the Taylor Wimpey site.

Berewood

- 2,550 dwellings
- employment land live/work units - the provision of 12.5 hectares of employment land (including B1, B2 and B8),
- mixed use land including 2 primary schools,
- a local centre (comprising retail and a community building)
- land for healthcare and elderly care, public house, allotments, open space, recreation and play areas
- Winchester City Council reference no. 06/02538/OUT

6.9. Employment Floorspace availability

6.9.1. A 'snapshot' assessment has been undertaken of available industrial and light industrial floorspace within the Borough of Havant using CoStar Property the leading UK Property Database.

6.9.2. As of 24 February 2016, 32,014 sqm (c.344,600 sqft) of industrial and light industrial floorspace was recorded as available. On the same date, a search of the CoStar Property database produces approximately 18,302 sqm (197,000 sqft) of available offices space. As summary of the available units is provided within Appendix 3.

6.10. The Property

6.10.1. Purbrook (population 9,971) is defined within the Havant Core Strategy as a Local Centre and part of the wider Waterlooville area (population 64,350).

6.10.2. The sub region is dominated, in economic terms, by the port cities of Portsmouth and Southampton, which have urban populations of 855,679 and 855,569.

6.10.3. The Property is shown, for identification purposes only, outlined in red on the Location Plan at Appendix 1.

Appendix 1 – Location Plan

6.10.4. The Property is located in a corner position fronting the A3 London Road with a return frontage to Stakes Road. Stakes Road is a residential no-through road (the former junction with London Road now being blocked with bollards and a wider pedestrian pavement).

6.10.5. The Gross Site Area of the Property is 0.394 ha (0.973 acres).

6.10.6. To the north western corner of the Property is a detached two storey former house (formerly the Vicarage to the Church of St John the Baptist) of principally flint and red brick elevations incorporating uPVC double glazed windows beneath pitched tile covered roofs. The building has been extended to the rear with an attached two storey extension of part rendered and part red brick elevations incorporating retail display windows at ground floor level.

6.10.7. The building is currently used by the builders merchant with a ground floor trade counter sales area within the extension and the remainder being used for offices and stores.

6.10.8. Situated to the eastern boundary of the Property is a small detached workshop/store of redbrick elevations beneath a pitched tile covered roof, the main access to which is via a steel roller shutter door to the front elevation. This building is currently occupied by the builders merchant.

6.10.9. To the southern boundary of the Property is an 'L' shaped two bay industrial unit with an attached two storey flat roof workshop and a further attached single storey workshop. The building is principally of brick and blockwork construction beneath dual pitched roofs with profiled asbestos cement sheet coverings. The building is subdivided with the bay to the far south eastern corner of the Property being occupied by the builders merchant; the central bay and part of the two storey flat roofed building being occupied by a vehicle repair operation; whilst the remainder of that building and the single storey workshop is occupied by a tyre depot. The property is historic, not in good condition and coming towards the end of its economic life.

6.10.10. Towards the centre of the Property is a small single storey office building of part painted rendered and part brick elevations beneath a mono pitched roof with profiled asbestos cement sheet covering. This building is occupied by the vehicles sales operation.

6.10.11. The remaining parts of the Property are occupied by yard areas, with either concrete, tarmacadam or gravel surfaces. The majority is occupied by the builders merchant for storing materials. The gravel surfaced areas fronting part of London Road are used for vehicle display associated with the vehicles sales operation, with space for approximately 17 vehicles.

6.10.12. There are three access points to the Property. To the London Road boundary is an access to the vehicle and tyre workshops and the vehicle sales operation, whilst two access points on Stakes Road provide access to the builders merchant and its associated workshops and yard areas.

6.10.13. The following areas are calculated on a gross internal floor area basis in accordance with the RICS Code of Measuring Practice (Sixth Edition). It is understood that the DVS have calculated the Gross Internal Areas.

Table 3: Floor areas of the properties on site

Unit	Description	m^2	ft^2
Builders Merchant	Retail, Reception, Offices, Kitchen, Storage, WCs	296.31	3,189
	Warehouse exc. mezzanine	360.56	4,096
	Workshop	34.15	368
Car Sales	Office, Garage	36.50	393
Vehicle Repair	Workshop, Office, Lean-to	346.88	3,734
Tyre Depot	Tyre bay, storage exc. mezzanine	56.72	611
		1,151.12	12,391

6.10.14. In addition to the above, there are additional mezzanine floors within the Builders Merchant warehouse and also within the Tyre Depot.

6.10.15. The existing planning use of the site is summarised below. The areas are approximate.

Table 4: Existing Planning Use of the London Road site

Use	Planning Use	Hectares	Acres	%
Builders Merchant	Sui Generis	0.18	0.44	45.9%
Car Sales	Sui Generis	0.046	0.114	11.9%
Vehicle Repair & Tyre Depot	B2	0.164	0.405	42.2%
Total		0.39	0.959	

6.11. Employment Redevelopment Viability Assessment

6.11.1. Notwithstanding our view that strictly speaking only part of the Property should be considered Employment Land, with part as a sui generis car sales and builder's merchant use not being Employment Land as outlined earlier in this report, we have appraised the redevelopment potential for employment uses of the whole as well as the Employment Land part.

6.11.2. Given the predominantly residential nature of surrounding properties, the appropriate redevelopment potential within the 'B' Employment uses that are likely to be acceptable from an amenity perspective, would be uses within the Business B1 Use Class. Such uses are either Offices (B1a) or Light Industrial (B1c) uses.

Whole Site Redevelopment

6.11.3. The HBC rule-of-thumb density calculation for redevelopment for typical employment uses is that some 40% density of site area produces the normal maximum ground floor building floorspace when taking into account access, turning, car parking and landscaping requirements.

6.11.4. On a 0.394 ha (0.973 acre) site this would produce a gross internal footprint area for a typical single storey building of approximately 1,576 sqm/16,964 sq ft. A developer would typically seek for the new industrial building or advanced units to contain 10% offices of which 5% - 78.8 sqm (848.2 sq ft) would be at ground floor level and 5% at first floor or mezzanine level. This added 5% of floorspace would result in a total maximum hypothetical industrial building floorspace area of 1,654.8.61 sqm/17,812 sq ft.

6.11.5. It is unlikely that an Office building (that in market terms will require a greater car parking content to reflect the likely higher employment densities) will be any greater in overall floorspace. The assumption for Offices therefore is that the gross internal area would also total 1,654.8.61 sqm/17,812 sq ft.and that would produce an 80% net to gross building floorspace efficiency to provide 1,323 sqm/14,249.8 sq ft net lettable floorspace excluding stairways, common parts and WC's.

6.11.6. From a viability assessment perspective the assumption is that a developer would instruct his architect and design team to accommodate these maximum levels of floorspace in alternative Offices and Industrial designs so as to maximise the use of the site. The offices would probably be a single building probably on 3 floors (or no more than 3 floors) with a ground floor footprint of around 551.6 sqm/5,937.4 sq ft gross internal area; the industrial alternative would also be a single building possibly split into units of varying sizes but with an overall ground floor footprint of 1,576 sqm/16,964 sq ft. These are the assumed realistic floorspace figures we have utilised in our financial modelling of the whole site (if a lower building say 2 floors was considered to be appropriate in this part of the town then, depending on car parking provision, the floorspace could reduce).

Part Site Redevelopment

6.11.7. The same methodology has been applied to the 0.164 ha (0.405 acre) Employment Land assuming 40% site density.

6.11.8. This results in an Office building totalling approximately 656sqm (7,061.2 sq ft) gross that contains 80% net lettable floorspace of 524 sqm (5,648.9 sq ft).

6.11.9. The alternative Light Industrial scheme assumes gross floorspace at 656sqm (7,061.2 sq ft)

Employment Redevelopment Appraisals

6.11.10. We have undertaken four Employment redevelopment illustrative residual appraisals:

- Employment Redevelopment Appraisal - Whole Site – Offices – Our illustrative residual appraisal and description of its main inputs and summary is at Appendix 2.

Appendix 2– Employment Redevelopment Appraisal – Whole Site - Offices

- Employment Redevelopment Appraisal - Part Site – Offices – Our illustrative residual appraisal and description of its main inputs and its summary is at Appendix 3.

Appendix 3 – Employment Redevelopment Appraisal – Part Site - Offices

- Employment Redevelopment Appraisal - Whole Site - Light Industrial – Our illustrative appraisal and description of its main inputs and its summary is at Appendix 4.

Appendix 4 – Employment Redevelopment Appraisal – Whole Site – Light Industrial

- Employment Redevelopment Appraisal - Part Site - Light Industrial – Our illustrative appraisal and description of its main inputs and its summary is at Appendix 5.

Appendix 5 – Employment Redevelopment Appraisal – Part Site – Light Industrial

6.11.11. Our illustrative residual appraisals show that none of the four Employment schemes are viable as detailed on the table below:

Table 6: Viability Assessment Summary

	Whole Site Offices B1	Part Site Offices B1	Whole Site Light Industrial B1	Part Site Light Industrial B1
Site Area				
Floorspace Gross:	17,812 sq ft	7,061 sq ft	17,812 sq ft	7,061 sq ft
Floorspace Net:	14,250 sq ft	5,650 sq ft	17,812 sq ft	7,061 sq ft
Market Rent	£9.50 psf	£9.50 psf	£6 psf	£6 psf
Land Value	£750,000	£312,150	£750,000	£312,150
GDV Net Realisation	£1,440,690	£537,991	£1,071,418	£424,730
Total Cost (less Profit)	£3,472,450	£1,407,687	£2,993,320	£1,217,716
Profit on Cost £ (negative)	(£2,115,320)	(£869,696)	(£1,921,812)	(£792,986)
Profit on Cost % (negative)	(60.92%)	(61.78%)	(64.21%)	(65.12%)
Sensitivity				
Rent Required	£28.50 psf	£28.50 psf	£21 psf	£21 psf
(Rent Uplift)	(£19 psf)	(£19 psf)	(£15 psf)	(£15 psf)
Resultant Profit on Cost	15.477%	13.20%	13.020%	19.944%

6.11.12. Sensitivity analysis of each scheme is incorporated within Appendices 5 – 8 inclusive. The sensitivity analysis shows that for an office scheme to be viable at this location the rents need to triple from the existing £9.50 psf market rent level to £28.50 psf. The light industrial rents need to increase by more than two and a half times to reach £21 psf from the current £6 psf market rent level. It is our view that such rental growth expectations are unrealistic in the current economic climate and thus it confirms our view that none of the four schemes is a viable redevelopment proposition.

7.0 Assessment against Policy CS2 and DM3

7.1. Policy CS2 – New Employment Floorspace target

7.1.1. Policy CS2 seeks to ensure that there is sufficient employment land and premises to be provided in the Borough of Havant between 2006 and 2026. The Council set a target of 162,000 square metres of new employment floor space to be accommodated flexibly in the plan period.

7.2. Existing use of the site

7.2.1. The site is presently occupied by a Builders merchant, car sales business, vehicle repair and tyre depot. The respective parties are agreed that the latter two business fall within Class B2 of the Use Classes Order and that the car sales constitutes a sui generis use. In addition there is a builder's merchant. The appellant considers that this is a sui generis use whereas the LPA considers that it is a use falling within Class B2 of the Use Classes Order.

7.2.2. Table 7 below summarises the respective interpretations of the use of the existing buildings. In addition, using the approach adopted by the Council to assess the potential of employment land to provide new employment floorspace within the ELR, has applied a 40% building plot to site area ratio to provide an indication of the floorspace which could be provide should the whole site be redeveloped.

Table 7: Existing Planning Use of the London Road site – LPA and applicant's positions

Source	B2 Use Floorspace	Sui Generis Floorspace	Total
Alder King	403.8 sqm Tyre Depot Vehicle Repair	747.62 sqm Builders Merchant Car Sales	1,151.12 sqm
LPA	1,114.08 sqm Tyre Depot Vehicle Repair Builders Merchant	36.8 sqm Car Sales	1,151.12 sqm
Redevelopment B use (40% plot ratio)	1,860 sqm	-	1,860 sqm

7.3. Significance of the alternative use of the site

7.3.1. The impact of the loss of the site to alternative uses in terms of employment premises stock (641,394 sqm as assessed by the Council within the ELR and updated by the AMR) is summarised in Table 8. In our view the impact of the loss of the site is *de minimis* in terms of the overall stock within the borough. The site's floorspace equates to 0.06% of the borough's stock on the basis of the Alder King's interpretation of the existing uses; 0.17%, as contended by the LPA and 0.46% on the basis of a theoretical redevelopment of the site for employment uses. It is therefore considered that there is sufficient existing employment premises stock within the borough of Havant.

Table 8: Impact of the alternative use of the London Road site – LPA and applicant's positions

Source	B Use	% of Employment Stock
Alder King	[redacted]	[redacted]
LPA	[redacted]	[redacted]
Redevelopment B use (40% plot ratio)	[redacted]	[redacted]

7.3.2. Furthermore, it should be noted that the identification of potential employment sites/plots the Employment Land Reviews do not take into account sites below 0.25 hectare and buildings of less than 500 sqm. Whilst the extent of this employment land and premises stock has not been quantified within this study, this unassessed stock forms and will play a part in economic activity within the borough and the 'churn' of employment sites through redevelopment for employment purposes, vacation and occupation.

7.4. Employment Completions

7.4.1. Over the period 2005 – 2015 the AMR has recorded the New Floorspace completions, as summarised in Table 9. Over the 10 year period the net completions have totalled 54,992 sqm, an annual average of 5,499 sqm. It should be noted that 43,986 sqm of floor space was completed pre-recession (2005 – 2009) allowing for the time lag in producing the 2008 – 09 AMR. Since 2009 floorspace new completions have totalled 6,954 sqm, an annual rate of 1,159 sqm.

7.4.2. In this context, it is considered that Havant, with a local plan employment land allocations of 67,800sqm (AMR 2015) and strategic sites of 65,579 sqm for the plan period until 2026 has sufficient employment land provision.

Table 9: New Floorspace Completions 2005 - 2015

Annual Monitoring Report	Net Floorspace Completions (sqm)
2005 - 2006	6,459
2006 - 2007	17,767
2007 - 2008	9,458
2008 - 2009	10,302
2009 – 2010	- 3,756
2010 - 2011	484
2011 – 2012	1,725
2013 – 2013	- 4,945
2013 – 2014	- 2,026
2014 – 2015	15,472
Total (2005 – 2015)	54,886

7.4.3. Furthermore, the spatial distribution of employment stock within Havant Borough shown in Table 2 accounts for 2% of new employment floorspace within Waterlooville. This Borough illustrates the limited and proportionate importance of Waterlooville as an employment hub within Havant.

7.5. Policy CS2 – New Employment Floorspace target

7.5.1. Policy CS2 seeks states that *"Planning permission will be granted for development proposals that:*

...

5. Safeguard existing employment sites and allocations that ***are fit for purpose*** *from development proposals for non-employment uses [Our emphasis].*

6. Provide jobs, generate wealth or produce an economic output on existing employment sites that are ***not fit for current purpose*** *[Our emphasis].*

..."

7.5.2. In employment terms the major employment allocations within the Borough are within the town of Havant and Leigh Park, which account for c. 95% of employment provision within the authority area.

7.5.3. The Property has a total land area of approx. 0.394 ha (0.973 acre) gross, having approximately 1,151 sqm (12,391 sq ft) of built accommodation that can be described as comprising four main parts: a builder's merchant, car sales yard, vehicle repair and tyre depot. All of the buildings at the Property are in poor condition and the tyre depot building in particular has virtually outlived its useful economic life. The built accommodation at the Property is no longer fit for purpose and being within a predominantly residential area is now an incongruous use within the area and ripe for redevelopment.

7.6. Policy DM3

7.6.1. Planning Policy DM3 refers amongst other things to the *"... development of land or premises currently or last used for B use class employment purposes to non-B use class employment."* In this context industrial or commercial purposes refers to the 'B' Use Clauses, i.e. B1 Business, B2 General Industrial or B8 Storage or Distribution and not sui generis uses.

7.6.2. Nonetheless in order to provide a helpful assessment for the purposes of this report, the whole Property is treated as though Policy DM3 does apply and hence consideration of the key tests is as follows:

Policy DM3 – fit for purpose and viability tests

"The change of use or development of land or premises currently or last used for B use class employment purposes to non-B use class employment will only be permitted where it has been demonstrated that the land or premises are not fit for purpose and financially unviable for B use class purposes.

Where it is clearly demonstrated that the site is no longer suitable for B use class employment, other types of economic development should be considered in the first instance. These uses will be expected to provide employment opportunities of similar quality and quantity as those which previously existed".

7.6.3. As stated in paragraph 7.5.3 above, the buildings at the Property are in poor condition and the tyre depot building in particular has virtually outlived their useful economic life. The built accommodation at the Property is no longer fit for purpose and being within a predominantly residential area is now an incongruous use within the area and ripe for redevelopment.

7.6.4. The viability assessment of potential alternative uses/developments produce negative figures when realistic inputs are used in the illustrative residual appraisals. In Policy DM3 terms, this is proof of the lack of viability for ongoing industrial or business use.

8.0 Summary and Conclusion

8.1.1. We are instructed to provide an Employment Land Report in respect of the Borough of Purbrook. We have pulled the threads of the Technical Background together to provide summary and conclusions as follows:

Policy CS2

8.1.2. Planning Policy CS2 from the adopted core strategy refers to and is confined to B class uses namely offices, manufacturing and warehousing premises.

The key tests from Policy CS2 relevant this application are:

*"5 - Safeguard existing employment sites and allocations that **are fit for purpose** from development proposals for non-employment uses [Our emphasis].*

...

*6 - Provide jobs, generate wealth or produce an economic output on existing employment sites that are **not fit for current purpose** [Our emphasis] ..."*

Policy DM3

8.1.3. Policy DM3 recognises that it is important for the Borough's economy to protect existing employment sites that are fit for purpose. Policy DM3.1 seeks to safeguard B use classes namely offices, manufacturing and warehousing.

1 *"The change of use or development of land or premises currently or last used for B use class employment purposes to non-B use class employment will only be permitted where it has been demonstrated that the land or premises are **not fit for purpose** and **financially unviable for B use** class purposes [Our emphasis] ..."*

Employment Creation

8.1.4. The South East England Partnership Board's publication of Interim Job Numbers which informed the Havant Core Strategy advised that the HBC's AMR should monitor "*...all jobs and not just those in B use classes... over the plan period*"

Employment Land

8.1.5. The 2010 ELS states that a : "*A key aspect of the supply assessment is the development of a database consisting . . . data on all B class business premises in use across Havant, ... appraisals of* employment sites ... and available floorspace ..."

8.1.6. The ODPM (Office of the Deputy Prime Minister) Employment Land Reviews Guidance Note it states: "*Employment land reviews should focus on those employment land uses or premises*

8.1.7. Motor trade and builder's merchant uses are considered in planning terms to be sui generis, i.e. outside of and not specifically categorised by the four main planning use classes, including specifically the 'B' use classes. Our analysis of the OS Promap extract shows the parcels of land of the Purbrook site have the following land areas:

Use	Planning Use	Hectares	Acres	%
Builders Merchant	Sui Generis	0.18	0.44	45.9%
Car Sales	Sui Generis	0.046	0.114	11.9%
Vehicle Repair & Tyre Depot	B2	0.164	0.405	42.2%
Total		0.39	0.959	

Employment Land Review

8.1.8. The impact of the loss of the site to alternative uses in terms of employment premises stock of 641,394 sqm is *de minimis* in terms of the overall stock within the borough. The site's floorspace equates to 0.06% of the borough's stock on the basis of the Alder King's interpretation of the existing uses; 0.17%, as contended by the LPA and 0.46% on the basis of a theoretical redevelopment of the site for employment uses. It is therefore considered that there is sufficient existing employment premises stock within the borough of Havant.

Annual Monitoring Report

8.1.9. The existing floorspace stock within the Borough, as recorded by the the Annual Monitoring Report, totals 641,394 sqm

8.1.10. The main focus of Employment Provision in the Borough are Havant and Leigh Park, which account for 95% of the completions and allocations.

8.1.11. Prior to the 2015 AMR and the demolition of the BAE site, the 2014 AMR and those of the preceding 2 years, identified that 2% of new employment floorspace within Havant Borough was located in Waterlooville (and Purbrook).

West of Waterlooville Major Development Area

8.1.12. The West of Waterlooville MDA is situated in the south-east extremity of the Winchester adjacent to Havant Borough boundary includes allocations and planning consent for over 19 hectares of employment land.

Employment Floorspace Availability

8.1.13. A 'snapshot' assessment, using CoStar Property the leading UK Property Database, has been undertaken of available industrial and light industrial floorspace within the Borough of Havant. At the end of February 2016 approximately 32,014sqm (344,600 sqft) of industrial and light industrial floorspace and 18,302 sqm (c.197,000 sqft) of available offices space was recorded as available.

The Property

8.1.14. The property is considered to be close to outliving its useful economic life and being within a predominantly residential area is now an incongruous use within the area and ripe for redevelopment.

8.1.15. We have undertaken four Employment redevelopment illustrative residual appraisals. Our illustrative residual appraisals show that none of the four Employment schemes are viable.

8.1.16. Sensitivity analysis of each scheme shows that for an office scheme to be viable at this location the rents need to triple from the existing £9.50 psf market rent level to £28.50 psf. The light industrial rents need to increase by more than two and a half times to reach £21 psf from the current £6 psf market rent level. It is our view that such rental growth expectations are completely unrealistic in the current economic climate and thus it confirms our view that none of the four schemes is a viable redevelopment proposition.

Conclusion

8.1.17. The viability assessment of potential alternative employment based uses/developments produce negative figures when realistic and conservative inputs are used in the illustrative residual appraisals.

8.1.18. In terms of Policies CS2 the alternative use of the site will have a negligible impact upon the employment floorspace targets for the period to 2026.

8.1.19. In Policy DM3 terms, the proof of financial non-viability for redevelopment for employment uses (compatible with the residential amenity of the area) is justification for the Property to be redeveloped for non-employment uses. The policy itself seeks to ensure no employment opportunity is missed. The underlying policy objective is not harmed by this particular Property becoming lost employment land so as to allow for the McC&S scheme.

9.0 NOTES

This document is confidential and is provided for the stated purpose and for the sole use of McCarthy & Stone Retirement Lifestyles Limited and its professional advisors.

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Appendix 1 – OS Promap Extract of the Property



0m 50 100

project title: McCarthy & Stone Proposed Retirement Living, 38-44 London Road, Purbrook, Hampshire	drawing title: Location Plan		
	scale: 1:1250 @ A3	drawing number: SE-2168-02-AC-001	revision
	date: May 2015		

design bdb

Church Barn, Milton Manor Farm, Ashford Road, Canterbury, Kent. CT4 7PP
t: 01227 456699 www.bdb-design.co.uk

SSS/37

Appendix 2 - CoStar Report - Available office and light industrial floorsapce

Building Address	Building Name	PropertyType	Building Status	Submarket Name	City	Post Code	County Name	Year Built	Number Of Floors	Max Building Contiguous Space	Smallest Available Space	Total Available Space (SF)	Direct Available Space	Direct Vacant Space
7-7A Arnside Rd		Light Industrial	Existing	Havant Ind	Waterlooville	PO7 7UP	Hampshire	1960	2	9406	912	9406	9406	9406
Aysgarth Rd		Light Industrial	Existing	Havant Ind	Waterlooville	PO7 7UG	Hampshire	1965	2	11213	915	12128	12128	0
Lower Rd	Manor Barn	Industrial	Existing	Havant Ind	Havant	PO9 3LJ	Hampshire	1980	1	2830	2830	2830	2830	2830
Martin Rd		Industrial	Existing	Havant Ind	Havant	PO9 5TL	Hampshire		1	8303	8303	8303	8303	0
New Ln	The Buttericks	Industrial	Existing	Havant Ind	Havant	PO9 2ND	Hampshire	1980	21	2804	2804	2804	2804	0
Penner Rd		Industrial	Existing	Havant Ind	Havant	PO9 1QY	Hampshire	2008	2	3788	1400	5188	5188	5188
Penner Rd	Luxor Park	Industrial	Existing	Havant Ind	Havant	PO9 1QY	Hampshire	2003	2	14256	1157	14256	0	0
Solent Rd		Industrial	Existing	Havant Ind	Havant	PO9 1JH	Hampshire	2014	1	8901	1574	8901	8901	8901
Solent Rd		Industrial	Existing	Havant Ind	Havant	PO9 1JH	Hampshire	2014	1	3019	3019	3019	3019	3019
Waterberry Dr	Leydene House	Industrial	Existing	Havant Ind	Waterlooville	PO7 7XX	Hampshire	1990	2	10178	4980	10178	0	0
New Ln		Industrial	Existing	Havant Ind	Havant	PO9 2NT	Hampshire	1973	1	18146	7290	93636	0	0
New Ln		Industrial	Existing	Havant Ind	Havant	PO9 2NT	Hampshire	1979	1	41513	41513	41513	0	0
Purbrook Way	Larchwood Business Centre	Industrial	Existing	Havant Ind	Havant	PO9 3BE	Hampshire	2004	2	2798	2798	2798	2798	0
Queen St	Dolphin Quay	Light Industrial	Existing	Havant Ind	Emsworth	PO10 7BU	Hampshire	1920	2	4299	313	4299	4299	0
Solent Rd	Former Icts Factory Premises At	Industrial	Existing	Havant Ind	Havant	PO9 1JH	Hampshire	1956	2	5357	363	5357	5357	5357
Stanbridge Rd	Velocity	Industrial	Proposed	Havant Ind	Havant	PO9 2NG	Hampshire		1	120000	120000	120000	120000	0

Building Address	Building Name	Building Park	PropertyType	Building Status	Submarket Cluster	Submarket Name	City	Post Code	Number Of Floors	Rentable Building Area	Typical Floor Size	Total Available Space (SF)	Direct Available Space	Direct Vacant Space
Harts Farm Way	Regional Business Centre	Broadmarsh Business Park	Office	Existing	Hampshire CC	Havant	Havant	PO9 1HS	2	5599	2799	5599	0	0
Hussar Ct	Dragoon House		Office	Existing	Hampshire CC	Havant	Waterlooville	PO7 7SF	2	15093	7546	2100	2100	900
Langstone Rd	Building 5000	Langstone Technology Park	Office	Existing	Hampshire CC	Havant	Havant	PO9 1SA	3	72472	24157	14372	14372	0
Langstone Rd	Building 1000	Langstone Technology Park	Office	Existing	Hampshire CC	Havant	Havant	PO9 1SA	1	190000	190000	100000	100000	100000
2-2B Market Para			Office	Existing	Hampshire CC	Havant	Havant	PO9 1QF	3	1855	1103	1062	1062	1062
Martin Rd		Nest Business Park	Office	Existing	Hampshire CC	Havant	Havant	PO9 5TL	1	3947	3947	3947	3947	0
Solent Rd	Langstone Gate		Office	Existing	Hampshire CC	Havant	Havant	PO9 1TR	4	30790	10626	6800	6800	0
11 St Georges Walk			Office	Existing	Hampshire CC	Havant	Waterlooville	PO7 7TU	3	1862	745	1834	1834	1834
Waterberry Dr	The Briars		Office	Existing	Hampshire CC	Havant	Waterlooville	PO7 7YH	2	4165	2003	2045	2045	980
Waterberry Dr		The Briars	Office	Existing	Hampshire CC	Havant	Waterlooville	PO7 7YH	2	3691	2638	3369	3369	3369
Waterberry Dr	Wilson House		Office	Existing	Hampshire CC	Havant	Waterlooville	PO7 7XX	2	2680	1340	772	772	0
Waterberry Dr	The Briars	Briars	Office	Existing	Hampshire CC	Havant	Waterlooville	PO7 7YH	2	6515	3114	1239	1239	0
Westside Vw		Hussar Court	Office	Existing	Hampshire CC	Havant	Waterlooville	PO7 7SG	2	14489	7244	1511	1511	1320
Westside Vw		Hussar Court	Office	Existing	Hampshire CC	Havant	Waterlooville	PO7 7SQ	2	18352	11176	1250	1250	1250
Eastleigh Rd	Southleigh Park House		Office	Existing	Hampshire CC	Havant	Havant	PO9 2PE	3	17819	10256	17819	17819	0
Langstone Rd	Building 6000	Langstone Technology Park	Office	Existing	Hampshire CC	Havant	Havant	PO9 1SA	3	174869	58290	31181	31181	13000
Langstone Rd	Building 4000	Langstone Technology Park	Office	Existing	Hampshire CC	Havant	Havant	PO9 1SA	2	4600	2300	2259	2259	2259

Appendix 3 - Employment Redevelopment Appraisal – Whole Site – Offices

Purbrook - London Road (Office Redevt) Whole Site
Employment Redevelopment Appraisal
Whole Site (Employment Land) - Offices B1 Units

Summary Appraisal for Phase 1

Currency in £

REVENUE

Rental Area Summary	**Units**	**ft²**	**Rate ft²**	**Initial MRV/Unit**	**Net Rent at Sale**	**Initial MRV**
Whole Site - Offices B1 Use	1	14,250	9.50	135,371	135,371	135,371
Investment Valuation						
Whole Site - Offices B1 Use						
Market Rent	135,371	YP @	9.0000%	11.1111		
(6mths Rent Free)		PV 6mths @	9.0000%	0.9578	1,440,690	
GROSS DEVELOPMENT VALUE				**1,440,690**		
Purchaser's Costs		5.80%	(83,560)			
				(83,560)		
NET DEVELOPMENT VALUE				**1,357,130**		
NET REALISATION				**1,357,130**		
OUTLAY						
ACQUISITION COSTS						
Fixed Price			750,000			
				750,000		
Stamp Duty		3.00%	22,500			
Agent Fee		1.00%	7,500			
Legal Fee		0.50%	3,750			
				33,750		
CONSTRUCTION COSTS						
Construction	**ft²**	**Rate ft²**	**Cost**			
Whole Site - Offices B1 Use	17,812 ft²	110.00 pf²	1,959,320	**1,959,320**		
Contingency		5.00%	97,966			
				97,966		
Other Construction						
Decontamination			12,000			
Demolition & Asbestos Removal			30,000			
e/o Foundation			14,000			
Site Grading			8,000			
Externals			14,000			
				78,000		
PROFESSIONAL FEES						
Professional Fees		8.00%	170,823			
				170,823		
MARKETING & LETTING						
Marketing		1.00%	14,407			
Letting Agent Fee		10.00%	13,537			
Letting Legal Fee		5.00%	6,769			
				34,713		
DISPOSAL FEES						
Sales Agent Fee		1.00%	13,571			
Sales Legal Fee		0.50%	6,786			
				20,357		

APPRAISAL SUMMARY **ALDER KING**

Purbrook - London Road (Office Redevt) Whole Site
Employment Redevelopment Appraisal
Whole Site (Employment Land) - Offices B1 Units

Additional Costs			
Arrangement Fee		18,000	
			18,000
FINANCE			
Debit Rate 6.500%, Credit Rate 0.500% (Nominal)			
Land		79,638	
Construction		67,585	
Letting Void		106,656	
Other		55,643	
Total Finance Cost			309,522
TOTAL COSTS			**3,472,450**
PROFIT			
			(2,115,320)
Performance Measures			
Profit on Cost%	(60.92)%		
Profit on GDV%	(146.83)%		
Profit on NDV%	(155.87)%		
Development Yield% (on Rent)	3.90%		
Equivalent Yield% (Nominal)	9.00%		
Equivalent Yield% (True)	9.53%		
IRR	N/A		
Rent Cover	-15 yrs -8 mths		
Profit Erosion (finance rate 6.500%)	N/A		

Appendix 4 - Employment Redevelopment Appraisal – Part Site – Offices

APPRAISAL SUMMARY — ALDER KING

Purbrook - London Road (Offices Redevt) Part Site
Employment Redevelopment Appraisal
Part Site (Employment Land) - Office B1 Units

Summary Appraisal for Phase 1

Currency in £

REVENUE

Rental Area Summary	**Units**	**ft²**	**Rate ft²**	**Initial MRV/Unit**	**Net Rent at Sale**	**Initial MRV**
Part Site - Offices B1 Use	1	5,649	9.50	53,664	53,664	53,664
Investment Valuation						
Part Site - Offices B1 Use						
Market Rent	53,664	YP @	9.0000%	11.1111		
(6mths Rent Free)		PV 6mths @	9.0000%	0.9578	571,116	
GROSS DEVELOPMENT VALUE				**571,116**		
Purchaser's Costs		5.80%	(33,125)			
				(33,125)		
NET DEVELOPMENT VALUE				**537,991**		
NET REALISATION				**537,991**		
OUTLAY						
ACQUISITION COSTS						
Fixed Price			312,150			
				312,150		
Stamp Duty		3.00%	9,365			
Agent Fee		1.00%	3,122			
Legal Fee		0.50%	1,561			
				14,047		
CONSTRUCTION COSTS						
Construction	**ft²**	**Rate ft²**	**Cost**			
Part Site - Offices B1 Use	7,061 ft²	110.00 pf²	776,710	**776,710**		
Contingency		5.00%	38,835			
				38,835		
Other Construction						
Decontamination			4,800			
Demolition & Asbestos Removal			12,000			
e/o Foundation			5,600			
Site Grading			3,200			
Externals			5,600			
				31,200		
PROFESSIONAL FEES						
Professional Fees		8.00%	67,740			
				67,740		
MARKETING & LETTING						
Marketing		1.00%	5,711			
Letting Agent Fee		10.00%	5,366			
Letting Legal Fee		5.00%	2,683			
				13,761		
DISPOSAL FEES						
Sales Agent Fee		1.00%	5,380			
Sales Legal Fee		0.50%	2,690			
				8,070		

Purbrook - London Road (Offices Redevt) Part Site
Employment Redevelopment Appraisal
Part Site (Employment Land) - Office B1 Units

Additional Costs			
Arrangement Fee		18,000	
			18,000
FINANCE			
Debit Rate 6.500%, Credit Rate 0.500% (Nominal)			
Land		33,145	
Construction		27,904	
Letting Void		43,242	
Other		22,883	
Total Finance Cost			127,175
TOTAL COSTS			**1,407,687**
PROFIT			
			(869,696)
Performance Measures			
Profit on Cost%	(61.78)%		
Profit on GDV%	(152.28)%		
Profit on NDV%	(161.66)%		
Development Yield% (on Rent)	3.81%		
Equivalent Yield% (Nominal)	9.00%		
Equivalent Yield% (True)	9.53%		
IRR	N/A		
Rent Cover	-16 yrs -2 mths		
Profit Erosion (finance rate 6.500%)	N/A		

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Appendix 5 - Employment Redevelopment Appraisal – Whole Site – Light Industrial

Purbrook - London Road (Indus Redevt) Whole Site
Employment Redevelopment Appraisal
Whole Site (Employment Land) - Light Industrial B1 Units

Summary Appraisal for Phase 1

Currency in £

REVENUE

Rental Area Summary	**Units**	**ft²**	**Rate ft²**	**Initial MRV/Unit**	**Net Rent at Sale**	**Initial MRV**
Whole Site - Light Industrial Units	1	17,812	6.00	106,872	106,872	106,872
Investment Valuation						
Whole Site - Light Industrial Units						
Market Rent	106,872	YP @	9.0000%	11.1111		
(6mths Rent Free)		PV 6mths @	9.0000%	0.9578	1,137,387	
GROSS DEVELOPMENT VALUE				**1,137,387**		
Purchaser's Costs		5.80%	(65,968)			
				(65,968)		
NET DEVELOPMENT VALUE				**1,071,418**		
NET REALISATION				**1,071,418**		
OUTLAY						
ACQUISITION COSTS						
Fixed Price			750,000			
				750,000		
Stamp Duty		3.00%	22,500			
Agent Fee		1.00%	7,500			
Legal Fee		0.50%	3,750			
				33,750		
CONSTRUCTION COSTS						
Construction	**ft²**	**Rate ft²**	**Cost**			
Whole Site - Light Industrial Units	17,812 ft²	88.44 pf²	1,575,293	**1,575,293**		
Contingency		5.00%	78,765			
				78,765		
Other Construction						
Decontamination			12,000			
Demolition & Asbestos Removal			30,000			
e/o Foundation			14,000			
Site Grading			8,000			
Externals			14,000			
				78,000		
PROFESSIONAL FEES						
Professional Fees		8.00%	138,565			
				138,565		
MARKETING & LETTING						
Marketing		1.00%	11,374			
Letting Agent Fee		10.00%	10,687			
Letting Legal Fee		5.00%	5,344			
				27,405		
DISPOSAL FEES						
Sales Agent Fee		1.00%	10,714			
Sales Legal Fee		0.50%	5,357			
				16,071		

APPRAISAL SUMMARY **ALDER KING**

Purbrook - London Road (Indus Redevt) Whole Site
Employment Redevelopment Appraisal
Whole Site (Employment Land) - Light Industrial B1 Units

Additional Costs			
Arrangement Fee		18,000	
			18,000
FINANCE			
Debit Rate 6.500%, Credit Rate 0.500% (Nominal)			
Land		79,638	
Construction		55,168	
Letting Void		91,980	
Other		50,597	
Total Finance Cost			277,382
TOTAL COSTS			**2,993,230**
PROFIT			
			(1,921,812)
Performance Measures			
Profit on Cost%	(64.21)%		
Profit on GDV%	(168.97)%		
Profit on NDV%	(179.37)%		
Development Yield% (on Rent)	3.57%		
Equivalent Yield% (Nominal)	9.00%		
Equivalent Yield% (True)	9.53%		
IRR	N/A		
Rent Cover	-17 yrs -12 mths		
Profit Erosion (finance rate 6.500%)	N/A		

Appendix 6 - Employment Redevelopment Appraisal – Part Site – Light Industrial

APPRAISAL SUMMARY **ALDER KING**

Purbrook - London Road (Indus Redevt) Part Site
Employment Redevelopment Appraisal
Part Site (Employment Land) - Light Industrial B1 Units

Summary Appraisal for Phase 1

Currency in £

REVENUE

Rental Area Summary	**Units**	**ft²**	**Rate ft²**	**Initial MRV/Unit**	**Net Rent at Sale**	**Initial MRV**
Part Site - Light Industrial Units	1	7,061	6.00	42,366	42,366	42,366
Investment Valuation						
Part Site - Light Industrial Units						
Market Rent	42,366	YP @	9.0000%	11.1111		
(6mths Rent Free)		PV 6mths @	9.0000%	0.9578	450,881	
GROSS DEVELOPMENT VALUE				**450,881**		
Purchaser's Costs		5.80%	(26,151)			
				(26,151)		
NET DEVELOPMENT VALUE				**424,730**		
NET REALISATION				**424,730**		
OUTLAY						
ACQUISITION COSTS						
Fixed Price			312,150			
				312,150		
Stamp Duty		3.00%	9,365			
Agent Fee		1.00%	3,122			
Legal Fee		0.50%	1,561			
				14,047		
CONSTRUCTION COSTS						
Construction	**ft²**	**Rate ft²**	**Cost**			
Part Site - Light Industrial Units	7,061 ft²	88.44 pf²	624,475	**624,475**		
Contingency		5.00%	31,224			
				31,224		
Other Construction						
Decontamination			4,800			
Demolition & Asbestos Removal			12,000			
e/o Foundation			5,600			
Site Grading			3,200			
Externals			5,600			
				31,200		
PROFESSIONAL FEES						
Professional Fees		8.00%	54,952			
				54,952		
MARKETING & LETTING						
Marketing		1.00%	4,509			
Letting Agent Fee		10.00%	4,237			
Letting Legal Fee		5.00%	2,118			
				10,864		
DISPOSAL FEES						
Sales Agent Fee		1.00%	4,247			
Sales Legal Fee		0.50%	2,124			
				6,371		

Purbrook - London Road (Indus Redevt) Part Site
Employment Redevelopment Appraisal
Part Site (Employment Land) - Light Industrial B1 Units

Additional Costs			
Arrangement Fee		18,000	
			18,000
FINANCE			
Debit Rate 6.500%, Credit Rate 0.500% (Nominal)			
Land		33,145	
Construction		22,982	
Letting Void		37,424	
Other		20,882	
Total Finance Cost			114,434
TOTAL COSTS			**1,217,716**
PROFIT			
			(792,986)
Performance Measures			
Profit on Cost%	(65.12)%		
Profit on GDV%	(175.87)%		
Profit on NDV%	(186.70)%		
Development Yield% (on Rent)	3.48%		
Equivalent Yield% (Nominal)	9.00%		
Equivalent Yield% (True)	9.53%		
IRR	N/A		
Rent Cover	-18 yrs -9 mths		
Profit Erosion (finance rate 6.500%)	N/A		