

HART DISTRICT LOCAL PLAN: STRATEGY AND SITES

HALLAM LAND MANAGEMENT LIMITED

Matter 3: Housing

3.1 Having regard to the transitional arrangements contained in the NPPF, 2018 is the use of the standard methodology for calculating housing need justified?

1. No, In the instance of this Local Plan Examination, the use of the standard methodology for calculating housing need is not justified.
2. Both the NPPF and the NPPG stipulate that, where a Local Plan has been submitted for examination prior to the 24th January 2019, as is the case on this occasion, policies in the previous Framework apply for the purpose of that examination.
3. Consequently, the Hart Local Plan should be prepared and examined against the 2012 version of the NPPF.
4. As such, the use of the Standard Method at the present time as the single determinant for calculating objectively assessed need cannot and should not be relied upon. The Standard Method was published as a consultation exercise in September 2017 as part of a suite of documents published as part of the White Paper 'Right Homes, Right Places' consultation. There is no final or published housing need figure from this process. The approach Hart has taken to assessing housing needs using the standard methodology figure within this document does not conform with that in PPG and raises questions as to its soundness as the starting point for the Council's assessment of housing needs.
5. In its response to this consultation exercise, the Government rightly acknowledged concerns of the approach:

"A number of responses to this question provided comment on the proposed local housing need method. The government is aware that lower than previously forecast population projections have an impact on the outputs associated with the method. Specifically, it is noted that the revised projections are likely to result in the minimum need numbers generated by the method being subject to a significant reduction, once the relevant household projection figures are released in September 2018.

In the Housing White Paper the government was clear that reforms set out (which included the introduction of a standard method for assessing housing need) should lead to more homes being built. In order to ensure that the outputs associated with the method are consistent with this, we will consider adjusting the method after the household projections are released in September 2018. We will consult on the specific details of any change at that time.

It should be noted that the intention is to consider adjusting the method to ensure that the starting point in the plan-making process is consistent in aggregate with the proposals in Planning

for the Right Homes in the Right Places consultation and continues to be consistent with ensuring that 300,000 homes are built per year by the mid 2020s.”

6. More recently and following the publication of the 2016-based household projections, the Housing Minister has confirmed that Government is now likely to consult on the revisions to the Standard Methodology towards the end of the year.
7. In these circumstances, 292 dwellings derived from the Standard Methodology is not justified and should not represent the objectively assessed need for housing for Hart District.

3.2 Does the use of the standard methodology fulfil the requirements of the first bullet point of Paragraph 47 of the NPPF, 2012?

8. No. Paragraph 47 require a wider and more rounded consideration of evidence compared with the single data point provided by the standard methodology.
9. In this context, Paragraphs 47 of the 2012 NPPF are the relevant considerations. In terms of the calculation of housing need, para 47 requires local planning authorities to:

“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...”

10. Para. 159 of the 2012 NPPF is also a relevant consideration. This states that in order to have a clear understanding of the housing needs of an area, local planning authorities *“should prepare a Strategic Housing Market Assessment to assess the areas full housing needs, working with neighbouring authorities, where housing market areas cross administrative boundaries”*.
11. Such housing market evidence has been prepared over a number of years with Strategic Market Assessments in 2014 and then updated in November 2016 and provide the necessary evidence of the objectively assessed need for housing within Hart District and the wider Housing Market Area.
12. The evidence base document prepared pursuant to the requirements of the 2012 version of the NPPF, took account of demographic and household growth, market signals, need for affordable housing, and housing requirements arising from economic growth. It concluded that the objectively assessed need for housing within Hart District is 382 dwellings per annum.
13. It is this figure that should constitute the objectively assessed need for housing within Hart District and should form the starting point for determining the Local Plan’s housing requirement and its housing supply strategy. The output from the standard methodology as the housing requirement starting point would in our opinion inevitably lead to a significant shortfall in the delivery of both market and affordable housing against identified need.

3.3 Is uplifting the housing requirement by some 33% above that calculated by the standard methodology to 388 dwellings per annum justified? What evidence are the uplifts based upon?

14. The Council’s reasoning for the uplift is provided in Section 2.10 of Topic Paper 1. The first increase came by removing the previously delivery “cap”, this gave a modest increase to 310 dpa. More significantly, a 25% increase was proposed to take account of variously:
 - contingency in the event of changes to the standard methodology,
 - flexibility in the event of for non-delivery or delayed delivery of sites
 - and positive planning to boost supply for greater provision of affordable housing.

15. This added a further 70 dwellings to the overall requirement to give a commensurate figure to the SHMA. This uplift is grouped together and there is no way of distinguishing which component is attributed what weight or allowance with the overall increase. It is not possible to determine how much additional housing is being provided for any one of these reasons or why the uplifted figure is comparable to the SHMA requirement other than the happy consequence of a 25% increase.
16. We agree that an allowance should be made to provide flexibility but this is a supply side adjustment ie. additional sites are allocated in order to ensure the requirement is met. It is highly unlikely that all existing commitments will deliver in full over the Plan period and that a portion of the Council's existing commitments will lapse. This allowance should therefore be in addition to 383 and not part of it.
17. We also disagree that the undefined allowance for affordability bears a relationship to evidence of housing need. The 2016 Strategic Housing Market Assessment identifies that on the basis that households spend 30% of their gross income on either rent or a mortgage, the need for affordable housing within Hart District is 310 dwellings per annum (130 subsidised rented properties per annum and 180 subsidised home ownership properties per annum). This would require a substantially greater allowance than what the Submission Plan contemplates.
18. Furthermore, what is not catered for in any way in this uplift is an allowance for the unmet need arising from Surrey Heath. The Duty to Co-operate Statement makes clear that Surrey Heath are reliant on their unmet housing need being provided for elsewhere within the housing market area. But it is plain from the TOP1 that this was not a factor in the uplift from 292 to 388 dwellings.
19. Correspondence provided from Surrey Heath Borough Council (Appendix 2, CD9) identifies that housing provision above the objectively assessed housing need for Hart District would provide the opportunity to meet unmet housing needs from Surrey Heath. However, no specific provision has been made in this Local Plan. Only by reference to a broad range of measures are Surrey Heath able to be persuaded that there is a prospect of the unmet need being met elsewhere in the District. This falls a long way short of the effective measures required by the Duty to Co-operate.
20. It is fair to say that the only references to unmet need TOP1 are to be found in Appendix 3 which are Hart District's representations to Surrey Heath's Regulation 18 consultation and it is instructive to read that these are not affording any assistance to making provision for this.
21. Given the above, whilst there is justification for an uplift in the housing need figure for Hart District, the uplift of 100 dwellings is not sufficient and in any event matters such as flexibility and unmet need should be additional to OAN identified through the SHMA and not integrated with a non-descript and non-defined allowance.
22. We are aware that previous iterations of the Local Plan proposed a housing provision of 485 dwellings per annum, which was tested through the accompanying Interim Sustainability Appraisal. An uplift from the Council's objectively assessed level of housing need of 382 dwellings per annum, to 485 dwellings per annum, would constitute a 27% uplift.

3.4 Does or should the housing requirement formally include any unmet need from Surrey Heath?

23. As explained in paras 19-22 above, the housing requirement does not include any specific provision for unmet housing needs from Surrey Heath.
24. Whereas, on the basis of para 47 of the NPPF, this Local Plan should be ensuring that the full, objectively assessed needs for market and affordable housing in the housing market area are being met, as far as is consistent with the policies set out in this Framework. For the reasons given below and our Hearing Statement for Matter 1, this includes provision for unmet need from Surrey Heath.

25. In their consultation response to the Hart District Council Proposed Submission Local Plan, Surrey Heath state that:

“Surrey Heath has undertaken a broad portfolio of work to support the development of the new Local Plan, which currently indicates the Borough to have an unmet need of 1,483 units against the 2016 Strategic Housing Market Assessment and 943 units against the Government’s proposed standard method for calculating local authorities’ housing need.”

26. Whilst there is an acknowledgement that ongoing work will allow the Council to identify further opportunities to reduce the shortfall, the extent of constraints within Surrey Heath are unlikely to result in the shortfall reducing significantly.
27. Rushmoor Local Plan is at an advanced stage of preparation, having reached its Main Modifications stage of the Examination in Public. Whilst the emerging Rushmoor Local Plan identifies a housing requirement that is in excess of their objectively assessed housing need, the additional provision is made to provide *“sufficient flexibility should there be unimplemented, or slower implementation of, housing schemes because of unforeseen circumstances; it also maximises housing development within the parameters of sustainable development and supports affordable housing delivery”*.
28. The additional housing provision within the Rushmoor Local Plan is therefore to provide certainty that their own housing requirements will be met in full, rather than providing an opportunity to meet the unmet housing needs of Surrey Heath.
29. Consequently, the only way Surrey Heath’s unmet housing needs can be met within the housing market area is through an uplift to Hart’s housing requirement.
30. As outlined in our response to Question 3.3, previous versions of the Hart Local Plan identified significantly higher levels of housing – some 485 dwellings per annum. This figure has been tested through the Sustainability Appraisal process and the impacts of the higher provision were found to be acceptable.
31. Having regard to this work as well as para. 14 of the 2012 version of the NPPF, there are no specific policies in the NPPF that would indicate that a higher provision is not appropriate, and there are no identifiable impacts that would significantly and demonstrably outweigh the benefits of providing a housing provision that would both meet Hart’s own housing needs and assist in meeting the wider unmet housing needs within the housing market area.
32. As the Government’s position provides no certainty as to a minimum housing requirement for Surrey Heath, they do not know what to Plan for and what the extent of the unmet need will be. Hart should be taking a positive approach to planning for the unmet need as set out in paragraph 26 above.
33. Therefore, we suggest that the housing provision should be increased to make specific provision for unmet need from Surrey Heath.

3.5 If the use of the standard methodology for calculating housing need was considered to be inappropriate, is the objectively assessed need figure of 382 dwellings per annum set out within the Strategic Housing Market Assessment (SHMA) robust?

34. As outlined above, the objectively assessed need figure of 382 dwellings per annum from the Strategic Housing Market Assessment is considered to provide the most robust assessment of housing need within Hart District. It is this document that most closely aligns with the requirements of paras. 47 and 159 of the NPPF. This exercise took account of demographic and household

growth, market signals, need for affordable housing, and housing requirements arising from economic growth.

35. However, the objectively assessed need figure of 382 dwellings must be considered as being the starting point for the calculation of the most appropriate Local Plan housing requirement. Consideration of unmet need for Surrey Heath and housing supply flexibility are additional factors that need to be accounted for.
36. A housing requirement of 485 dwellings per annum would both ensure that the objectively assessed need for housing within Hart District was delivered in full, deliver higher levels of affordable housing and would make a significant contribution to meeting unmet housing need within the wider housing market area. In this context we note that a higher housing provision.
37. As outlined in our response to Question 3.4, this work can be relied upon to demonstrate that the higher level of housing would accord with paras. 14, 47 and 159 of the NPPF.
38. It follows that additional housing land will need to be identified to meet this requirement. The Plan's current housing supply strategy (Table 6, TOP1) does not provide the flexibility necessary to meet this.

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