
Hearing Statement Matter 6 – Affordable Housing

Land at Brook House, Minley Road, Fleet

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1. Introduction

- 1.1. This Hearing Statement has been submitted by Thakeham Homes as part of the Examination in Public on the Hart Local Plan Strategy and Sites 2016-2032. The Statement will have a particular focus on Matter 6, questions 6.1 and 6.2, published by the Inspector in the Schedule of Matters and Issues for the Examination document in September 2018.
- 1.2. Thakeham Homes made representations to both the Regulation 18 and Regulation 19 consultations of the draft plan in June 2017 and March 2018 respectively. In both representations the strategy put forward by Hart District Council (HDC) was queried, as it was not felt that either of the draft plans would provide sufficient affordable housing across the plan period. This Statement will not repeat information previously submitted, on the understanding that the Inspector will take into consideration all previous representations made to HDC, but instead will provide additional evidence in relation to Matter 6. This statement also utilises new information published by HDC in support of the Local Plan Examination, which was not available at the time of the Regulation 19 consultations.
- 1.3. The Government revised the National Planning Policy Framework (NPPF) in July 2018 following a series of consultations. The 2018 NPPF states, within Annex 1 Paragraph 214: "*The policies in the previous Framework will apply for the purpose of examining plans, where those plans are submitted on or before 24 January 2019*".
- 1.4. HDC submitted its plan for Examination in June 2018, therefore, in accordance with the 2018 NPPF, the policies within the 2012 Framework should be used to examine the Hart Local Plan. However, HDC has opted to use the standardised methodology for Local Housing Need which was adopted within the 2018 NPPF, rather than the objectively assessed need (OAN) determined by the Council's Strategic Housing Market Assessment (SHMA), and therefore it is clear the Council has based the current plan on the 2018 NPPF. Therefore, for the purposes of this Statement both versions of the Framework will be used, and both revisions of the accompanying Planning Practice Guidance (PPG) will be stated.

2. Question 6.1: Has the Council's affordable housing need been robustly calculated, in accordance with national policy?

- 2.1. The Planning Practice Guidance (PPG), published alongside the National Planning Policy Framework (NPPF) sets out how affordable housing need should be calculated, stating:

“Strategic policy-making authorities will need to estimate the current number of households and projected number of households who lack their own housing or who cannot afford to meet their housing needs in the market. This should involve working with colleagues in their relevant authority (e.g. housing, health and social care departments)”

[PPG Paragraph 022, Reference ID: 2a-022-20180913 revised 13 09 2018]

- 2.2. The previous revision of this paragraph, from 2014, also added:

“This calculation involves adding together the current unmet housing need and the projected future housing need and then subtracting this from the current supply of affordable housing stock”

[PPG Paragraph 022, Reference ID: 2a-022-20140306 now superseded]

- 2.3. The 2016 SHMA, published by Wessex Economics, sought to undertake the calculation on this basis, and set out a very detailed methodology of how the affordable housing need for the three authorities within the HMA was assessed. The SHMA concluded that, over an 18 year period, there will be a requirement in Hart for 2,340 additional subsidised rental properties (130 dwellings per annum (dpa)), and for 3,240 additional subsidised home ownership properties (180 dpa). These estimates within the SHMA are based on the assumption that households can spend up to 30% of their gross incomes on their rent or mortgage payments.
- 2.4. It is noted that there is a risk of some double-counting within these figures, however this provides a suitable starting point upon which housing policies, and specifically affordable housing policies, should be based.
- 2.5. Indeed HDC sought to include these recommendations within the Regulation 18 Draft Plan published in April 2017, which not only included the full recommended OAN from the SHMA of 382 dpa, but an additional uplift of 2,163 dwellings over the plan period, approximately 103 dpa, solely for the delivery of additional subsidised rental properties that were required in the area. This therefore led to a housing figure of 485 dpa.
- 2.6. Based on the proposed policy that 40% of new dwellings should come forward as affordable units, this would provide 4,074 affordable housing dwellings across the plan period (194dpa x 21-years), or 194 dpa.

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- 2.7. This by no means equalled the 310 dpa estimated to be required by the SHMA, but this did take into account the full considerations of the SHMA, meaning the figure could be seen as being robustly calculated in accordance with national policy. This position was also strongly justified by HDC through the publication of the Affordable Housing Background Paper (March 2017) submitted as part of the Examination Library.
- 2.8. As stated, the 2018 NPPF should not be used in the Examination of any local plan submitted before January 2019, therefore there is no indication that HDC should deviate from this strategy, nor from the conclusions of the SHMA in the currently proposed Local Plan.
- 2.9. In support of the Proposed Submission Local Plan. HDC published a Topic Paper on Housing Numbers and Spatial Strategy in August 2018. This stated that the then proposed standard methodology figure was used as a base point, the 'cap' included by the Government was removed, and a further 25% uplift was included. This further uplift was seen to allow for:
- **Contingency** - if the Government was to change the standard methodology;
 - **Flexibility for non-delivery or delayed delivery of sites;**
 - **The benefits of boosting housing delivery** – this included the supply of affordable homes; and
 - **Taking account of the committed supply and the opportunities to make the best use of previously developed land**
- 2.10. Although it is agreed that, taking into account the committed supply and windfalls, the standard methodology proposed 292 dpa would lack ambition and make little sense, there is no other justification from HDC for the proposed 25% uplift.
- 2.11. Within the previous Draft Plan (Regulation 18), HDC proposed an uplift of 27% on a higher housing figure **solely for affordable housing**. To state that this provision is included within the currently proposed smaller uplift of 25% appears to significantly fall short of the requirements of both the SHMA and national guidance, especially when this also needs to take into account flexibility for non-delivery or delayed delivery of sites, and future-proofing against changes to the standard methodology.
- 2.12. Indeed, if the full currently proposed 25% uplift was to be delivered as affordable housing this would equate to 77 dpa. However the Regulation 18 uplift of 27% equated to 103 affordable dpa. Therefore the current Draft Plan is proposing 26 affordable dpa less than the previous strategy, equating to a loss of 416 dwellings across the plan period. However not all of the proposed uplift is to be delivered as affordable housing, as it needs to also take account of three other obligations. This is therefore a significant loss over the plan period, but one which HDC has not justified, nor acknowledged within the Housing Topic Paper or the Proposed Submission Local Plan.
- 2.13. Therefore Thakeham Homes does not feel that the Council's affordable housing need in the Submission Local Plan has been robustly calculated in accordance with national policy.

3. Question 6.2: Will the proposed housing requirement deliver sufficient affordable housing to meet identified needs?

3.1. Thakeham Homes do not feel that Hart District Council (HDC) has determined a suitable housing requirement to deliver the identified affordable housing need across the plan period 2016-2032.

3.2. In order to determine the anticipated delivery of affordable housing across the plan period the Planning Practice Guidance (PPG) from 2014 states:

“The total affordable housing need should then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing led developments. 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.”

[PPG Paragraph: 029 Reference ID: 2a-029-20140306: Revision date: 06 03 2014]

3.3. This guidance has not been significantly updated through the September 2018 revisions, however this is now included at Paragraph 27.

3.4. All versions of HDC’s Draft Plan have included an affordable housing policy that states a target of 40% of new dwellings to come forward as affordable housing, and this has been used to demonstrate Thakeham Homes’ concern with the Proposed Submission Local Plan.

3.5. Firstly, there is concern about the significant drop in affordable housing provision between the Regulation 18 Draft Plan, which was based on the identified need, and the Proposed Submission Draft Plan, outlined in paragraph 2.13 of this statement.

3.6. Previously HDC proposed 4,074 new affordable dwellings across the 21 year plan period, equating to 194 dwellings per annum (dpa), however the current plan would only be able to achieve a maximum of 2,561 across the 16 year plan period, or 160 dpa. Therefore by 2032, based on the annualised figures, HDC would see a loss of 544 new affordable units from the housing policies which were informed by the identified need from the 2016 Strategic Housing Market Assessment (SHMA) and bolstered by the Affordable Housing Background Paper published by HDC in March 2017.

3.7. However, this is the maximum figure that could be achieved if 40% of all of the new 6,401 homes across the plan period were to come forward as affordable housing. It is known that this will not be the case.

3.8. The Proposed Submission Local Plan includes only one detailed site allocation, located at Hartland Village, which will provide a total of 1,500 dwellings, 1,428 of which is anticipated to come forward in the Plan Period. This is a significant allocation which will provide nearly a quarter of the Plan’s total housing target.

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- 3.9. A planning application for the development of Hartland Village was approved in July 2018, with a signed Section 106 agreement confirming that only 20% of the total dwellings will come forward as affordable housing.
- 3.10. Therefore, instead of providing 571 affordable dwellings during the plan period, as would be required under the 40% policy requirement, this site will only provide 286 affordable dwellings in the period, taking the overall affordable housing provided in the plan down to 2,275 dwellings. This is a significant shortfall, however there is no indication from HDC that this difference will be met elsewhere.
- 3.11. There is also concern that other sites within Hart will be faced with similar viability issues to that seen at Hartland Village which may require the affordable housing percentage to decrease. This is especially true where there is a presumption in both national and local policies to develop on brownfield sites, which are known to be more difficult to develop than greenfield sites, and therefore more expensive, due to the potential requirement for demolition, remediation and similar groundworks. Indeed, that is the justification for the significant reduction at Hartland Village.
- 3.12. This has been confirmed by the Annual Monitoring Report (AMR)(March 2018) which stated the following split by affordable and market housing in the past five years:

Table 1: Net Affordable and Market Housing Completions (AMR, 2018)

Year	Net affordable housing completions	Net market housing completions	Affordable housing %
2012/13	22	175	11%
2013/14	46	218	17%
2014/15	70	268	21%
2015/16	155	550	22%
2016/17	131	492	21%

- 3.13. Of the 2,127 dwellings provided in Hart in the past five years, **only 20% of these were affordable dwellings.**
- 3.14. Indeed the completions of 2016/17 have been included within the Proposed Submission Plan as part of the housing delivery across the plan period. This year provided a total of 623 net new dwellings, however only 21% of these were affordable, a shortfall of 118 dwellings compared with the 40% requirement, again reducing the overall figure to 2,157 affordable units across the plan period.
- 3.15. In addition, not all development sites are required to provide affordable dwellings. Draft Policy H2 within the Proposed Submission Local Plan states that affordable provision will be required “*on developments of 11 or more dwellings (gross), or of greater than 1,000 square metres gross residential floorspace irrespective of the number of dwellings*”. Within the Proposed Submission Local Plan a total of 276 dwellings are anticipated to come forward from small windfall sites, which are described by HDC as development on sites of less than five dwellings. Therefore, in accordance with Draft Policy H2 these will not be required to provide affordable housing. This leads to another loss in affordable housing of 110 dwellings (40% of 276), taking the overall figure to 2,047 across the plan period.

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- 3.16. As stated within the Proposed Modifications, approximately 51% of the dwellings that form part of the Housing Supply will come from sites with outstanding planning permission at 31 March 2018.
- 3.17. The Five Year Housing Land Supply Statement, published June 2018, confirms that, of the sites with outstanding planning permission, 235 dwellings are approved on small sites of nine dwellings or less (following removal of five lapsed applications from the supply). Again, in accordance with Draft Policy H2, these sites are not required to provide affordable housing. This leads to another loss in affordable housing of 94 dwellings (40% of 235), taking the overall figure to 1,954 across the plan period.
- 3.18. The Five Year Housing Land Supply Statement also provides a list of all the outstanding permissions at 1 April 2018 on large sites (10 or more dwellings) in Appendix C. This states that 250 dwellings are due to come forward on sites with prior approval for conversion to residential. However these sites, in accordance with the permitted development rights, do not need to provide affordable housing. This leads to another loss in affordable housing of 100 dwellings (40% of 250), taking the overall figure to 1,854 across the plan period.
- 3.19. The remaining 2,784 dwellings that have planning permission at 1 April 2018 are due to come forward through outline, full or reserved matters applications. Based on HDC's policy, if 40% of these dwellings were to be delivered as affordable units this would equate to 1,114 dwellings. However, not all of these permissions have agreed provision at 40%, with some not able to provide any affordable units due to issues of viability. The following table confirms the percentage affordable split agreed through the planning permission, the number of outstanding units at the site, and therefore calculates the number of outstanding affordable houses for each development.

Table 2: Large Sites with Planning Permission at 1 April 2018 (excluding Prior Approvals)

Application Reference	Address	Affordable Percentage Agreed	Outstanding net dwellings	Approximate outstanding affordable dwellings
12/00236/MAJOR	Queen Elizabeth Barracks, Sandy Lane	30%	42	13
13/00795/MAJOR	Queen Elizabeth Barracks, Sandy Lane	30%	62	19
13/02513/MAJOR	Edenbrook (extension), Hitches Lane	40%	50	20
15/00154/MAJOR	Edenbrook, Hitches Lane	40%	5	2
17/00372/FUL	Edenbrook, Hitches Lane	40%	141	56
14/00504/MAJOR	Land at Watery Lane	40%	300	120
15/00276/REM	Land to the rear of 102-108 Fleet Road	0%	12	0
15/00601/FUL	Brickyard Plantation, Pale Lane	40%	37	15

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Application Reference	Address	Affordable Percentage Agreed	Outstanding net dwellings	Approximate outstanding affordable dwellings
16/01331/FUL	Brickyard Plantation, Pale Lane	40%	4	2
15/01540/FUL	Pioneer House, Unit 2, Fleetwood Park, Barley Way	0%	33	0
16/01441/FUL	Oak House, Harvest Crescent	0%	14	0
16/01651/OUT	Land North of Netherhouse Copse, Hitches Lane	40%	423	169
16/03332/FUL	3 Fleet House, Fleetwood Park, Barley Way	0%	14	0
17/01978/FUL	Infineon House, Fleet Mill, Minley Road	0%	10	0
17/00771/FUL	Guilemont Park, Minley Road, Blackwater	40%	313	125
13/01215/MAJOR	Lamb Hotel, High Street	0%	2	0
14/00733/MAJOR	Land to the north of London Road	40%	248	99
17/01123/REM	Land to the north of London Road	40%	300	120
15/00281/MAJOR	Land at High Ridge Farm, Newnham Road	40%	60	24
15/00697/MAJOR	Land adjacent to Reading Road	40%	68	27
15/01603/FUL	Landata House, Station Road	21%	78	16
16/03378/FUL	Bartley House, Station Road	0%	102	0
13/02085/MAJOR	Land adjacent to Hatchwood Place, Farnham Road	40%	3	1
16/00606/REM	Hatchwood Cottage, Farnham Road	40%	29	12
13/00720/MAJOR	Winchfield Lodge, Old Potbridge Road	37.5%	16	6
15/01083/FUL	Rose Court, Rye Common Lane	0%	14	0
16/01552/REM	Hawley Park Farm, Hawley Road	40%	126	51
16/02989/OUT	Land at Odiham Road, Riseley	40%	83	33

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Application Reference	Address	Affordable Percentage Agreed	Outstanding net dwellings	Approximate outstanding affordable dwellings
14/01903/MAJOR	Land south of Blackwater River and east of Sandhurst Lane	40%*	45	18
14/02281/MAJOR	Land between Moulsham Lane and Broome Close	40%	150	60
TOTAL:			2,784	1,008

* A commuted sum was agreed for this development, with the equivalent percentage unknown. Therefore, for the purposes of this Statement a policy compliant 40% has been applied.

3.20. This demonstrates that the 2,784 dwellings being delivered on the large sites with planning permission at 1 April 2018 will actually only provide 1,008 affordable units. This leads to another loss in affordable housing of 106 dwellings, taking the overall figure to 1,748 across the plan period.

3.21. Therefore, based on existing commitments, and HDC's currently proposed affordable housing policy, the Sources of Housing Supply within the Proposed Submission Draft Plan, as updated through the Schedule of Proposed Modifications, will actually only provide **1,748 affordable dwellings**, approximately 27% of the overall housing supply:

Table 3: Sources of Housing Supply with Estimated and Actual Affordable Housing Delivery

Source of Supply	Overall Number of Units	40% Estimated Affordable Housing Delivery	Actual Affordable Housing Delivery
Homes completed between 1 April 2016 to 31 March 2018	1,174	470	351
Sites with outstanding planning permission at 31 March 2018	3,262	1305	1,007
Sites within settlement boundaries	150	60	60
Hartland Village	1,428	571	286
Sites in Odiham and North Warnborough Neighbourhood Plan without planning permission	111	44	44
Small Site Windfall Allowance	276	110	0
TOTAL:	6,401	2,560	1,748

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- 3.22. Given the findings within the SHMA (2016), it is not thought that this is any way sufficient to meet the identified affordable needs within Hart across the plan period. It is also important to consider the reduced affordable housing supply over the plan period in the context of the high affordability ratio of 11.99 in Hart (ONS, Table 5c (Median house price to median gross annual workplace earnings)). Given that nearly 70% of the proposed housing supply is already committed, without the ability to increase the affordable housing provision on these sites, an increase in the overall plan numbers should be considered to deliver additional affordable housing, in accordance with the PPG.

4. Conclusion

- 4.1. This Hearing Statement is submitted by Thakeham Homes with respect of Matter 6, and specifically questions 6.1 and 6.2 included in the Inspector's Schedule of Matters and Issues for the Examination, published prior to the Hart District Council (HDC) Local Plan 2016-2032 Examination in Public.
- 4.2. The matter specifically relates to affordable housing, and Thakeham Homes has raised concerns about both the method HDC has utilised to justify the affordable housing in the emerging Local Plan, as well as the ability for the Proposed Submission Local Plan to deliver sufficient affordable housing to meet the identified needs of the area.
- 4.3. Overall, it is not clear what HDC's approach was in relation to delivery of affordable housing. Previously the Regulation 18 Draft Local Plan included a clear and specific uplift for affordable housing, based on the guidance contained within the 2016 Strategic Housing Market Assessment (SHMA). However, the current Proposed Submission Local Plan includes a smaller uplift of only 25% on the standard methodology Objectively Assessed Need (OAN) (following removal of the cap), and it is not clear firstly, how this was determined, and secondly, whether this is sufficient to provide the required affordable housing. It does not appear to have been robustly calculated in accordance with national policy.
- 4.4. Within the Proposed Submission Local Plan, HDC provides a clear breakdown of where the future housing supply will be delivered. Approximately 70% of these dwellings will be delivered on sites with existing planning permission, including Hartland Village. However, not all of these permissions have secured the 40% affordable housing delivery assumed by the Local Plan, including those which have no provision due to being delivered through permitted development rights. Furthermore, other sites within the housing supply, such as the windfall allowance, cannot be expected to deliver any affordable dwellings due to their size. Therefore, rather than providing 2,561 affordable dwellings, the Proposed Submission Local Plan would only be able to achieve 1,748 affordable dwellings across the plan period.
- 4.5. This can only be seen as a maximum amount as it is assuming that all other future development within the district will provide 40% affordable housing, however as can be seen over the past five years of residential delivery, the average provision is only 20%. Therefore in reality the number of affordable dwellings achieved by the plan may decrease further. In order to ensure sufficient affordable housing is delivered, it is suggested that HDC should look to allocate further sites, that are sustainably located, that would deliver policy compliant affordable housing, such as Brook House, Fleet.

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