



Rushmoor Borough Council
Planning Policy and Conservation
Council Offices
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Dear Sir/Madam

RUSHMOOR LOCAL PLAN – PREFERRED APPROACH

Thank you for consulting with the Home Builders Federation (HBF) on the Rushmoor Local Plan Preferred Approach.

The HBF is the principal representative body of the house-building industry in England and Wales. Our representations reflect the views of our membership which includes multi-national PLC's, regional developers and small, local builders. In any one year, our members account for over 80% of all new "for sale" market housing built in England and Wales as well as a large proportion of newly built affordable housing.

We would like to submit the following representations and we would welcome, in due course, being informed when the next iteration of the Local Plan becomes available to comment upon, and participating in hearings of the Examination in Public.

Duty to cooperate (pages 10-11)

The Council is unable to meet its objectively assessed housing need in full. This is apparent from paragraph 6.13 of the draft plan although the council does not explicitly state this anywhere. If the Council has no plan to accommodate this shortfall elsewhere then it is important that the local plan clearly acknowledges this. This is necessary so that residents and other interested parties are alerted to this problem and can consider the consequences. On the basis of the council's assessment the OAN is 9,822 dwellings for 2011-2032. However, the plan only makes provision for 8,200

dwellings (see Policy Spatial Strategy Option A: Preferred Approach). Consequently there is a shortfall in supply of 1,622 dwellings. This is a sizeable unmet need. It represents 16% of the overall need.

We note paragraph 16 of the SHMA of December 2014. This observes that the division of the OAN for the HMA is based upon the demographic projections for the individual authorities. The SHMA argues that it is feasible, for a different apportionment to be made. We assume that a decision has been reached that each authority will meet its own OAN in accordance with the indications in the SHMA. Therefore, it follows, that in order to demonstrate that cross-boundary working has been effective, Rushmoor will need to be able to show that the other two authorities will be advancing new local plans that will meet their share of the OAN in accordance with the division on page 3 of the SHMA.

The NPPF requires joint working to address the problem of identified housing needs that cannot be accommodated within the area of one of the authorities because of a lack of physical capacity or because of the adverse impact on other policy objectives of the NPPF. Rushmoor is part of a housing market area (HMA) that also includes Surrey Heath and Hart councils. We would expect to see an exploration and evidence of requests from Rushmoor for assistance from the other two authorities to accommodate the unmet need, and if these two other authorities are unable to assist, then overtures for assistance from other authorities.

The section that considers cross boundary working (pages 10-11) provides very little detail. It refers interested parties to the *Duty to Cooperate Background Paper*. Unfortunately the background paper furnishes one with no meaningful information to enable interested parties to ascertain whether the council is in the process of discharging the duty in preparing this Local Plan. In the section on housing, on page 18, the paper states that the council is preparing a framework to enable it to carry out the duty to cooperate in preparing a future Local Plan. This will include endeavouring to meet the full OAN within the HMA. If this is not feasible then Rushmoor will need to approach other neighbouring authorities.

This is no more than a restatement of national policy and guidance at the moment. This is a very important matter and the council will need to demonstrate and provide correspondence to show that it has diligently and actively explored alternative options to accommodate the OAN.

Rushmoor's Local Plan should provide an explanation for how the OAN of the HMA will be addressed. It should explain whether the OAN for Surrey Heath and Hart will be accommodated in full and what the consequences will be for the HMA and for Rushmoor's plan of any shortfalls in these other two districts.

The HBF wrote to Surrey Heath Council on 2 April 2015 seeking information on when the Council would produce a new Local Plan. We have not yet had a response. In view of the non-communication from Surrey Heath it would be very useful to learn from Rushmoor if the three councils are intending to

prepare an 'aligned' plan. In the circumstances, a joint plan would have been ideal, but the draft Local Plan and the *Duty to Cooperate Background Paper* imply that this is not going to happen. An 'aligned' plan is therefore essential. We would be very concerned if the three local plans were prepared with very limited reference to each other and to widely different timetables. Ideally the three local plans should be prepared and examined close together to ensure that housing needs are calculated using a common dataset and assumptions. Otherwise there is a risk that the SHMA will become out-of-date.

Employment and housing: ensuring an adequate labour supply

Demonstrating that cross boundary cooperation has been effective when preparing Rushmoor's Local Plan is important in employment terms too. We note that the Local Plan does not set a specific employment target against which the SHMA can assess Rushmoor's OAN – i.e. whether the planned housing supply is aligned with the employment forecasts to ensure an adequate labour force supply. This is because the SHMA states in paragraph 7.67 that it is not possible to disaggregate the overall employment forecast. The Local Plan sets an overall target for the Hart, Surrey Heath and Rushmoor Functional Economic Area (FEA). This is also explained in paragraph 7.74. This is explained in Preferred Approach Policy SS2 – Spatial Strategy. It is essential that aligned plans are prepared together so that interested parties can be assured that the planned housing supply across the HMA is adequate to support the employment objectives of the FEA. It is not possible at present for anyone to judge this because draft plans for Hart and Surrey Heath have yet to be published.

Hart is the solution

To ensure that the Council is doing what it can to maximise the effectiveness of the duty to cooperate the Council must approach Hart Council to make sure that it provides land to meet the shortfall arising in Rushmoor. We note in paragraph 4.6 of *Topic Paper 2: Housing Delivery* that the Council asserts that the duty is not a duty to agree. This suggests a lack of zeal on the part of the Council to ensure that the unmet housing need of Rushmoor is addressed. Even if Hart and Surrey Heath are unable to provide land the three HMA authorities should engage with authorities elsewhere to persuade them to provide land to accommodate the shortfall.

Reviewing the Green Belt in Hart

The Council must work with Hart to remove land from the Green Belt if this is what is necessary to accommodate the housing shortfall. We note that the council is treating the Green Belt as an absolute constraint (see the SHLAA, paragraph 3.10). While it is a policy that can restrict development (footnote 9 in the NPPF) Green Belt boundaries may be altered through the preparation of a Local Plan (paragraph 83) if the evidence indicates that this will be necessary to meet development needs. The evidence of an unmet housing need is an exceptional circumstance that would warrant a Green Belt review and the release of land. This is necessary owing to the weight accorded by

the NPPF to meeting the OAN in full and the failure to date to find an alternative way to accommodate the shortfall either in the HMA or elsewhere. The scale of the potential shortfall across the HMA lends weight to justification to release a modest amount of land from the Green Belt in Hart to accommodate the need in full. We note that Rushmoor Borough exhibits signs of housing stress. These are documented on page 15 of the draft Local Plan. We note the problems of affordability and overcrowding in the district. The SHMA on page 75 records that the average household size has risen across the HMA compared with the DCLG 2008-based Household Projections (i.e. the pre-2011 Census projections).

Basingstoke & Deane

To ensure that the Council is doing what it can to maximise the effectiveness of the duty to cooperate we strongly urge that Rushmoor Council and the other two authorities of the HMA engage with the ongoing Basingstoke & Deane Local Plan examination. Basingstoke & Deane Borough Council is a district that is subject to fewer constraints than those that cover Rushmoor. It may be able to accommodate an element of Rushmoor Council's unmet need.

Need for a joint housing land availability assessment

It would have been helpful if the three councils of the HMA had collaborated on a joint housing land availability assessment that provided a comprehensive examination of the potential land that might be available to enable the OAN to be met in full. This would include a review of the Green Belt if necessary. This would enable third parties to understand whether it is feasible for land to be provided in Hart or Surrey Heath to enable Rushmoor's shortfall to be accommodated. The lack of this joint study at the moment points to a failure of the duty to cooperate.

Housing delivery and locations (page 35)

We note the planned requirement for 8,200 dwellings, or 390 dpa over the twenty-one years from 2011 to 2032. This is lower than the identified OAN which suggests a need for 9,822 (see paragraph 6.19). Consequently there is an unmet need of 1,622 dwellings over the plan period.

The SHMA (dated December 2014) summarises the OAN on page 3. This identifies a need for 1,180 dpa. Rushmoor's particular OAN based on its demographic projections is 470 dpa. However, we note that paragraph 16 also observes that the overall need for the HMA could be apportioned differently. Much hinges upon what the other two authorities in the HMA are planning.

We note that the OAN scenario identified will support employment Scenario 2 – the Central Scenario. This is based on an increase of 1,130 jobs per annum (see paragraph 7.72). One can observe, therefore, that if the employment ambition of the FEA is to be achieved then it will be necessary for either Surrey Heath and/or Hart to meet the shortfall. We consider this is essential

as Rushmoor's Local Plan has an employment objective to *"provide additional employment opportunities"* (see page 18). Objective 13 seeks: *"To improve enterprise performance, and promote and encourage a buoyant and diverse local economy which provide jobs to match the skills and needs of local residents"*. To achieve the employment target for the FEA it is necessary that the full OAN is met within the HMA. If this cannot be achieved in Rushmoor then the other two authorities will need to meet their own OAN in full plus make provision for Rushmoor's housing shortfall to ensure that the necessary labour supply is provided for across the HMA.

Market signals

We note that the SHMA has made no upward allowance for market signals despite this becoming increasingly common elsewhere around the country. It is telling that the assessment avoids considering the evidence of lower quartile incomes compared to lower quartile house prices and rents. Had the SHMA done so it would have provided a picture of worsening affordability – evidence of a failure to provide an adequate supply of housing to match needs. In 1997 the ratio of lower quartile house prices to lower quartile earnings was 3.89. In 2013 the ratio is now 7.53 (see DCLG Table 576). So the cheapest houses in Rushmoor are now 3.64 times more expensive to the lowest earning households. In terms of the ratio of median house prices to median earnings the ratio is less marked. It has gone from 3.46 in 1997 to 6.23 in 2013: i.e. median house prices are now 2.77 times more expensive in 2013 to median earning households (see DCLG Table 577).

In Hart and Surrey Heath lower quartile house prices are now five times more expensive than lower quartile earnings in 2013 than they were in 1997.

The Council's excuse for discounting any adjustment for market signals is articulated in the SHMA in paragraph 7.111. The Council's argument is that there is: a) no method provided by the Government that shows how councils should do this; and b) that an improvement in affordability can only be achieved on a country-wide basis over many years. We would counter that the Rushmoor plan is part of the country-wide plan and because it establishes the housing requirement for the next twenty years it is part of a long-term planning strategy to address the problem of housing affordability in the country. The NPPF in paragraph 17 requires plan-makers to tackle the problem of housing affordability.

We consider that a 10% adjustment upwards should be made to the baseline demographic need. We consider that 10% is warranted because the lower quartile affordability ratio has not risen above five. Even though the increase in house prices is less pronounced in Rushmoor than it is in Hart and Surrey Heath, an upwards adjustment of 5% is warranted because Rushmoor attracts households from those other two authorities who seek affordable housing. If the lower quartile increase had exceeded The Council might wish to note that Canterbury Council has made a 20% upward adjustment to its demographic need to account for its market signals. Inspectors considering

other plans (Eastleigh and Uttlesford) have advised a 10% increase. A 10% increase is a reasonable adjustment to make.

Affordable housing needs

The net affordable housing need in Rushmoor is for 197 dpa (see Figure 8.5). It will only be 197 dpa if the future supply of affordable housing materialises in the way that Figure 8.5 forecasts (the forecast annual supply of affordable housing in the form of re-lets is 496 dpa). Given the demand for housing in the district, plus the unmet need in Rushmoor and elsewhere, we would query whether this number of re-lets is likely. If these re-lets are not achieved then the net affordable housing need will increase. We note in paragraph 8.40 of the SHMA that the private rented sector is largest in Rushmoor and therefore it is expected that the majority of the 330 existing households falling into need each year will be accommodated in Rushmoor. The same paragraph notes that some of these households might originate from Hart and Surrey Heath. We are concerned that if Hart and Surrey Heath are unable to meet their own OAN in full then this will increase demand in Rushmoor. This is another reason why Rushmoor should persevere with the duty to cooperate so that it is aware of what the other two authorities are planning. This will have a material influence on Rushmoor's plan. It cannot plan in isolation.

We note that the figure of 197 dpa represents half of the planned capacity constrained requirement of 390 dpa. For the plan to cater for this affordable housing need in full the Council would really need to secure a planning obligation contribution of 50% affordable housing from the residential sites in the plan. This is unlikely to be unviable although the evidence in the form of a whole plan viability assessment is not yet ready (paragraph 10.14). Realistically though if the plan is unable to meet the net affordable housing need in full it would need to lift the overall level of supply so that the construction of more market homes could subsidise the provision of more affordable homes (just as the NPPG advises). The Council maintains that it is capacity constrained but it could release Green Belt land to help meet the affordable housing need in full. This would also enable the Council to address the OAN in full – providing for 470 dpa.

The figure of 197 dpa also probably under-plays the scale of the affordability crisis in the HMA. Once the need for intermediate homes is added to the 197 dpa figure (paragraph 8.23 states that the 197 dpa figure only covers social rent/affordable rent) then this will require an additional 439 dpa (according to Figure 8.16 on page 106 of the SHMA). The scale of the affordable housing need alone – which exceeds the OAN – speaks to the crisis of affordability in the HMA and the backlog of need and pent-up demand. It is essential therefore that Rushmoor meets its own OAN in full and does so through either a review of its Green Belt or by speaking to other authorities – not necessarily just Hart and Surrey Heath – to provide for these needs elsewhere.

LN2 – Affordable Housing – Option A

We have noted that the Council needs yet to complete its whole plan viability testing.

We have noted that part (c) of the policy requires that the affordable housing element should be provided as “predominantly subsidised rented”. It is not clear what this means. Does this mean either social rent or affordable rent? In order to provide clarity and for the purposes of the viability modelling we consider that the Council should be more specific about the precise tenure mix sought.

PC8 – Skills and training

The content of this policy will impose a cost on development. The Council should assess the cost of this as part of its whole plan viability assessment. This is something that would be more appropriate to be funded through the CIL. The Council would not be able to demonstrate that this is suitable to be funded under the S106 mechanism as it is not necessary to make the development acceptable in planning terms or directly related to the development.

DE2 – Residential Space Standards

The Council will need to ensure that it has met all the tests set out in the NPPG before it can adopt this policy. Given the unmet need and the absence of any plan at the moment to provide for this shortfall elsewhere we consider that there is no case to adopt the Nationally Described Space Standard. Space is clearly at a premium in the district and the adoption of the Nationally Described Space Standard will only make this worse.

The standard proposed will need to be changed to reflect the Nationally Described Space Standards. No others are allowed. We refer the Council to section ID 56-018 of the NPPG.

DE3 – Residential Amenity Space Standards

This policy is unjustified in view of the scarcity of land supply in the district and the inability of the Council to meet its needs in full.

DE4 – Water Efficiency Standards

The Council will need to ensure that the various tests in the NPPG have been met before it can adopt this policy.

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