

CABINET**DATE OF MEETING: 9 FEBRUARY 2017****TITLE OF REPORT: HART LOCAL PLAN 2011-2032 – NEW HOME TARGET AND DISTRIBUTION FOR THE PURPOSES OF PREFERRED APPROACH (REGULATION 18) CONSULTATION****Report of: Joint Chief Executive****Cabinet member: Stephen Parker, Portfolio Holder for Planning****1 PURPOSE OF REPORT**

- 1.1 To consider the proposed target for new homes and spatial supply/distribution for the Hart Local Plan 2011-2032: Spatial Strategy and Site and to authorise the Portfolio Holder for Planning to agree the content of the Hart Local Plan 2011-2032 Spatial Strategy and Site (Preferred Approach) for consultation, scheduled for March 2017.

2 OFFICER RECOMMENDATION

- 2.1 The target for new homes over the plan period 2011-32 Table A attached as Appendix I and the proposed new home supply/distribution as set out Table B attached as Appendix I are endorsed for the purposes of a Regulation 18 of The Town and Country Planning (Local Planning) (England) Regulations 2012 consultation on the Local Plan 2011-2032: Spatial Strategy and Sites (Preferred Approach).
- 2.2 The Portfolio Holder for Planning be delegated authority to agree the content of the Local Plan 2011-2032: Spatial Strategy and Sites (Preferred Approach) and to authorise its publication for consultation purposes in accordance with Regulation 18 of The Town and Country Planning (Local Planning) (England) Regulations 2012.

3 BACKGROUND

- 3.1 The emerging Local Plan is progressing through its statutory stages. So far two consultations have been undertaken These were:
- Housing Development Options Paper (September 2014)¹
 - Refined Housing Options, New Sites Booklet, draft Vision and Priorities (February 2016)¹
- 3.2 The next stage is the publication of a Preferred Approach document for public consultation. It is intended that this will be a draft of the Local Plan and will include allocations for new homes across the District along with other generic policies. The consultation however is not a set of final decisions. It will set out only a preferred approach in respect of a number of key issues. All responses received

¹ <https://tinyurl.com/j9q7obn>

will help determine what the final Local Plan will look like and may mean that the final spatial strategy and specific allocations could be adjusted at Regulation 19 stage, which is likely to be reached towards the end of 2017.

- 3.3 The Preferred Approach consultation has no status in terms of day-to-day decision making on planning applications and it will not for the time being represent approved or adopted policy of the Council. It is a Preferred Approach for consultation purposes only.
- 3.4 Work on the evidence base to support the Local Plan will continue but this Preferred Approach has been informed by the already extensive evidence base including the following recent studies:
- Strategic Housing Market Assessment (SHMA) November 2016
 - Strategic Housing Land Availability Assessment (SHLAA) 2016
 - High Level Housing Site Assessments and Sustainability Appraisal
 - Gypsy and Traveller Accommodation Assessment 2016
 - Employment Land Review 2016
 - Strategic Flood Risk Assessment 2016
 - Landscape Capacity Study 2016
 - Open Space Study 2016
 - Playing Pitch Strategy 2016
 - Built Facilities Strategy 2016
 - Annual Monitoring Report 2016

4 OVERARCHING APPROACH

- 4.1 The Council's overall strategic position on the Local Plan was agreed in October 2016. It is to:
- “Seek to meet Hart’s full, objectively assessed need for new homes, subject to the inclusion of an appropriate contingency to allow for any delays or the non-delivery of sites, and that it will also seek to accommodate any demonstrated unmet need for new homes from its Housing Market Area partners, and additionally provide for essential infrastructure including a site for a secondary school”.*

5 HOUSING REQUIREMENT

- 5.1 The proposed level of housing provision to form the basis of the Preferred Approach document is set out in Appendix 1 – Table 1. It is broken down into individual components as explained in Appendix 2. In summary, the Council needs to find sufficient land to deliver 4,565 further new homes by 2032.

6 HOUSING SUPPLY

- 6.1 The proposed supply of new homes to form the basis of the Preferred Approach document is set out in Appendix 1 – Table 2. It is broken down into individual components as explained in Appendix 3. In summary, sufficient land to deliver a further 4,637 new homes by 2032 is identified.

7 FINANCIAL IMPLICATIONS

7.1 There are no unbudgeted financial implications arising from this report.

8 RISK

8.1 The publication of a new Housing White Paper is imminent. It is expected that this will contain proposals that will have important implications for local authorities preparing new local plans. In particular, there have been indications that further guidance may be set out with regard to the assessment of the need for new homes.

8.2 There is a risk that HMA unmet need for new homes may result in Hart having to increase the number of new homes it needs to supply. This risk will need to be managed through the Council's ongoing effective discharge of its Duty to Cooperate.

9 ACTION

9.1 The Council must seek to deliver a technically sound and robust Plan. This however, is a Regulation 18 Stage consultation approach on preferred options for growth rather than a final decision. The final approach may be amended, as a result of the Preferred Options consultation and other factors, prior to the Regulation 19 stage consultation in late 2017. At this time one also cannot anticipate what the outcome will be arising from the Government's proposed Housing White Paper which is scheduled to be published shortly.

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APPENDICES

Appendix 1 - New Home requirement and supply

Appendix 2 - Commentary on New Home Requirement

Appendix 3 - Commentary on Housing Land Supply.

Appendix I – Table I

Draft Local Plan New Home Numbers.

Requirement

Hart Requirement 2011-2032	8,022
Completions 2011-2016	(1,830)
Minimum Remaining Need	6,192
Flexibility	
a) Affordable Housing Rental Uplift	520
b) Rural Exception site delivery	50
c) Starter Homes/Shared Ownership	285
d) Market Housing	1,200
Commitments (up to 31 January 2017)	
	(3,385)
Windfalls	
	(297)
Total remaining need to meet	4,565

SHLAA Reference	Site Name	No. of new homes
BROWNFIELD SITES IN URBAN AREAS		
SHL197	Hartland Village	1,500
	Fleet Urban Area	220
	Hook Urban Area	86
SHL100	Sun Park, Guillemont	320
Total		2,126
NEW SETTLEMENTS		
Combination	Murrell Green (New Settlement)	1,800
Total		1,800
SMALLER EXTENSIONS TO EXISTING SETTLEMENTS (DISPERSAL)		
Hook		
	To be allocated through Neighbourhood Plan	90
Total		90
Crookham Village		
SHL116	Cross Farm, Crookham Village (C3 element of retirement village)	100
Total		100
Eversley		
SHL112a	Cemex A	105
SHL112b	Cemex B	19
Total		124
Yateley		
SHL273	Land between Eversley Road and Firgrove Road	88
Total		88
Odiham		
	Odiham Neighbourhood Plan allocations	119
Total		119
South Warnborough		
SHL033	Plough Meadow	18
SHL172	Granary Court	16
Total		34
Long Sutton		
SHL062	Granary Field	10
Total		10
Crandall		
SHL074	Land north west of Crandall	66
Total		66
Heckfield		
SHL92	Land south of Riseley	89
Total		89

Appendix 2 - Commentary on New Home Requirement

Objectively Assessed Housing Need

Through its Local Plan the Council is obliged by Government policy to meet in full its objectively assessed housing need (OAHN) for both market and affordable homes. The most up-to-date evidence of OAHN is the 2016 Strategic Housing Market Area Assessment (SHMA)². The requirement for Hart is 382 new homes/annum. Whilst there are some environmental constraints (e.g. Special Protection Area (SPA), Sites of Special Scientific Interest (SSSI), Historic Gardens and Parks, and areas prone to flooding for example) that limit the choice of where development can take place, there is sufficient land identified as being available to meet Hart's need for new homes (see 2016 Strategic Housing Land Availability Assessment (SHLAA))³.

Unmet Need for New Homes

Under the statutory Duty to Cooperate the Council is obliged to work in cooperation with its neighbours to ensure that the OAHN of the Housing Market Area (HMA) is met in full. The engagement has to be active and ongoing.

The current position is that Rushmoor has confirmed that it can meet in full its OAHN.

The position with regard to Surrey Heath is that it has not yet started to plan for the future so at this stage it cannot demonstrate any potential unmet need and it has said that it will use best endeavours to aim to meet its OAHN. This includes working with government on both the One Public Estate and Garden Village programmes. Surrey Heath will also be looking at urban regeneration and settlement boundary reviews. A further call for sites is to be undertaken to ensure that its housing land supply is as robust as possible.

However it must be recognised that Surrey Heath is more severely constrained in terms of available land by the Thames Basin Heaths Special Protection Area and the avoidance measures necessary to ensure housing development meets Habitats Regulations Assessment. Therefore there may be a potential that in future Surrey Heath may not be able to meet its full OAHN. This however is only speculation at this stage.

For the time being therefore, until Surrey Heath has explored all opportunities there is no reason to accept that there will be any unmet need for new homes arising from Surrey Heath but a precautionary approach is advised.

Flexibility

It is recommended that the Local Plan includes a contingency so that it is flexible enough to meet change over the Plan period. This means that the Plan will identify sources of supply that will deliver more than is needed to meet the overall housing target. Whilst there is no specific national guidance setting out that a contingency is required, the National Planning Policy Framework (NPPF) highlights the need to include a degree of flexibility and resilience in Local Plans to allow for any delays or the non-delivery of sites over the time period envisaged. It is a recognised way forward and has been required by examiners in a number of Local Plan examinations. The contingency however, needs to be set at a higher rate where new home delivery is reliant on the delivery of larger sites because these represent the biggest risk in terms of delivery to the Local Plan. The contingency will also help buffer the Council from any immediate short fall in delivery across the HMA area.

² <http://preview.tinyurl.com/zqfoah9>

³ <http://preview.tinyurl.com/hvtfcjsj>

Affordable Housing Uplift.

An appropriate uplift to reflect market signals including affordable housing needs is advocated in national policy guidance. There is however, no well-proven evidence-based formula which can be used to uplift OAHN to address the need for affordable housing; and second there is nothing in NPPF and National Planning Policy Guidance (NPPG) that requires the OAHN to be uplifted in a mechanistic way in order to meet all affordable housing needs. Nevertheless, Hart, along with Surrey Heath and Rushmoor (the HMA partners), will need to take the estimates of affordable housing need into account in determining local housing requirements, alongside other considerations. **This does not mean however, that those requirements have to be met in full.**

The extent of the uplift to local housing requirements that *would* be needed if the HMA partners were to seek to meet the assessed affordable housing need in full is set out in in Appendix 1 of the 2016 SHMA Appendices.

	20%	40%	60%
Total Homes Required to Deliver 380 Affordable Homes per annum (based on need for subsidised rent)	1,920	960	640
Total Homes Required to Deliver 970 Affordable Homes per annum (based on need for subsidised rent + subsidised home ownership) (Gross)	4,875	2,438	1,625
Total Homes Required to Deliver 380 Affordable Homes per annum Minus PRS Supply (450 homes per annum)	1,470	510	190

The Table is helpful in demonstrating the extremely large amount of overall housing delivery that would be required to deliver the full affordable housing need required in Hart each year. Quite clearly such high amounts of development are unachievable. No local authority would realistically be able to deliver 60% affordable housing in the high numbers specified under the current planning system. Indeed, even at 40% there will inevitably be associated infrastructure costs that make viability difficult for a number of housing schemes.

In summary:

- Meeting the full affordable housing need of Hart is unrealistic and unachievable given the sheer scale of the increase in the overall housing requirement that would be required;
- An appropriate uplift to reflect market signals including affordable housing needs is appropriate. The precise level of which is a matter of judgement. The 2016 SHMA already incorporates a 53% uplift to the original demographic requirement for Hart. This is already a very significant increase.
- It is recommended however, that the Council sets a higher overall housing requirement than its OAHN figure to ensure that it delivers its priority need for affordable rented accommodation (i.e. a 'Policy-On' approach). The recommendation is that the uplift should represent 27 affordable rented units/annum (520 new homes in total).

- Other forms and amounts of affordable housing delivery that are capable of contributing towards meeting the overall affordable housing requirement (Rural Exception Sites (50 units), Starter Homes/shared ownership (285) etc.).

Windfalls

It is inevitable that development will take place on suitable sites not identified in the Local Plan and so an element of "windfall" should be included in the supply of new homes. A small site windfall allowance (sites less than 10 units) of 297 new homes (which excludes garden land) is recommended and is in line with the NPPF and based upon past evidence of delivery.

Appendix 3 - Commentary on Housing Land Supply.**'Brownfield Land'**

It is difficult to be absolutely certain about how much future development will be delivered through building on previously developed land. There will certainly be future opportunities at both Ancells Farm and Bartley Wood if current market trends continue with employment uses seeking to relocate away from the area. Also, the Government's granting of permitted development rights for many forms of commercial to residential changes of use has implications but take up is still relatively low in Hart. There is little obvious market enthusiasm for such a delivery of new homes and this also has a significant implication for the delivery of infrastructure and affordable homes.

However, for Local Plan purposes certainty is required and therefore only sites that are specifically identified by their respective owners as being available for residential development can be counted. Speculation is not an option.

Table 2 attached at Appendix 1 sets out the current options but the key delivery is 1,500 new homes at Hartland Park. There is little scope to adjust the scale of development as viability is already a major issue. The risk is that if not delivered these 1,500 new homes will have to be made up elsewhere on other sites yet to be identified within the District. Expanding a new settlement option would not address this capacity issue.

Given the relatively unpredictable nature of brownfield sites, this source of supply will continue to be updated and reviewed as we move towards the consultation and beyond, and figures will be updated accordingly to ensure that the most up to date position is reflected.

'Greenfield' Development to meet Residual Housing Need once brownfield land has been accounted for

This can be achieved by a combination of a new settlement/urban extensions supported by a dispersal strategy. A new settlement option would make a major contribution but it comes with its own risks and is in itself a challenge to deliver on time in a viable form that meets expectations.

Urban extensions are simpler to deliver but are often more unpopular and generally do not deliver all the supporting infrastructure desired such as secondary schools. They simply add to the pressure on existing infrastructure with often only limited mitigation. A dispersal strategy can contribute towards meeting some but not all housing need. However, in a living and working rural environment it can provide much needed economic and social regeneration albeit it relies almost totally on the availability of suitable infrastructure already being in place.

'Greenfield' Dispersal

It has always been anticipated that for good sustainable planning reasons an element of dispersal across the District on 'greenfield' sites would occur. In the case of Odiham the Neighbourhood Plan has identified specific site allocations (119 new homes) which has meant that the community itself has chosen how to manage which land will come forward for development. The Government's position is that it will give a degree of protection to those Neighbourhood Plan areas that make specific site allocations. With regard to Hook the Neighbourhood Plan is being prepared on the basis that it too will allocate sites (the Local Plan should therefore make a generic allocation of 90 dwellings to be brought

forward on greenfield sites in the Neighbourhood Plan).

In the absence of other Neighbourhood Plan site allocations, the Hart Local Plan must itself identify sites to meet the future need for new homes. Following sustainability appraisal and individual site assessment the sites identified in Table 2 attached at Appendix 1 are recommended allocations. It is of course open for Members to disagree with the inclusion of some or all of the sites identified but the question that then must be asked is 'if not here then where?' Simply rejecting a site/sites is not now an option unless alternative well performing sites can be agreed.

New settlements.

The new settlement option was the most favoured option by the public in the recent Refined Housing Options consultation and there are no obstacles in principle to the use of a Local Plan to facilitate the delivery of a new settlement via the setting of a supportive policy basis. It must however, be recognised that the actual detailed planning of a new settlement represents a complex and lengthy process which is likely to still take several years.

At this stage the Council is only setting out its preferred approach but it is still necessary to demonstrate that any allocation – is “sound” in accordance with the tests established by the NPPF. A comprehensive, robust and compelling evidence base must be assembled to justify a new settlement, both in terms of the proposed planning strategy for the District and the proposed site itself and to demonstrate its deliverability. However, to avoid being distracted by excessive detail at this stage, one alternative approach that the Council may need to consider could involve the preparation of a stand-alone development plan document such as a Supplementary Planning Document that relates specifically to the settlement. This would need to be prepared in accordance with the strategy set out in the overarching Local Plan. To make this work it would need the Local Plan to include the identification and allocation of a site, or at least a focused area of search, and an appropriate policy framework for delivery. It is unlikely that the pursuit of a new settlement could otherwise be secured under the current emerging Local Plan without adding further significant delay to that process.

The options for the delivery of a new settlement have been explored and these include Murrell Green, the area around Winchfield Station, Lodge Farm, and more recently Rye Common. At this stage the current assessment supports the view that the two best performing opportunities (and they both could deliver a site for a new secondary school in an appropriate part of the District) are Murrell Green (up 1,800 new homes), or a 3,000 new home settlement (up to 2,200 new homes within the Local Plan period) centred on the area around Winchfield Station.

Murrell Green is the most favoured option. It is the least constrained and most suited to meeting the housing needs of Hart within the Plan period.

Urban Extensions

Urban extensions were the least popular public choice in the recent Refined Housing Options consultation. Nevertheless, they are a much easier option to deliver than a new settlement and they also fit better in delivery trajectories. They cannot therefore be totally discounted and at Examination the Inspector will assess the soundness of any Local Plan Spatial Strategy against reasonable alternatives.

Three opportunities have been assessed: Land west of Hook (Owens Farm), Pale Lane, and Grove Farm. Owens Farm and Grove Farm perform best as neither has any overriding physical constraint to delivery which would rule them out as a matter of principle. Pale Lane is the subject to a current planning application and therefore its ability to deliver is under current testing. There are however, significant issues with the wider highway network associated with the delivery of Pale Lane and this may have implications for Grove Farm too.

The Council has consistently expressed its desire to resist further urban extensions. Indeed, none of the best performing options would deliver a new secondary school site solution (albeit that Grove Farm would unlock a further opportunity to expand Calthorpe Park School) and they would simply add greater weight to the pressure on existing infrastructure. Furthermore, even in combination, the release of the three urban extensions would not meet Hart's residual housing needs without further sites having to be identified.

Members, still however, need to balance the contribution one or more urban extensions could deliver against the challenge of delivering a new settlement on its own and the implications that arise if some or all of the identified 'brownfield' and 'greenfield' dispersal sites (Table 2 of Appendix 1) are rejected.