

Winchester Local Plan EIP

HBF Statements Matter 4

Matter: Meeting housing need

Q1.

Whilst HBF disagrees with the plan period the approach to assessing housing needs used by the Council is consistent with paragraph 61 of the NPPF and the standard method.

Q2.

HBF considers the scale of the unmet housing needs in neighboring areas is substantive evidence to demonstrate that it is appropriate to plan for a higher level of housing need, and that this is not only consistent with PPG but also with paragraphs 11 and 61 of the NPPF. Indeed, as set out in our representations, it is HBF's position that in preparing this plan the Council has not taken sufficient account of the scale of the unmet needs in neighboring areas and that the Council should have at least considered a strategy that met more of the unmet needs arising in south Hampshire. As we mention in our statements on matter 1, there is shortfall across PfSH between 2023 and 2036 of more than 11,000 homes. In the neighbouring authorities of Portsmouth and Havant the combined unmet housing needs are nearly 3,000 homes¹. However, these are set to increase. Using the data in Table 1 in the PfSH SPS the unmet needs (excluding Winchester) for the period 2024 to 2036 the unmet needs across south Hampshire will increase significantly.

LPA	Housing Needs - SM 2024 (dpa)	Total Housing Needs - SM 2024 (2024 to 2036)	Housing Supply 2024-2036	Shortfall/surplus
East Hampshire (part)	228	2,736	1,777	-959
Eastleigh	922	11,064	5,686	-5,378
Fareham	800	9,600	8,636	-964
Gosport	442	5,304	2,324	-2,980
Havant	892	10,704	3,789	-6,915
New Forest	1,501	18,012	7,455	-10,557

¹ This increases to 7,877 homes based on the latest SoCGs.

Portsmouth	1,021	12,252	10,434	-1,818
Southampton	1,214	14,568	14,724	156
Test Valley (part)	402	4,824	2,870	-1,954
Total	7422	89,064	57,695	-31369

What is notable is that while some of the LPAs will be able to increase supply to meet needs over this period, the physical constraints on Councils such as Havant, Portsmouth, New Forest and Gosport will make it impossible for these areas to increase supply to the levels expected by NPPF24. In these four areas, the shortfalls will be over 21,000 homes between 2024 and 2036. It is clear from the evidence presented that unmet needs during the preparation of this plan were significant and that these are only set to increase over the remaining plan period. These significant shortfalls demonstrate that it is wholly appropriate for Winchester to plan for more homes than that required by the standard method. In fact, HBF would suggest that the uplift of 1,900 homes is insufficient.

The housing requirement

Q1.

The inclusion of the 350 homes expected to be delivered in the South Downs National Park (SDNP) in the Council's housing supply, as set out in table H2, is a reasonable approach. The Council have not looked to remove these from these from their assessment of housing needs and they will contribute to meeting the assessed housing needs of Winchester. However, it is evident from the SDNPA's representations that 350 homes are too high. The contribution should be reduced to 250 homes.

Q2.

The number of homes the Council is required to deliver, as set out in policy H1, will need to increase from 15,115 to 15,215 homes. Based on the latest trajectory published by the Council they now expect to deliver 15,041 homes over the plan period. The reduced supply from the national park will lead to a shortfall across the plan period of 174 homes.

Q3.

The inclusion of an allowance to meet needs in other areas is fully justified and consistent with national policy. Paragraph 11 and 61 of the NPPF state that any needs that cannot be met in neighbouring areas should also be taken into account when establishing the number of homes to be planned for. HBF would argue that the 1,900 dwelling allowance to address unmet need in neighboring areas is insufficient given the scale of those needs and the fact Havant, Portsmouth and Gosport for example clearly have limited physical capacity for increasing supply beyond what is already proposed.

Q4.

This is for the Council to answer. Given the lack of direct engagement with both Havant and Portsmouth on unmet needs during the preparation of this plan it does not appear to be a direct and purposeful approach to addressing the needs of these two councils. It was only after the Regulation 19 consultation was published that Winchester engaged with these councils and agreed that the number of homes that will be delivered to address each of their unmet housing needs, let alone whether the 1,900 homes put forward in this plan is considered to be sufficient.

Q5.

In order to be effective, the policy must identify which authority is to benefit from the delivery of additional homes. Without this it will be unclear at the examination of local plans across south Hampshire as to whose needs are being met, causing significant confusion. HBF note that the Council has now suggested that this be expressed as a percentage of the 1,900 allowance and consider this to be an appropriate approach.

Q6.

Yes. The Strategic Housing Market Assessment update (HA01) provides evidence that there is a significant amount of affordable housing need within WCC. The highest need is for affordable social rented housing which is estimated to be 368 dpa² (see table 3.11 of HA01). When the need for affordable home ownership is included, this increases to 495 dpa. This is a significant level of need for affordable homes in the area and one that will not be met on the basis of the proposed housing requirement the council should have looked at options for increasing delivery beyond what is being proposed to ensure that more affordable housing could have been delivered to better meet the needs of its population.

As to whether this would be effective, a significant proportion, around 44%, of the affordable homes delivered across the Country are through S106 agreements. However, in some areas this will be much higher. The Government's data on affordable housing supply³ indicates that for Winchester this is much higher with around 70% of affordable housing provided in 2023/24 delivered via S106 agreement. Therefore, in areas such as Winchester the Council are reliant on the private sector to deliver affordable housing, and that increasing the overall supply of housing is an effective approach to increasing the supply of affordable homes.

Q8.

² Excludes area covered by SDNPA

³ Local Authority Housing Statistics tables 2023 to 2024 (MHCLG)

The plan is reliant on completions, extant permission and previous commitments to meet needs, meaning that whilst housing delivery in the early years of this plan is above the housing requirement it fails to ensure that this level of delivery continues in the long term. A key reason for this is that a significant proportion of the homes that meet needs in future have already been delivered due to the plan period starting in 2020, meaning that fewer allocations are then required to meet WCC's needs and contribute to addressing the unmet needs of Havant and Portsmouth. The lack of supply in the later years of the plan cannot be considered to be a positive approach to plan making.

Q9.

No. Assuming the plan is found sound and adopted prior to the end of March 2026, the plan will look forward for 14 years, one year short of what is expected by paragraph 22 of the NPPF. HBF considers it necessary for the plan period to be extended by a year and the housing requirement increased accordingly.

Q10.

The standard method is designed to reflect past levels of delivery and then looks ahead from the point at which it applied. It is a forward-looking assessment of housing needs. This can be seen in the base period over which household growth is estimated, which commences on the year in which local housing needs are calculated, as well as the affordability adjustment which uses the most up to date affordability ratio. Therefore, from the point at which it is calculated the assessment of housing need using the standard method takes account of what has happened in previous years that will have impacted on that affordability data. This is specifically recognised in PPG with paragraph 2a-011-20190220 stating that *"The affordability adjustment is applied to take account of past under-delivery"*. Logic would therefore suggest that if the affordability adjustment is being used as proxy to take account of under supply it must also be there to take account of any oversupply in that market. While the Council state that they do not consider there to be direct link between past completion rates and affordability it is clear that successive Governments consider the past supply of homes to be linked to the cost and affordability of housing and made it a key element of the standard method.

As part of their justification for starting the plan period from 2020 the Council note at 3.15 that if the affordability multiplier were influenced by completion exceeding the standard method figure it would be expected that there would be significant decrease in the standard method to reflect the large increase in recent completions. The Council goes on to note that rather than decrease the housing needs assessment has grown from 659 dpa in 2018/19 to 691 dpa 2023/24. The change in the assessment of needs is not disputed. However, what cannot be known is what would have happened had this level of delivery not occurred or what level of delivery was needed to have more of an impact. Indeed, this would appear to be the suggestion of the Council's own SHMA which states at paragraph 2.13 that:

"Housing delivery in Winchester has improved strongly since 2018/2019. This may be contributing to some of the slower rates of house prices growth seen in recent years in Winchester and should this

continue, this will assist in easing affordability pressures in Winchester”

This is noted again in paragraph 3.17 of their updated Housing Topic Paper (ED02) but the Council suggests that this shows that the high level of dwelling completions does not directly influence affordability ratios. However, such a statement appears illogical given that house prices are one of the two variables used in calculating affordability ratios.

HBF recognise that the degree to which supply impact on affordability is not known. But what is clear from PPG is that the standard method uses affordability adjustment to take into account the past levels of supply. HBF recognises that the cost of housing and its affordability is a result of many different factors but one of those factors is supply and this is recognised within the standard method through the affordability adjustment.

The overall supply of housing

Q1.

The trajectory included in the local plan is not sufficient as it lacks any detail. HBF would suggest that a table similar to the one in Appendix A of the Housing Topic Paper update is included in the local plan in order to provide an effective means for monitoring housing delivery across the city and on specific sites.

Q2.

The decision not to include a buffer in the housing trajectory is a failure to acknowledge that, regardless of the best intention of the Council and developer, some sites will not come forward as expected over the plan period. Indeed, as can be seen from the trajectory set out in ED02 the Council’s supply estimates show that the Council no longer expects 15,115 homes to be delivered, falling short by a small margin of 79 homes. Had the Council included a buffer in its supply over the plan period offers a degree of flexibility and ensures that changes in delivery expectations on some sites do not compromise the fundamental objective of ensuring development needs are met over the plan period.

With regard to specific threats to delivery, HBF does not generally provide detailed comments on sites included in the trajectory. However, we are concerned that sites such as the Winchester City Regeneration Scheme and Station Approach are expected to commence delivery within five years. Both of these sites are large complex urban sites that were allocated in the previous local plan and are still to come forward and there is clearly a risk that these sites may not come forward as expected. HBF does not object to their inclusion, but to suggest that these are likely to come forward from 2028/29 is ambitious and there does not appear to be any evidence supporting these assumptions. The appendix to the Development Strategy and Site Selection Topic Paper for example gives no indication as to whether there is a development partner on board that would provide some confidence that the expectations in appendix 1 of the Updated Housing Topic Paper will be met. Without this evidence we would question whether these schemes can be considered deliverable as there is no clear evidence that housing completions will begin on site within five years.

Q4.

HBF have some concerns that there is limited evidence as to the timescale for delivering development in the Winchester Regeneration Scheme (W7) Station Approach (W8) and Bar End Depot (W9). While we do not question whether they are developable, more evidence is needed to support them being included early in the plan period. HBF would suggest that on the basis of the current evidence that they are pushed back to the end of the plan period.

Q5.

HBF considers it to be completely unacceptable for the Council to hold back permissions on new greenfield allocations until 2030. Paragraph 60 of the NPPF is clear that land with permission is developed without delay and the Council should ensure that where development can come forward early in this plan period it should be supported not prevented from doing so. This is especially important given that the Government's expectations that housing delivery are to be increased significantly over the course of this parliament to address the housing crisis. This expectation is set out in the Secretary of States letter to all Councils in July last year⁴.

In the face of this housing crisis and the Government's commitment to increasing supply by 1.5 million over this parliamentary period it would appear to HBF to be wholly inappropriate and inconsistent with national policy to delay sites from coming forward until after 2030. While this plan is being examined under NPPF23, NPPF24 provides a clear indication that the number of homes that are needed in WCC is far greater than is being planned for in this local plan and will require the Council to begin work on new plan following adoption of this plan to address any shortfall. Under NPPF24 the Council will be expected to plan for 1,157 dpa – 501 homes more than the current assessment of housing need and well above expected delivery over the next five years. To therefore suggest that the delivery of housing sites should be delayed is clearly inappropriate for what is an interim local plan. There is clearly a need for higher levels of delivery in the short term with the expectation that this is then be maintained in future.

Secondly, the approach is not effective in achieving its stated objective. The Council state in the policy that it is required to prioritise the development of previously developed land. Yet no evidence is provided as to why delaying the delivery of these sites will ensure PDL sites will come forward more quickly. There does not appear to be any suggestion that those with interests in the sites identified in H2 are prioritising the delivery of these sites over brownfield sites. As such the policy is not effective as it will not advance PDL sites as is suggested by the Council.

Finally, the approach does not support the SME house building given that the sites being held back are smaller sites that are more likely to support SME housebuilders, failing to recognise the financial cost of bringing sites forward through the plan making system, and the expectation that a return can be achieved soon after the plan is adopted. To delay these sites by five years could have serious financial consequences that the Council seem to be wholly oblivious to. As such HBF considers it to be wholly unjustified to delay these sites from coming forward as soon as possible.

⁴ [Deputy Prime Minister Letter 30 July 2024](#)

Q6.

See above. The Council's approach will not significantly boost the supply of housing, and it will not support the Government's policy of delivering 1.5 million homes over the course of this Parliament to 2029.

Five-year housing land supply

Q1

As set out above HBF has concerns regarding the inclusion of W7, W8 and W9 as being developable in the first five years post adoption. Any supply from those sites should be removed from the assessment of the five-year land supply in the five-year post adoption. HBF also considers it necessary for the buffer required by paragraph 78 of NPPF24 to be applied. If the plan is adopted in 2026, this will be 20% in line with part c of paragraph 78 of NPPF24. As HBF does not consider a plan period starting from 2020 to be sound we do not consider the surplus generated in these years should not be used to reduce the number of homes they are required to deliver in the five-year post adoption. Over what HBF considers to be a sound plan period (2024/25 to 2040/41) the Council would need to deliver 676 dpa, plus 111 dpa in response to unmet housing need in Portsmouth and Havant. Based on the above, in the year post adoption (2026) the five-year housing requirement for 2026 to 2031 would be 4,765 homes, resulting in a five-year land supply of 4.58 years.

Q4

The Council will need to provide a clear justification for its decision to use the Liverpool methodology.