

Examination of the Winchester District Local Plan 2020-2040 (Taylor Wimpey UK Limited and Vistry Group: ANON-AQTS- 3BX4-T - Nexus Planning)

Matter 4: Meeting housing need

Issue – Would the overall strategy and provision for housing development be justified, effective, and consistent with national policy?

Calculation of Local Housing Need (LHN)

2. *Is there substantive evidence to demonstrate that it would be appropriate to plan for a higher housing need figure than the standard method indicates in this case as per advice set out in the PPG (Paragraph: 010 Reference ID: 2a-010- 20201216)?*

There is substantive evidence that it would be appropriate to plan for a housing need that exceeds the minimum generated by the 2023 LHN with reference to the relevant paragraph of the PPG (now updated).

The 2040 Plan includes an allowance to help meet the unmet needs of neighbouring authorities (latterly treated as such; earlier having also been classified as a '*non-implementation buffer*' to anticipate potential changes to the SM). The Plan itself is not explicit in how this allowance is to be apportioned but Statements of Common Ground (SoCG) with Havant Borough Council (SD08e) and with Portsmouth City Council (SD08i) submitted to this examination, detail the agreements reached in October 2024 to assign this allowance specifically to these two PFSH partner authorities.

The agreements follow formal requests made by each authority (Portsmouth CC – January 2024, Havant BC – March 2024) to Winchester City Council that dedicated and specific provision be made by the emerging 2040 Local Plan to help meet unmet housing needs arising within each local authority area. The respective SoCG set out the positions in October 2024.

The requests for assistance were submitted prior to the General Election and the subsequent reform of the planning system. The SoCG are dated October 2024 and therefore also pre-date the 2024 version of the NPPF/LHN taking effect. Havant BC and Portsmouth CC are in the process of reviewing their development plans and will be preparing plans that accord with the 2024 NPPF/LHN.

The table below sets out the agreements reached between Winchester CC and Portsmouth CC and between Winchester CC and Havant BC regarding the 1,900 dwelling unmet needs allowance within the 2040 Plan:

Table 1.

	Havant Borough Council	Portsmouth City Council
Local Housing Need 2023	516 dwellings per annum	899 dwellings per annum
Housing Requirement (20-year plan period)	10,320 dwellings	17,980
Total Housing Supply	6,011 dwellings	14,403 dwellings (including 800 from Fareham BC)
Unmet Housing Need	4,309 dwellings	3,577 dwellings
Winchester 2040 Plan Apportionment	1,330 dwellings (70% of 1,900 allowance)	570 dwellings (30% of 1,900 allowance)
Percentage of Unmet Need Provided	31%	16%
Remaining Shortfall to be Met	2,979 dwellings	3,007 dwellings

In this context it is necessary to highlight that Winchester is the only Hampshire authority that has opted to proceed with examination of an emerging Local Plan under the transitional provisions. All other Hampshire authorities have committed to preparing new development plans that will accord with the 2024 LHN figures for their respective authorities.

It must therefore be the case that the SoCG with Havant and Portsmouth, in respect of strategic housing delivery considerations, no longer carry weight because they are predicated on the calculation of unmet needs relevant to each authority that are derived from an out-of-date SM/LHN methodology. Put simply the level of unmet needs in respect of which assistance was requested will no longer apply because the new Local Plans for Havant and Portsmouth will be based on the 2024 NPPF and the higher LHN requirements arising therefrom.

To allow for any credence to apply to the agreements would require the respective allowances to be re-calibrated to reflect current LHN figures, which would need to anticipate updated and more accurate reflections of the unmet need scenarios that will arise in each case. The table below illustrates what this would mean:

Table 2.

	Havant Borough Council	Portsmouth City Council
Local Housing Need 2024	892 dwellings per annum	1,021 dwellings per annum
Housing Requirement (20-year plan period)	17,840 dwellings	20,420 dwellings
Total Housing Supply	6,011 dwellings	14,403 dwellings (including 800 from Fareham BC)
Unmet Housing Need	11,829 dwellings	6,017 dwellings
Proportion of Unmet Need provided for via Winchester Local Plan	31%	16%
Unmet need allowance via Winchester Local Plan	3,667 dwellings	963 dwellings
Remaining Shortfall to be Met	8,162 dwellings	5,054 dwellings

It is acknowledged that this is not unerringly accurate, given there is the potential for additional supply to be found within each local authority area as their respective plans are prepared. The SoCG anticipate reference such possible outcomes, but only recognise unmet needs calculated against the 2023 LHN figures. It is therefore reasonable to assume that even if additional sources of supply were to be found significant shortfalls would remain such that the scenarios illustrated above are likely to be realistic.

What is clear is that the allowance of 1,900 dwellings within the 2040 Local Plan identified to help meet the unmet housing needs of just two of the PfSH partner authorities is likely to represent less than 50% of the need that now exists in each of these LPA.

When the potential for significant unmet needs arising from other tightly constrained authorities such as Gosport, Eastleigh and New Forest are added it is obvious that there is a compelling case for relatively unconstrained authorities such as Winchester, East Hampshire and Test Valley to significantly increase their housing requirements to address strategic unmet housing needs.

During 2025 East Hampshire and Test Valley will be able to engage constructively with the other Hampshire authorities as plans come forward to anticipate the new realities. By choosing to proceed alone under the transitional provisions the 2040 Local Plan is out of step and does not contribute meaningfully to addressing the scale of the challenge that now exists in the county.

3. Are there other relevant factors to be taken into account in calculating the LHN?

The 2024 SM which generates a LHN for Winchester of 23,140 dwellings over a twenty-year plan period provides an important context for examination of this Plan. Vistry and Taylor Wimpey have made representations at each consultation stage of this plan since September 2018 that have consistently argued the case for a significantly higher housing requirement figure than was generated by application of the pre-2024 versions of the SM.

These submissions stand as a matter of public record, at each stage citing the need to raise the levels of housing provision through the development plan to address housing affordability and to therefore indirectly address problems such as congestion, air quality, and carbon emissions caused to a significant degree by commuters driving daily into the district from more affordable locations elsewhere. At no point did the LPA heed these suggestions and remained steadfastly committed to providing for levels of housing 'set by the Government' through the SM.

The 2024 SM addresses long standing deficiencies that were 'baked in' to previous versions of the SM, which relied on household projections, used less focussed affordability adjustments, and applied caps to the formula. The 2024 SM made considered and purposeful changes to the methodology to ensure that areas where housing demand is high and affordability is most challenging are set more realistic housing targets through calculation of LHN, such that progress is made in tackling the national housing crisis in a focussed and meaningful way (not via arbitrary uplifts).

In Winchester District the 2024 SM generates a LHN figure that is around 71% higher than the figure produced by the 2023 SM, illustrating clearly that the figure used to inform the housing requirement for the 2040 Local Plan dramatically under-supplies housing against a focussed and up to date assessment of need that exists.

The housing requirement

- 3. In addition, it includes an allowance of 1,900 dwellings to take account of any needs that cannot be met within neighbouring authorities. Given constraints in the District, including within the SDNP, is this figure, which exceeds LHN justified by the evidence?**

For reasons articulated above the figure is too low and should be increased. A decision on whether that should happen via this examination process is moot and will depend on whether this Plan can be found sound and operate in the short term as a temporary staging post on the way to a Plan that is prepared swiftly to accord with the provisions of the NPPF.

The context surrounding this examination is that the Plan is significantly under-providing against levels of housing need (LHN) that now more accurately reflect the state of the housing market in Winchester and beyond. The transitional provisions allow for such plans to proceed but there must be a very strong imperative for swift replacement of this housing strategy. The district is relatively unconstrained compared to other districts comprising the PfSH area. Vistry and Taylor Wimpey have suggested how a spatial strategy could be expressed to apportion existing committed growth to meet unmet needs arising from the PfSH area in a more focussed way, alongside increasing growth at Winchester (the principal settlement) where there are unallocated opportunities for expansion of the urban area.

- 4. In accordance with the approach set out in the Partnership for South Hampshire (PfSH) position statement and ongoing cooperation with neighbouring authorities, Portsmouth City Council and Havant Borough Council have confirmed an unmet need. How has the unmet needs allowance in the Plan been calculated?**

See question 2 above. It is unclear how the calculation/apportionment has been derived and why this is appropriate given the scale of unmet needs that will exist across the PfSH area. The PfSH position statement (PSH01) is out of date and fails to reflect the prevailing situation; it ought to carry only limited weight.

- 5. In stating an unmet need allowance as opposed to a figure intended to meet the need in each authority, would the Plan be effective? Would it accord with NPPF paragraph 61? If an intended figure were included in the Plan, how should that be expressed (as a percentage or specific numbers)?**

See question 2 above. The SoCG with Havant and Portsmouth each 'claim' allocations of the unmet need allowance (Havant 1,330 dwellings, Portsmouth 570 dwellings). As set out above, these apportionments are for all practical purposes now out of date because they are based on calculations of LHN that no longer apply to the respective LPA areas. This provides a further example of why the 2040 Plan is out of step with the context in which it is being examined.

- 6. Is there any substantive evidence to demonstrate that there should be an adjustment to the minimum housing requirement to help deliver affordable housing with regard to the PPG (Paragraph: 024 Reference ID: 2a-024-20190220), and if so, would that be effective?**

Reference to the Winchester Strategic Housing Market Assessment (SHMA) Update – Final Report¹ (HA01) reveals that the net need for affordable housing arising across the Plan area (excluding the SDNP) is 368 dwellings per annum (Table 3.11 p.23). This assessment of need follows the guidance cited in Question 6. To determine how effective the Local Plan will be in addressing need it is appropriate to refer to the historic record of affordable housing delivery and to consider newly arising need as a proportion of the annual housing requirement that the Local Plan proposes. This should exclude the allowance added to cater for unmet needs arising outside the district, because the HA01 assessment does not consider such needs in its calculations.

In simple terms therefore affordable housing need arising annually (368 dwellings) represents 56% of the proposed annual housing requirement (661 dwellings per annum) set by the Local Plan.

Policy H6 – Affordable Housing exempts small sites (less than 10 dwellings) from any obligation to provide affordable housing; housing delivery from brownfield sites is required to achieve only 30% affordable provision; with greenfield allocations expected to achieve 40% provision. The policy also allows, ‘*in the short-term*’, for these thresholds to be relaxed to 25% and 35% respectively, to account for viability considerations associated with mitigating impacts on the River Itchen SAC (Policy NE16). It is therefore reasonable to anticipate that the average rate of affordable housing delivery will fall well below the upper 40% threshold, as a component of overall supply.

Reference to rates of housing/affordable housing delivery taken from Council annual monitoring reports (AMR), reproduced in the table below, show that the long-term average rate of provision is around 33%, reflecting the assumption in the paragraph above.

Table 3.

	2011/ 12	2012/ 13	2013/ 14	2014/ 15	2015/ 16	2016/ 17	2017/ 18	2018/ 19	2019/ 20	2020/ 21	2021/ 22	2022/ 23	2023/ 24	Totals
Total	314	204	487	227	430	578	560	819	627	798	1141	1044	984	8,213
Total AH	71	68	149	82	92	153	169	283	142	300	511	382	331	2,733
% AH	23%	33%	31%	36%	21%	26%	30%	35%	23%	38%	45%	37%	34%	33%

Continuation of this long-term trend, as a proportion of the proposed annual housing requirement for the district derived from the 2023 LHN figure, would result in an annual rate of provision of around 218 affordable dwellings per annum, 150 dwellings per annum below the annually arising rate of need (HA01). If realised this would amount to a 3,000-affordable dwelling shortfall over the plan period.

It is notable that were the Council planning to meet 2024 LHN figures (1,157 dwelling per annum) for the district through the Local Plan housing strategy, continuation of this trend would deliver 381 affordable homes per annum, marginally exceeding the annually arising level of affordable housing need (based on the Council’s own evidence of need). This relatively crude assessment demonstrates clearly that the housing strategy the Council is pursuing via the 2040 Plan will serve to perpetuate the deep-seated affordability crisis that has prevailed in the district over successive local plan periods.

8. Taking account of completions since the start of the Plan period, extant planning permissions and other commitments, less than 25% would be delivered by new site allocations. In this regard, would the Plan be positively prepared? Would it be effective, justified and consistent with national policy which aims to significantly boost the supply of homes (NPPF paragraph 60)?

The 2040 Local Plan lacks ambition and has avoided a purposeful policy response to the long-established problems that have affected the housing market in Winchester for decades. The Plan is replete with references to urgent priorities and the importance of addressing affordability challenges:

¹ Findings are based on 2023 data.

“The affordability of housing in Winchester district continues to be a major issue and therefore the delivery of affordable homes remains a critical priority of the new Local Plan²”

Yet there is a policy deficit that exists both in terms of the spatial distribution of development and in the scale of development that is planned for. The document proposes continuation of a strategy that was set out in the 2013 Local Plan Part 1 and again highlights the same challenges that the district faces (which were rehearsed in much the same manner in the 2013 Plan). The policy responses to date have failed to arrest any of these issues effectively.

As drafted the Local Plan will not be effective and is certainly not a positive response to the widespread problems that are manifest, which demand a step-change in housing supply (as illustrated by the response to Question 7 above) and an effective spatial strategy to properly respond to the challenges posed by climate change.

9. Would the Plan period accord with NPPF paragraph 22, which requires strategic policies should look ahead over a minimum 15-year period from adoption?

The Local Plan horizon of 2040 would not achieve the minimum 15-year period from adoption. However, it is noted that Inspectors issuing findings in respect of recent examinations (Chichester – January 2025 and Spelthorne – February 2025) have accepted plan periods running to 2039 (in each case) subject to reviews taking place immediately in accordance with the transitional provisions.

As noted in submissions on behalf of Vistry and Taylor Wimpey (Policy SP1) a prescribed timescale for review is recommended as a Main Modification in the case of the Spelthorne examination. Such exceptions are founded on each of these Plans otherwise being found sound and acknowledge that they had each reached a more advanced stage of preparation when the NPPF reforms came into effect; the Chichester hearings concluded in November 2024, and the Spelthorne hearings in February 2025.

10. Given the Plan’s start date of 2020, recent levels of ‘overprovision’ compared to the Standard Method figures are taken into account. Is such provision already reflected in the Standard Method calculation in terms of affordability uplift going forward on the basis of a link between completions and house prices?

The standard method reflects past levels of housing delivery, with the PPG making clear that levels of historic under-supply are accounted for by the formula through application of the affordability adjustment, which takes market signals into consideration³. While not stated explicitly, rates of housing delivery that exceed annualised targets would also logically feed through into market signals relating to affordability and therefore it stands to reason that historic levels of housing delivery, above and below, any prescribed figure should be reflected in output from the SM. The 2019 iteration of PPG in this respect notes that past under delivery (and therefore over delivery) may be considered if an alternative method to the SM is used in support of the housing requirement. Deployment of the SM obviates the need to adjust to consider fluctuations in housing delivery. The Winchester SHMA Update – Final Report (HA01) notes in support of this contention at paragraph 2.13 that:

“In Winchester, there is little indication yet that house prices are beginning to fall, however, the rate at which they had historically been increasing has slowed. Affordability has improved slightly.... 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.”

Apparent from this statement is the assumption that greater levels of housing supply may have positively influenced affordability, which substantiates the view that ‘over-delivery’ is picked up by market signals and is therefore reflected by the SM.

The question avoids the simple point that the Local Plan ought to be planning for the future, not including the preceding five-year period in its plan-making process.

² Paragraph 9.36

³ ID: 2a-011-20241212/ 2a-011-20190220