

14 September 2018
Delivered by email

Chris Banks
c/o New Forest National Park Authority
Lymington Town Hall
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Dear Mr Banks,

SUPPLEMENTARY EVIDENCE ON THE OAN AND HOUSING REQUIREMENT (MATTER 4) AND HOUSING POLICIES (MATTER 7)

Please find enclosed a technical evidence report relating to the objectively assessed need (OAN) for housing in New Forest district and the New Forest National Park. This technical report was submitted to New Forest District Council as part of representations made by Turley on behalf of the Trustees of the Barker Mill Estates to its recent Local Plan consultation.

Turley considers that this evidence will importantly contribute to the upcoming examination of the New Forest National Park Authority's Local Plan, given the shared evidence base on housing OAN. Turley has requested attendance at a number of the scheduled hearing sessions, which includes the sessions on Matter 4 (OAN and the Housing Requirement) and Matter 7 (Housing Policies). The report included as Appendix 1 to this letter expands upon the points of technical critique raised and summarised within the Regulation 19 representation submitted in February 2018, to which we will also refer through the hearing sessions.

In order to aid the Inspector in the implications of the conclusions drawn in this report, we have provided a summary below of the key points made. This is structured around the appropriate questions posed under Matter 4.

Also included is our response to question 7.3 under Matter 7.

Q4.2: Was the methodology employed in the Objectively Assessed Need Report 2017 appropriate and does it provide a robust basis for establishing the OAN?

No. We consider that the methodology employed in the 2017 OAN Report underestimates the full need for housing across the study area, and does not comply with applicable Planning Practice Guidance (PPG) or the relevant National Planning Policy Framework (NPPF). Our specific concerns are expanded upon below and have implications across the study area, and are therefore of direct relevance to the National Park.

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Q4.3: Is it justified in not using the 2014 subnational based population projections? Is the use of 10 year population trend based data justified as an alternative approach?

No. Section 2 of our report concludes that a continuation of longer-term trends across the study area would generate a level of housing need that almost precisely aligns with that currently implied by the 'starting point' of the 2014-based household projections. On this basis, there is considered to be no justification for reducing this 'starting point' by some 29%, with the reduction of this scale instead caused by fundamental differences in the methodology employed by the Office for National Statistics (ONS) and the authors of the OAN Report.

Q4.4: Are the assumptions regarding migration justified?

No. The assumptions are derived from a simple extrapolation of historic *population* change, which contrasts with the more dynamic approach taken by the ONS. The latter makes assumptions on future *migration* by taking account of the projected size of the local and wider population, and existing residents' tendency to move. This approach has previously been considered representative and reasonable in New Forest. Departure from this method risks underestimating how the population will grow in the future, and would consequently fail to provide the homes that are needed.

Q4.6: Is the methodology for calculating OAN for areas within the National Park but outside New Forest District soundly based?

No. The OAN Report claims that its alternative method is necessary to "build up" housing need for the study area, based on its component parts. However, the earlier 2014 SHMA utilised a different approach, disaggregating projected growth to sub-areas on a pro-rata basis. The OAN Report acknowledges that this change has 'a notable impact on sub-area projections', but fails to justify the decision to use an alternative approach. It is considered that the approach adopted in the most recent OAN Report is inherently less robust given its departure from a methodology that took greater account of wider demographic factors influencing the population.

Q4.7: How have economic/jobs growth forecasts and changes to working age population been taken into account?

The OAN Report unjustifiably omits consideration of economic forecasts, citing uncertainty which is not unique to New Forest. Its Figure 3.3 confirms that the concluded OAN would lead to a contraction of the working age population. The OAN therefore fails to capture the housing needed to support the local economy, and risks underestimating this driver of future housing need across the study area.

Q4.8: Is the approach of considering whether the level of housing growth would merely act as a barrier to economic growth in the New Forest justified?

No. The OAN Report does not adequately justify that there are exceptional circumstances in the study area, which necessitate departure from the requirement under the PPG¹ to consider the impact of likely job growth on housing need. Such an approach merely risks failing to provide the housing needed to support the forecast continuation of recent job growth in this area.

Q4.9: How have market signals been taken into account? What do they show? What is the basis for the 15% uplift?

We agree that there is 'strong evidence that housing provision should be increased' in New Forest in accordance with the PPG, given notable affordability pressures that have continued to worsen (Figure 3.2, Appendix 1). We conclude that the 15% uplift falls towards the lower end of that which could be considered reasonable, with the continued recent worsening suggesting that an uplift of closer to 20% can be justified by the logic of the OAN report itself.

¹ PPG Reference ID 2a-018-20140306; How should employment trends be taken into account?

Q4.10: Given the scale of identified affordable housing need, should the OAN be increased to assist in delivering more? If so to what extent?

We agree with the conclusion reached in the Council's housing evidence that there is a significant and growing need for affordable housing in New Forest. The need for 71 affordable homes each year in the National Park itself exceeds the level of overall housing provision proposed through the Local Plan, as it acknowledges. In the context of the points of critique noted above and the conclusion that the OAN underestimates the full need for housing, this provides further justification that the housing requirement should be increased. An increase in the planned level of provision for housing in the National Park would evidently make an important contribution towards meeting this need, and provide a positive response to addressing the points of critique raised above.

Q4.11: Is the OAN for the Study area as a whole justified?

No. The concerns raised above – and expanded upon in Appendix 1 – indicate that the OAN underestimates the housing needed in the study area.

Q4.12: In overall terms, is the OAN of 1260 for the Plan period or 63 dwellings per annum in the National Park (including those parts outside the New Forest District) appropriate and justified? Is there a basis to arrive at an alternative figure and if so what?

We strongly believe that the underestimation of need across the study area results in an underestimation of the full extent of housing needs in the National Park. We consider that the Plan should ensure greater flexibility in the planned housing supply through an elevation of the housing requirement, which recognises the scale of need implied by the 2014-based household projections and the subsequent market signals adjustment as well as a more proportionate distribution to the National Park.

Q4.14: Has the site selection process for identifying potential housing sites been based on a sound process of sustainability appraisal and the testing of reasonable alternatives? Is the methodology appropriate?

As set out in our representations, we have serious concerns regarding the approach taken to the identification of housing sites. The sustainability appraisal evidence has been applied without appropriate flexibility to take account of alternative forms of development and the weight that has been attached to particular considerations (such as the perception of coalescence) has resulted in sustainable opportunities for development being dismissed.

The general approach taken to site identification is not set out in any detail, particularly the methodologies employed in the SHLA and the SEA. The methodology employed has not allowed for a balanced consideration of different forms of development in certain locations, which could overcome perceived constraints, to the extent that no reasonable confidence can be had in its conclusions on the genuine suitability of potential development options. Given the clear shortfall against the OAN, this lack of testing and flexibility in interpretation suggests that there are missed opportunities to accommodate additional growth and in this respect, the plan as a whole fails in its purpose.

Q4.15: Which factors and constraints have been taken into account? Are the reasons for selecting the preferred sites and rejecting others clear?

There is a distinct lack of clarity on the reasons why the preferred sites have been chosen and why other sites have been rejected for allocation. Whilst judgements have been made, the evidence to support those assessments is seriously lacking and has resulted in unsupported and in some instances misguided assumptions inappropriately dictating the conclusions. The lack of consideration of differing forms of development is also relevant as some development opportunities have been judged solely on one single scale or form of development, rather than assessing whether different approaches could overcome

constraint. This lack of ‘bandwidth’ of assessment undermines the conclusions set out in the appraisal process and led to missed opportunities.

We consider that a proactive approach to overcoming site constraints has not been taken as part of the site selection process. This is illustrated by the Foxhills site where the SHLAA describes the reasons for discounting the site as being ‘a large, greenfield site that would constitute major development’ and ‘development would effectively merge the village of Ashurst with the Totton urban area’. This shows that no consideration has been given to development on only part of the identified site (i.e. a different scale) and no consideration has been given to the potential for landscaping and open space as part of a masterplan (that could address any potential settlement coalescence issue). This illustrates the overly negative approach that has been taken and certainly does not represent a proactive and positive approach to overcoming constraints. The site is capable of being developed in a manner that does not compromise any site specific considerations, or the broader objectives of the NP. Based on this example, it is unclear as to what approach has been taken to other sites and potentially, what site capacity has been passed over as a consequence of the negative approach to site review that has been employed.

Q4.19: What are the consequences of not meeting the Objectively Assessed Needs for the area?

We consider that adverse consequences will result from the failure to meet an OAN that is itself underestimating the full need for housing in the National Park. This will result in:

- a further worsening in housing affordability. This will have a particularly detrimental impact on those households with lower incomes, including those households looking to enter the housing market for the first time;
- an increase in the backlog of unmet affordable housing need. This will mean that those households suffering the most acute housing needs have a reduced chance in accessing appropriate housing; and
- an exacerbation of unsustainable commuting in and out of the National Park. This in turn could have a detrimental impact on the local economy and the opportunities for local businesses to invest and grow;
- as a consequence of this, in its current form, the plan has not demonstrated an OAN that is appropriate and a higher need exists. In the specific case of NFNPA, given that there is already a shortfall, this is not necessarily an issue that determines the soundness of the plan, but it is essential that the plan starts from the right place (i.e. an appropriate OAN).

Q7.3 - Is the policy justified, effective and consistent with national policy?

- 1.1 We do not consider that Policy SP21 is justified, effective and consistent with national policy for the following reasons.
- 1.2 We consider that this policy does not allow the flexibility to respond to market demand should this situation change during the life of the plan period (2016-2036). It also does not allow the flexibility to anticipate and respond to long-term requirements and opportunities, as outlined in paragraph 22 of the National Planning Policy Framework (NPPF) (2018), which states:

“Strategic policies should look ahead over a minimum 15 year period from adoption, to anticipate and respond to long-term requirements and opportunities...”

1.3 Furthermore, restricting all new housing during the plan period to a total internal habitable area of 100 sq. m has the potential to stifle good design, which paragraph 124 of the NPPF states is ‘*a key aspect of sustainable development*’.

1.4 Paragraph 127 of the NPPF also outlines key criteria for ensuring that planning policies and decisions achieve well-designed places. Whilst all are relevant, criteria e). is of particular importance in this case as it states that:

‘Planning policies and decision should ensure that developments optimise the potential of the site to accommodate and sustain an appropriate amount and mix of development...’

1.5 Restricting the size of new homes across the National Park to a total internal habitable area of up to 100 sq. m would not allow for the optimum potential of each development site to be realised or an appropriate mix of housing to be delivered across the National Park.

1.6 We also consider that restricting new dwellings to a maximum total internal habitable area of 100 sq. m would not allow for the most effective use of land to come forward. The revised NPPF makes clear within the policies outlined in Chapter 11 that planning policies and decisions should make effective use of land. Specifically, paragraph 117 states that:

“Planning policies and decisions should promote an effective use of land in meeting the need for new homes and other uses, while safeguarding and improving the environment and ensuring safe and healthy living conditions”

1.7 Paragraph 122 provides further detail on how planning policies and decisions should achieve appropriate densities and states that they should take into account:

- a) *the identified need for different types of housing and other forms of development, and the availability of land suitable for accommodating it;*
- b) *local market conditions and viability;*
- c) *the availability and capacity of infrastructure and services – both existing and proposed – as well as their potential for further improvement and the scope to promote sustainable travel modes that limit future car use;*
- d) *the desirability of maintaining an area’s prevailing character and setting (including residential gardens), or of promoting regeneration and change; and*
- e) *the importance of securing well-designed, attractive and healthy places.*

1.8 We do not consider that Policy SP21 would be consistent with this policy as it would not allow for the full range of different housing types to come forward. In some instances, it also may not be viable to unnecessarily restrict the size of new dwellings and nor may it work towards maintaining an areas prevailing character and setting, particularly if there are a number of larger properties within the National Park as acknowledged within paragraph 7.14 of the Submission draft version of the NFNPA Local Plan 2016-2036.

We trust the attached evidence and our concise summary of its implications for the questions posed by the Inspector are of assistance in the examination of the Plan and would be grateful if they could be

submitted into the Examination with specific reference to Matters 4 and 7. We will be happy to expand further on any points arising through the hearing session.

Yours sincerely,

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Director, Economics

Stuart Irvine
Senior Director, Planning

Appendix 1: Technical Review of the Objectively Assessed Need for Housing in New Forest (August 2018)

This has been sent separately via e-mail to Chris Banks alongside this Hearing Statement on 14.09.18