

New Forest National Park Local Plan 2016 – 2036

Examination Statement – New Forest National Park Authority

Matter 11 – Housing Supply and Delivery

Issue – Whether the approach towards the supply and delivery of housing land is justified, effective and consistent with national policy?

11.1 What is the estimated total supply of new housing in the plan period 2016-2036 and how does this compare with the planned level of provision?

1. The Authority's Housing Trajectory (see 'NFNPA response to initial Questions for Examination' CD163, and updated Trajectory at the end of this Statement) identifies that the total housing supply during the Plan period is estimated to be 777 dwellings. This compares to a planned housing provision of 800 dwellings, set out in Policy SP19.

11.2 What is the estimated total supply in the plan period from:

- a) Completions since 2016
- b) Existing planning permissions
- c) Proposed site allocations
- d) Windfalls
- e) Other sources i.e. rural exception sites

1. The Authority's Housing Trajectory estimates supply as follows:

a) Completions since 2016 (as at 31/03/18)	34 dwellings
b) Existing planning permissions	123 dwellings
c) Proposed site allocations	300 dwellings
d) Windfalls	320 dwellings
e) Other sources i.e. rural exception sites	unquantified

2. The Local Plan does not quantify the expected volume of housing to arise from rural exception sites, and any such sites would be counted towards the 'windfalls' figure. This also applies to commoners dwellings and tied agricultural dwellings (which are also referenced in Policy SP19). However, it should be noted that the Authority's SHLAA (CD104) highlights that 19 of the sites assessed may have some potential to be considered as rural exception sites (each typically providing between 2 and 15 dwellings), whilst others indicate existing capacity within the defined villages.
3. Policy SP30 supporting the provision of Estate Workers dwellings is a new policy in this Local Plan, and was not supported by the adopted Core Strategy (CD167). Therefore, any housing provided via Policy SP30 will be a new source of potential housing to be counted towards future windfall figures. As it is unknown how many dwellings may come forward from this source, it has not

been quantified. However, there are around 6 larger estates with land within the National Park and Policy SP30 allows for a maximum of three new dwellings per site. Therefore, around 18 net new dwellings could come forward through this policy during the plan period.

4. In addition, the Local Plan allows for a further potential new source of housing supply, via the redevelopment of employment sites within the four Defined Villages (Ashurst, Brockenhurst, Lyndhurst and Sway) supported by Policy SP43 (Existing Employment Sites). The policy allows for the consideration of a mix of additional uses on existing employment sites in the defined villages, which may include an element of housing. This has not been quantified, but is not currently supported by the current planning policies in the Authority's adopted Core Strategy and may thus represent a modest additional source of housing during the life of the Local Plan.

11.3 What are the assumptions about the scale and timing of supply and annual rates of delivery from these various sources? Are these realistic? How do they compare to previous rates?

Completions since 2016

Windfalls

1. The Authority's [Annual Monitoring Reports](#) set out the level of housing completions, and extant planning permissions, each year. Since 2006, when the Authority became a Local Planning Authority, there has been an annual average of 23 net new dwelling completions, despite any natural fluctuations from year to year. This compares to an expectation of 20 dwellings per annum as windfalls set out in Policy SP19 of the Submission Draft Local Plan.
2. In addition, the Authority's SHLAA (CD104) shows that there are a number of suitable and available sites within the existing defined villages. This highlights the realistic assumption that there remains capacity within these areas, and such windfall sites will continue to come forward during the Plan period.
3. The current adopted Core Strategy for the National Park (CD167) does not contain any housing site allocations and relies entirely on windfalls. It is significant to note that the housing target in the adopted Core Strategy (Policy CP12) for the provision of 220 dwellings between 2006 and 2026 has already been met, and exceeded by 20 dwellings (as at 31 March 2016).

Existing planning permissions

4. The Authority's Housing Trajectory (see 'NFNPA response to initial Questions for Examination' CD163) has now been revised to take account of the latest information relating to anticipated phasing of site allocations, and is set out at the end of this statement. However, it still reflects that the Authority has a stock

of sites with extant planning permission for 123 net new dwellings, on small and large sites. Of these, 68 dwellings are already under construction.

5. The Authority does not consider it appropriate to discount a proportion of sites with planning permission that may lapse before being implemented, as the housing policies in a National Park are generally restrictive and thus any planning permissions for housing are more than likely to be implemented.

Proposed site allocations

6. The Authority's Housing Trajectory (see 'NFNPA response to initial Questions for Examination' CD163, and updated version in this statement) sets out the anticipated phasing of the proposed site allocations. All of the site allocations are being promoted by the landowner and developers and are considered suitable, available and achievable, as set out in the SHLAA Appendix B (CD104).
7. The Housing Trajectory has been updated to reflect the latest information regarding the anticipated phasing of development in the proposed allocation adjacent to the former Fawley Power Station (based on information from the site developer). The latest [Masterplan](#) identifies that around 20 houses are likely to come forward in Phase 2, around 2023, with the remainder being developed in Phase 7, between 2029 and 2035. The revised trajectory is set out at the end of this statement.
8. The housing numbers on the proposed site allocations reflect the National Park landscape-focused context, the site's individual characteristics and any mitigation or infrastructure requirements. The Authority considers the wording in the relevant site allocation policies should be amended (see CD155 Main Modifications MAIN-12, MAIN-13, and MAIN-15) to 'around' a certain housing number, to allow for some degree of flexibility to achieve a suitable and appropriate site layout. Although the Local Plan housing number should be the starting point for any future housing scheme, the use of 'around' more appropriately reflects that policy requirements or other material considerations may indicate a slightly different figure on site.
9. As the Local Plan has included housing site allocations for the first time since becoming a National Park, and for several decades before that, there is no track record on the take-up of allocated sites. However, all sites have been promoted by landowners and / or developers and are considered to be suitable, available and achievable.

Other sources i.e. rural exception sites

10. These remain unquantified, and will be counted as part of the windfall figures. However, past development shows that 22 dwellings have been provided on five rural exception sites in the National Park since 2006 when the Authority became the Local Planning Authority for the National Park.

11.4 *Is the anticipated supply from rural exception sites realistic and achievable within the plan period?*

1. The anticipated numbers of dwellings arising on rural exception sites across the National Park during the Plan period has not been quantified, but falls under the umbrella of windfall sites. However, past development shows that 22 dwellings have been provided on five rural exception sites in the National Park since 2006. There are also an additional 12 houses under construction on two rural exception sites.

11.5 *How has flexibility been provided in terms of the housing land supply? Are there other potential sources of supply not specifically identified? Can this be specified?*

1. The Local Plan housing target is not set as a maximum figure, and allows for additional suitable windfall sites to come forward during the Plan period, subject to other policies in the Plan. For instance there are a number of suitable, and available, sites within the SHLAA (CD104) that indicate capacity within the defined villages, and sites on the Authority's [Brownfield Site Register](#) that are considered to have development potential.
2. In addition, there are potential new sources from redevelopment of existing employment sites in the defined villages for mixed-use development, that could include an element of housing use (Policy SP43), and also Estate Workers dwellings (Policy SP30), which are not currently supported by policies in the adopted Core Strategy.
3. These sources are specified in the Local Plan, but not quantified. Consequently, the windfall figure could be considered a relatively conservative estimate of housing delivery given these potential additional sources of housing not supported by current local planning policies.
4. However, it should also be emphasised that over 50% of the area is covered by international nature conservation designations, in addition to the landscape considerations of National Park designation, and the National Park purposes and socio-economic duty. There are naturally more limitations on how flexible an approach the Authority can take to the issue of housing land supply. Therefore, the Authority considers that the housing target in Policy SP19 is appropriate given the context and characteristics of the area, and the limited capacity for suitable housing sites, and is planning for a realistic level of development.

11.6 Has there been persistent under delivery of housing? In terms of a buffer for a five year supply of housing sites, should this be 5% or 20% in relation to para 47 of the NPPF?

1. Whilst the Authority's updated Housing Trajectory (see the end of this statement) shows that housing completions in years 2016/17 and 2017/18 have been below the anticipated annualised housing target, this does not demonstrate a persistent under delivery of housing. The NPPF and NPPG do not define what should be considered as 'persistent under-delivery', and there is no consistency in legal judgements about what length of time should be considered. However, the Cambridge English Dictionary defines 'persistent' as "*lasting for a long time*". Therefore, the Authority does not consider that a shortfall in the first two or three years of the Local Plan constitutes a long time, especially given that, in the previous years up to 1 April 2016, the Authority met and exceeded the housing target (Policy CP12) in the adopted Core Strategy 2006 to 2026 (see earlier answers in this statement).
2. In addition, the Housing Trajectory highlights that in the first five years of the Plan there will be future completions from those sites with extant permission already under construction and the early phases of some of the housing site allocations.
3. With regard to a buffer for a five year housing supply the Authority considers that 20% is not appropriate as there is no demonstrable persistent under-delivery of housing, and therefore 5% is the appropriate buffer.
4. The Examination into the Yorkshire Dales Local Plan considered the five year housing land supply and under delivery issues, and the Inspector's Report (CD169) clarified that "*It seems to me that the term 'backlog', or some aspects of it at least, may have been misinterpreted by some. Only shortfalls against previous development plan targets should be regarded as a backlog to be catered for in this Plan's overall requirement figure*" (paragraph 54). In this regard, the Authority does not have a shortfall against the Core Strategy housing target as this has already been met and exceeded.
5. In addition, it is worth noting that the new Housing Delivery Test, which has been recently introduced to measure an Authority's performance in delivering new houses, does not apply to National Park Authorities. This perhaps reflects that National Parks are not considered appropriate locations for unrestricted housing (English National Parks Circular, CD35).

11.7 How would any shortfall since 2016 be dealt with?

1. The housing target in the Authority's adopted Core Strategy has been met and exceeded in the last couple of years by 20 dwellings. Therefore, the Local Plan is starting at 2016 from a position of over supply from the previous Core Strategy, rather than having to incorporate any past shortfall. However, the first two years of the Plan period have demonstrated a shortfall in the anticipated housing delivery, and it is this shortfall that will be addressed.

2. In calculating the five year housing land supply the Authority has used the 'Liverpool' method in spreading the shortfall across the plan period, rather than the 'Sedgefield' method which aims to make up the shortfall in the first five years of the plan period. Although there is nothing in the NPPF that states one method is preferable over the other, the guidance in the NPPG indicates that LPAs "*should aim to deal with any undersupply within the first 5 years of the plan period where possible*" (our emphasis). However, the Authority considers it more appropriate to use the Liverpool method as the largest strategic housing site allocation in the Local Plan is based on the redevelopment of the former Fawley Power Station site, and is not due to be delivered until later in the plan period.
3. Use of the Liverpool method is not unique; with authorities such as Basingstoke, Gloucester, Cheltenham and Tewkesbury, High Peak and Lewes having all been successful in arguing that spreading the shortfall over the plan period is the most appropriate solution in the local circumstances. This was also used by Yorkshire Dales National Park Authority in their Local Plan, which was adopted in December 2016, and supported in the Inspector's Report (CD169), which stated that "*The NPA argues that that the 'Liverpool method' should be used, such that the shortfall is divided evenly for each remaining year of the plan period. In this case, I concur that the Liverpool method is the most appropriate. As I have said, this Plan relies significantly on windfall delivery. When windfall sites might come forward cannot be predicted with any degree or accuracy or certainty*" (paragraph 65).
4. Although the housing completions in years 2016/17 and 2017/18 have been below the anticipated annualised housing target the Housing Trajectory highlights that in the first five years of the Plan there will be future completions from those sites with extant permission already under construction and the early phases of some of the housing site allocations.

11.8 What would the requirement be for a five year supply including a buffer and accommodating any shortfall since 2011?

1. The Objectively Assessed Housing Need report (CD105) considered the housing need for both the New Forest National Park and New Forest District Council. The report identified a past shortfall in housing delivery (since 2011) within the New Forest District Council area outside the National Park only if compared to the 2014 SHMA (CD164) OAN figure. No shortfall has been identified in the National Park, as the report rightly emphasises that the Authority's Core Strategy housing target has been met and exceeded (page 61, para 5.33).
2. The Examination into the Yorkshire Dales Local Plan considered the five year housing land supply and under delivery issues, and the Inspector's Report (CD169) clarified that "*It seems to me that the term 'backlog', or some aspects of it at least, may have been misinterpreted by some. Only shortfalls against*

previous development plan targets should be regarded as a backlog to be catered for in this Plan's overall requirement figure" (paragraph 54).

3. In calculating the five year housing land supply the Authority has used the housing target in Policy SP19 of the Submission Draft Local Plan as the starting point, rather than the level of housing need set out in the OAN (CD105). The Authority considers the housing target in Policy SP19 represents the most appropriate quantum of housing rather than the 'policy-off' housing need in the OAN, having regard to the advice in the NPPG:

"Where evidence in Local Plans has become outdated and policies in emerging plans are not yet capable of carrying sufficient weight, information provided in the latest full assessment of housing needs should be considered. But the weight given to these assessments should take account of the fact they have not been tested or moderated against relevant constraints." (NPPG, paragraph 030 Reference ID: 3-030-20140306).

4. Consequently, the requirement for a five year supply including a 5% buffer (see answer to Q11.6 above), but excluding any past shortfall, is 210 dwellings based on the Local Plan target of 800 dwellings during the plan period.

11.9 What is the current position in relation to five year supply?

1. The Authority has used the Liverpool method in calculating the five year housing land supply, taking account of the shortfall in the first two years of the plan period, and spreading across the plan period, rather than the Sedgefield method which factors it into the first five years of the Plan (see answer to question 11.7 above).
2. Although there is nothing in the NPPF that states one method is preferable over the other, the guidance in the NPPG indicates that LPAs should aim to deal with any under supply within the first 5 years of the plan period if possible. However, the Authority considers it more appropriate to use the Liverpool method as the biggest housing site allocation in the Local Plan is based on the redevelopment of the former Fawley Power Station site which is not due to be delivered until later in the Plan period.
3. The current position with regard to the five year housing land supply is set out overleaf (as at 31 March 2018), and confirms there will be a five year supply.

	Based on Local Plan target of 800 dwellings
(a) Housing requirement in the plan period	800
(b) Completions so far in the plan period	34
(c) Number of dwellings left to deliver in the plan period (= a - b)	766
(d) Number of years of plan period left	18
(e) Annualised average requirement for the remainder of the plan period (= c ÷ d)	43
(f) Five year supply requirement (= e x 5)	215
(g) 5% buffer to be added to the five year supply requirement (= f x 0.05)	11
(h) Five year supply requirement with 5% buffer (= f + g)	226
(i) Number of dwellings predicted to be completed in five year period 2018/19 – 2022/23	343
(j) Five year supply (= i ÷ h x 5)	7.6

11.10 Would the Local Plan realistically provide for a five year supply on adoption? Will a five year supply be maintained?

1. The calculation of the five year land supply assumes an adoption date of spring 2019, and again uses the Liverpool method as the Authority considers it the most appropriate way to calculate housing supply as explained in 11.9 above. It shows that the Authority will have a five year housing land supply.

	Based on Local Plan target of 800 dwellings
(a) Housing requirement in the plan period	800
(b) Completions so far in the plan period (up to 31 March 2019)	90
(c) Number of dwellings left to deliver in the plan period (= a - b)	710
(d) Number of years of plan period left	17
(e) Annualised average requirement for the remainder of the plan period (= c ÷ d)	42
(f) Five year supply requirement (= e x 5)	210
(g) 5% buffer to be added to the five year supply requirement (= f x 0.05)	11
(h) Five year supply requirement with 5% buffer (= f + g)	221
(i) Number of dwellings predicted to be completed in five year period (2019 / 20 to 2023 / 24)	347
(j) Five year supply (= i ÷ h x 5)	7.9

2. A five year housing land supply will not be maintained throughout the whole of the plan period, as there is anticipated to be a dip in the middle of the plan period between 2022 and 2029 when the strategic site at Fawley is likely to be built out. However, the revised NPPF (2018) emphasises that Local Plans should be reviewed every five years, and therefore it is likely that the Plan will be reviewed, potentially with an updated housing need figure, before that time.

“Policies in local plans and spatial development strategies should be reviewed to assess whether they need updating at least once every five years, and should then be updated as necessary¹⁸. Reviews should be completed no later than five years from the adoption date of a plan, and should take into account changing circumstances affecting the area, or any relevant changes in national policy.” (NPPF, 2018, paragraph 33).

3. The table below summarises the rolling five year housing land supply throughout the plan period, using the Liverpool method.

2020 / 2025	2021 / 2026	2022 / 2027	2023 / 2028	2024 / 2029	2025 / 2030	2026 / 2031	2027 / 2032	2028 / 2033	2029 / 2034	2030 / 2035	2031 / 2036
7.2	6.0	4.6	4.1	3.2	3.7	4.2	4.8	5.5	5.0	4.7	4.1

11.11 In overall terms, would the Local Plan realistically deliver the number of houses required over the plan period?

1. The Authority’s updated Housing trajectory indicates that by the end of the Plan period in 2036 approximately 777 dwellings are anticipated to have been completed, leaving a shortfall of 23 dwellings from the anticipated target of 800 set out in Policy SP19. This is considered to be ‘de-minimis’, and in reality is likely to be covered by the natural fluctuations of windfall figures over the lifetime of the Local Plan.
2. It has also been shown, in earlier answers in this statement, that there are potential new sources of housing permitted by the policies in this Local Plan that are not permitted by policies in the current Core Strategy. The Authority’s Monitoring Reports each year will give a clear indication of how the housing target is being met, through an updated annual housing trajectory.

Housing Trajectory (as at 31 March 2018) **Revised September 2018**



