

New Forest National Park Local Plan 2016 – 2036

Examination Statement – New Forest National Park Authority

Matter 4 – Objectively Assessed need and the Housing Requirement

Issue: Whether the Local Plan has been positively prepared and whether it is justified, effective and consistent with national policy in relation to the overall provision for housing and the housing requirement?

1. Housing delivery within the National Park differs significantly from neighbouring areas. The two statutory National Park purposes – established in the National Parks & Access to the Countryside Act 1949 – form the basis for planning within the Park. The NPPF (2012) confirms that National Parks have the highest status of protection in relation to landscape and scenic beauty (paragraph 115); and that National Parks are areas where development should be restricted (paragraph 14 and footnote 9). The NPPF cross-refers to the English National Park and Broads: Vision and Circular 2010 which states, “*The Government recognises that the Parks are not suitable locations for unrestricted housing and does not therefore provide general housing targets for them. The expectation is that new housing will be focused on meeting affordable housing requirements...*” (paragraph 78). The New Forest has been subject to longstanding policies of development restraint in recognition of its protected landscape and habitats and the designation of the National Park in 2005 further recognised the need to protect the New Forest from major development.
2. The updated NPPF (2018) reaffirms the protection afforded to National Parks, stating, “*The scale and extent of development within these designated areas [National Parks] should be limited...*” (paragraph 172). In addition, National Parks are not covered by the Government’s standardised methodology for calculating objectively assessed housing needs; or the Housing Delivery Test, in recognition of the special circumstances around housing delivery within a nationally protected landscape. This national policy framework provides an important context to understanding housing provision within the National Park and the Authority’s Submission draft Local Plan.
- 4.1 ***The New Forest falls within the three Housing Market Areas (Southampton, Bournemouth and Salisbury). What is the basis for undertaking an assessment of OAN for the New Forest District and National Park areas, rather than part of the wider HMAs? Is this an appropriate approach?***
 1. The New Forest National Park includes land within three HMAs and there is no separately defined New Forest Housing Market Area. The Authority acknowledges the intention in national guidance that Housing Market Area Assessments are prepared for the Housing Market Area, with local planning authorities working across administrative boundaries where appropriate.
 2. However, when work commenced on the review of the Authority’s Local Plan, plan-making timescales were not aligned. A Strategic Housing Market Area Assessment (SHMAA) covering South Hampshire had already been prepared.

This covered the Waterside area of New Forest District but did not extend into the National Park (none of which lies within the Partnership for Urban South Hampshire area). Similarly, none of the HMAs undertaken in Dorset or Wiltshire extended into the National Park. Instead they were cut to the planning administrative boundaries and typically reflected the different stages of Local Plan production. Consequently, the National Park (and most of New Forest District) was not covered by any SHMAA work and there was a void.

3. Furthermore key data which is needed to calculate objectively-assessed housing need - such as demographic information and projections and affordability data - is not consistently available below local authority level or cut to National Park boundaries. There was a need for consistent evidence to inform the Authority's Local Plan review and that of New Forest District. It would have been impractical for evidence to have been prepared as part of separate studies covering the three HMAs and then brought together, as studies were under preparation at different points and deal with different time periods.
4. The Authority therefore jointly commissioned work on identifying the objectively assessed housing need within the National Park (and surrounding areas of New Forest District) to fill the void. This work (CD105) provides an update to the original New Forest SHMAA work (GL Hearn, 2014, CD164). The analysis and conclusions of this work were specifically developed for the District and National Park areas, to be read in conjunction with the SHMAAs prepared for surrounding areas of South Hampshire, South Wiltshire and South East Dorset.
5. The Authority considers this to be an appropriate and necessary approach. The alternative would have been to wait for a future review of the Strategic Housing Market Area Assessments to be commissioned by neighbouring authorities and then to push for the assessments to cover the respective parts of the National Park. The Partnership for Urban South Hampshire SHMA was reviewed in 2016, but this work was again commissioned by planning authorities in urban south Hampshire and did not extend to cover the whole of the Southampton HMA (including the land within the National Park). Furthermore this would not have overcome issues regarding use of different data sources and time periods, and would not have provided a consistent evidence base for the development of plans by New Forest District and the National Park Authority.

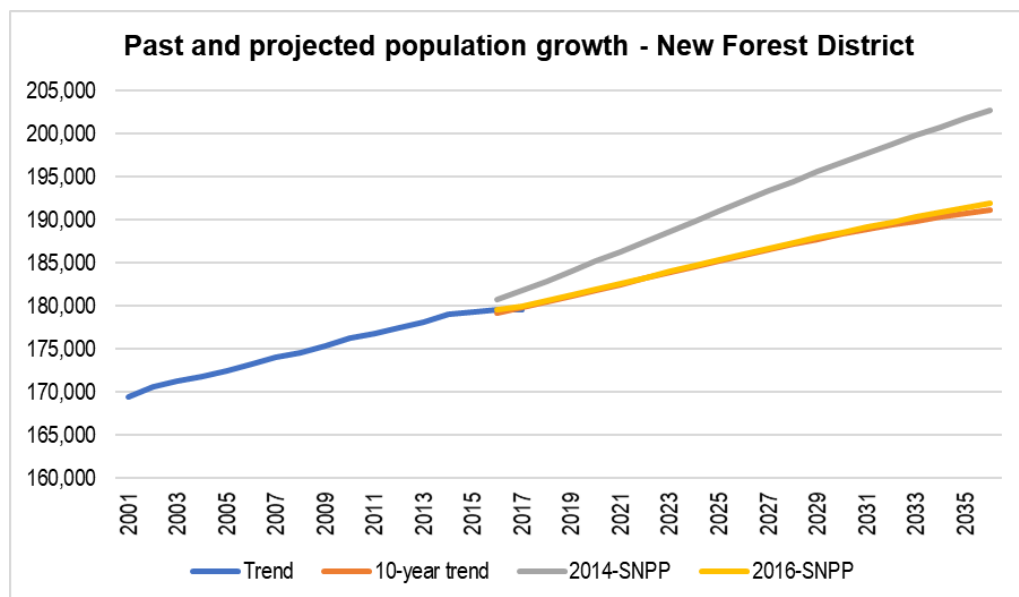
4.2 *Was the methodology employed in the Objectively Assessed Need Report 2017 appropriate and does it provide a robust basis for establishing the OAN?*

1. Yes, the approach used followed that set out in the NPPF (2012) and associated Planning Practice Guidance. Annex 1 of the revised NPPF (2018) confirms that the Authority's draft Local Plan is to be assessed against the NPPF (2012), as it was submitted for examination before the cut-off date of 24 January 2019 set out in paragraph 214 of the revised NPPF. The Government's standardised methodology for calculating the objectively assessed housing need is relevant for Local Plans submitted for examination after this date and, more pertinently, does not provide housing need figures for National Parks in any event.

2. Government has recognised the challenges which exist in determining housing need for National Park geographies. Paragraph 45 of the Government's *Planning for the right homes in the right places: consultation proposals* (DCLG, 2017) states, "*Where local planning authorities do not align with local authority boundaries, such as National Parks, the Broads Authority and Urban Development Corporations, available data does not allow local housing needs to be calculated using the standard method...In these cases we propose that authorities should continue to identify a housing need figure locally, but in doing so have regard to the best available information on anticipated changes in households as well as local income levels.*"
3. The challenges of establishing the objectively assessed housing need for a National Park have been acknowledged in a number of recent National Park Local Plan Inspector's Reports. The Report into the Yorkshire Dales National Park Local Plan 2015 – 2030 (December 2016, CD169) for example, states, "*...identifying an OAN for this Plan area is far from straightforward. The Planning Practice Guidance (PPG) says that the household projections published by the Government should provide the starting point estimate of overall housing need. But the national household projections relate to the District Council areas rather than the National Park...In addition, as the PPG says, establishing future need for housing is not an exact science. I regard the work undertaken here to be proportionate. The NPA has relied primarily on secondary data, in line with the PPG...*" (paragraphs 41 and 44).
4. The methodology used to establish the objectively assessed housing need in the New Forest National Park (CD105) is consistent with that in the Planning Practice Guidance (PPG) available at the time. It essentially works through a series of stages as set out in the report and PPG. These are summarised as:
 - Demographic-trends
 - Links to employment
 - Affordable housing
 - Market signals
5. At all stages of analysis, the OAN report sought to use the most up-to-date information at the time of its preparation and to test the validity of the information providing sensitivity analysis where possible.
6. When looking at needs arising within the New Forest National Park, it should be noted that there is a degree of assumption given that much of the data used is only available for individual authorities and not National Parks (as recognised in the Government's standardised methodology and the Inspector's Report into the Yorkshire Dales Local Plan, CD169). This includes population and household projections and data about incomes as used in affordability ratio calculations, all of which are cut to local authority boundaries.
7. Overall, it is considered that the methodology is appropriate and does provide a robust basis for establishing OAN for the National Park, albeit with some data limitations.

4.3 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?

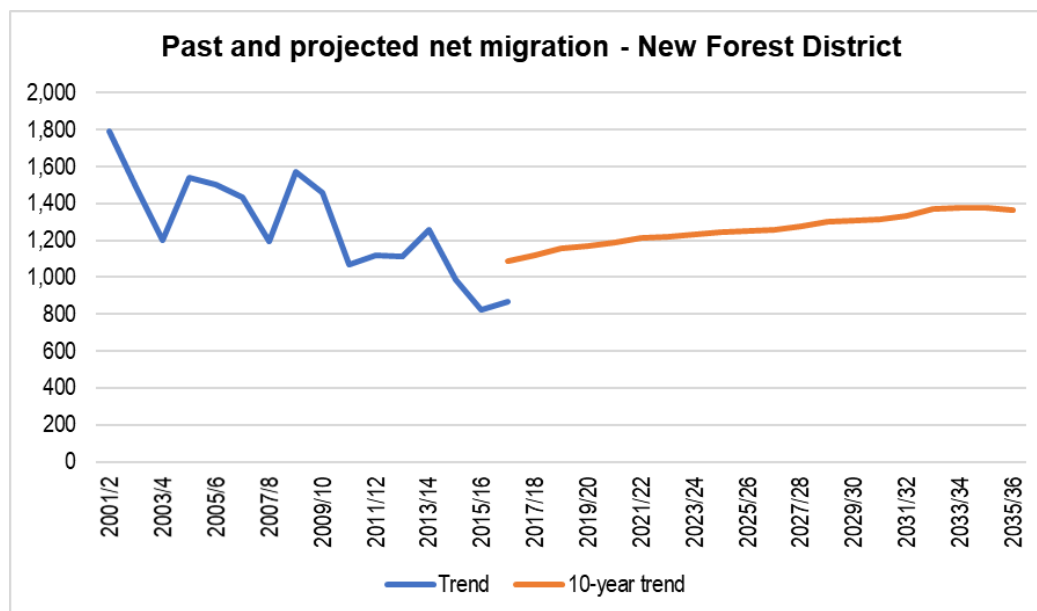
1. On the basis of the evidence available, it is considered that using a 10-year population trend is entirely appropriate. As Figure 2.1 of the OAN report shows, there is a clear disconnect between past population growth trends and the future projection in the 2014-based SNPP and so an alternative method is appropriate. Comparing Mid-Year Population Estimates to past ONS projections shows that ONS has consistently over-projected population growth in New Forest. Additionally, as shown in Figure 2.2, this disconnect appears to be due to unrealistic projections for migration (again when set against past trends). It would not be appropriate to simply project forwards average historic net migration per year as this would be likely to result in projections which were too low. The approach used, based on projecting forwards past population growth, results in projected migration trends which look reasonable. This is considered a reasonable approach given that past population growth does appear to have been fairly steady (again see Figure 2.1). It should be noted that the statistics used are for New Forest District as a whole, but given that there are no SNPP for National Park areas it is appropriate to interrogate data at this level.
2. The 2014-based SNPP was identified in the assessment as this was the most up-to-date projection at the time of the study. Since the OAN report (2017), ONS has released a new 2016-based SNPP. The figure below shows the projected population growth in the SNPP compared with the previous version and also the 10-year projection used in the OAN report. This shows that the latest SNPP almost exactly follows the 10-year trend analysis (6.9% population growth in 2016-based SNPP vs. 6.7%) and would suggest that moving away from the 2014-based SNPP (showing 12.1% population growth) was justified. The 10 year trend analysis used in drawing conclusions is very similar to the latest official data which the PPG outlines should be given consideration.



Source: OAN report and ONS

4.4 Are the assumptions regarding migration justified?

1. The core demographic projection in the OAN Report is based on projecting overall population trends over the previous 10 years. The figure below shows the implied level of net migration within the 10-year trend projection, and contrasts this with past trends. From this it can be seen that future migration is projected to increase, and to generally be at a higher level than has been seen in recent years.



Source: OAN report and ONS

2. Net migration to New Forest District has averaged 1,009 persons per annum over the last five years (2012-17), 1,145 persons per annum over the last 10 years (2007-17) and 1,242 persons per annum over the previous 15 years. The forward projection envisages net migration of on average 1,258 persons per annum which is above past trends whatever period is considered.

4.5 Are the assumptions regarding household growth justified?

1. Once population growth (and the age/sex structure of this growth) has been established, household growth is calculated by applying household representative rates (HRRs) – essentially the chances that any person of a specific age/sex group also being the ‘head of household’. At the time of the OAN report (CD105), the latest data was from the 2014-based CLG household projections and so this information was used to turn population into households.
2. The data from the 2014-based projections was not used uncritically, with paragraphs 2.33 to 2.38 of CD105 providing a discussion of the implications of the data (which had previously been set out in paragraphs 2.28 to 2.32 and Figure 2.6 in CD105). Overall the analysis observed that the 25-34 age group had reduced slightly in the 2001-11 period, although this trend was not projected to continue into the future. Overall it was concluded that there was no evidence of any suppression of household formation and hence the 2014-based CLG projections can readily be used as published to translate population figures into household growth and housing need.

3. As with other analysis, it should be noted that this data and conclusion was for the New Forest District area (due to data availability) and it is assumed that the same conclusion can be drawn for the National Park. Data for the National Park was however scaled to ensure population and household data was aligned (this was necessarily based on 2011 Census data due to data availability). Overall, it is considered that the assumptions about household growth are justified and based on the best information available.

4.6 *Is the methodology for calculating OAN for areas within the National Park but outside New Forest District soundly based?*

1. The methodology used to calculate the OAN for the National Park follows as closely as possible the typical methodology for a district-wide assessment and is consistent with the analysis undertaken for the whole of the New Forest District. The methodology does have limitations in terms of data availability – an issue for National Parks acknowledged within the Government’s standardised methodology - but is locally specific for all key analysis and based on the best information available, as required by national planning guidance. This includes a baseline population structure (from ONS mid-year estimates for National Parks) and ensuring a reasonable estimate of households, based on understanding the relationship between population and households from Census data (ONS produce a number of key statistics for National Parks). The methodology used is reflected in paragraph 2.41 of the OAN report (CD105).
2. The main assessment of need is based on looking at trends in population growth over the past 10-years and this is relatively easily established for National Parks (as this is one of the few statistics published by ONS for National Park areas). Hence, the overall methodology (of 10-year trends) can relatively easily be translated into small area (National Park) projections. It should be noted that at the time of writing the OAN report, MYE data for National Parks was only available for the 2005-15 period and so this was used rather than the 2006-16 period used across the whole New Forest District. This did mean that a small degree of scaling was needed to ensure a consistency of outputs, although given that the National Park sees relatively low level of population growth, the technical adjustments do not actually have any impact on the findings.
3. In accordance with the Government’s *Planning for the right homes in the right places: consultation proposals* (DCLG, 2017), the methodology used to calculate the OAN for the National Park in CD105 is locally specific, is based on as much up-to-date local data as possible and has been developed within the same framework as New Forest District-wide analysis. The modelling and outputs can therefore be considered as soundly based.

4.7 *How have economic/jobs growth forecasts and changes to working age population been taken into account?*

1. The OAN study has not specifically sought to use job growth forecasts in its analysis. However recent evidence has shown that workplace employment in the District fell by -1.4% (1,000 jobs) between 2010-16.¹

¹ Source: ONS, New Forest Economic Profile 2018

2. The New Forest cannot be considered as an 'economic powerhouse' and sits between two major urban areas (Southampton and Bournemouth) where issues of economic growth are likely to be more important. There is net out-commuting from the District. The OAN report did however recognise that it is important to understand the potential growth in the labour-supply and essentially looked to test whether or not the projected population growth would support an increase in the working-age population and ultimately the number of people who are economically active.
3. The OAN study therefore calculated the projected change in the number of people of working-age and then applied some reasonable assumptions (based on past trends) about the proportions of people of both working and pensionable age who will be economically active. Working-age is as defined in the 2014 Pensions Act with the assumptions set out Figure 3.1 and 3.2 of CD105. Once an estimate of the number of people of working and pensionable age was calculated, assumptions were made about the proportion likely to be economically active. These assumptions can all be found in Section 3 of CD105.

4.8 *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?*

1. For the combined New Forest area (District and National Park), this approach is considered to be justified. As noted above (and in paragraphs 3.7 and 3.8 of CD105), the location of New Forest between Southampton and Bournemouth means that expectations of strong economic growth are unrealistic.
2. Nonetheless the updated OAN work (CD105) took the view that it was appropriate to check that the projected level of population growth was also seeing an acceptable change to economically active residents. Overall the analysis concluded on the basis of the 10-year trend projection that the resident economically active population could be expected to increase by around 4,200 people over the 20-year period to 2036 across the combined New Forest area (District and National Park). This is considered to be a reasonable level of growth given the nature of the area and its demographic profile. Paragraphs 3.35 to 3.37 of the OAN report provide a discussion of the findings.
3. Reflecting its rural location between two main economic centres, the net commuter balance in the district as a whole is net out-commuting of 7,387 persons (2011 census). This workforce segment is also available to support future economic growth in the district, in addition to the projected working age population increase of 4,200.
4. Focusing specifically on the National Park, the Authority's Topic Paper: Economy and Employment (CD128) and the Business Needs & Commercial Property Market Assessment (CD123) highlight that there is a future demand projected for some 600 - 900m² of new B Use Class employment floorspace per annum. The Local Plan indicates that future employment land and floorspace will be delivered through a continuation of the windfall development approach, influenced and shaped through the Local Plan's criteria-based planning policies. The demand for additional employment development within the National Park is therefore modest and is unlikely to have an impact on housing needs.

4.9 *How have market signals been taken into account? What do they show? What is the basis for the 15% uplift?*

1. Section 5 of the OAN report looks in some detail at market signals – essentially considering each of the market signals in the PPG. Paragraph 5.42 draws together the analysis and 5.43 notes that there are some notable affordability pressures in the New Forest and that there is evidence that provision should be increased above the base demographic need.
2. Selecting the level of uplift is a matter of professional judgement. The OAN report used evidence presented by Lichfields to the Waverley Local Plan as a way of trying to establish a reasonable figure (see paragraph 5.44 and Figure 5.18). In Waverley, Lichfields had benchmarked uplifts in a number of areas against the affordability ratio in those areas to suggest what an appropriate uplift would be. In New Forest, this analysis showed that a lower quartile affordability ratio of 11:8 would typically lead to a market signals uplift of 15%. This proportion was therefore added on to the demographic need to draw OAN conclusions (which are set out in Figure 5.19).
3. The approach used in the OAN report is considered to reflect typical practice at the time of the study, and by drawing on independent evidence (in this case by Lichfields) can be considered to be a reasonable approach. Finally, it should be noted that the 15% figure is based on looking at data for the New Forest District as a whole, due to that being the level at which data is available. A different uplift may be appropriate for the National Park compared to non-National Park areas, but this is difficult to analyse/justify and in any case the overall need (across all areas) would be unaffected.

4.10 *Given the scale of identified affordable housing need, should the OAN be increased to assist in delivering more? If so to what extent?*

1. The OAN report does show a notable need for affordable housing. However, the link between affordable need and OAN is complex. For example many households in need already have accommodation and so do not generate the need for an additional home (i.e. if they moved a home would be available for someone else to use). Additionally, one of the key components of affordable need (newly forming households) are already captured in the demographic projections and so any addition to the need would be double counting. These were taken into account in considering this issue.
2. It is also important to recognise that within the OAN calculation, the 15% market signals adjustment would deliver both additional market and affordable housing. There is therefore inherently an upward adjustment to affordable housing delivery within this; and an increase in market housing provision which improves the affordability of this, will reduce the affordable housing need.
3. Consideration also needs to be given to how appropriate it would be to increase the OAN to deliver more affordable housing within the context of a nationally protected landscape. This matter was addressed in the Inspector's Reports into the Exmoor and Yorkshire Dales Local Plans in 2016 and 2017, as follows:

- The Inspector’s Report into the Exmoor National Park Local Plan 2011 – 2031 (report dated June 2017) noted, “...*the PPG advises that upward adjustment to housing need assessments based on household projections may be required where there is evidence of affordability problems. However, that would not be an appropriate response in the Exmoor National Park context... even if an upward adjustment were made, it is extremely unlikely that it would have the desired effect of making open-market housing more affordable. This is because of the latent demand that exists for open-market housing in the Park...*” – paragraph 56.
 - The Inspector’s Report into the Yorkshire Dales Local Plan 2015 – 2030 (report dated December 2016) concluded, “...*I am not persuaded that the Plan should provide for more market housing in order to meet the affordable need...fundamentally, it would run the risk of undermining the special qualities of this National Park and its statutory purposes...*” – paragraph 78.
4. Specifically as the National Parks Circular (CD35) confirms, the policy focus in National Parks is not one of unrestricted market housing, but of focusing on delivering affordable housing provision to meet local needs. This is a relevant consideration in addressing this issue.
 5. Overall, there is no evidence to suggest that the OAN should be increased to deliver more affordable housing. A full discussion of this can be found in paragraphs 4.24 to 4.38 of the OAN report.

4.11 Is the OAN for the Study area as a whole justified?

1. Given the discussion above, it is considered that the OAN is justified. As noted, the analysis follows the stages set out in the PPG and uses up-to-date sources of information. The approach, whilst following the approach set out in the 2012 NPPF and 2014 Planning Practice Guidance, is in accordance with the Government’s *Planning for the right homes in the right places: consultation proposals* (DCLG, 2017) which states that in National Parks, authorities should identify a housing need figure locally having regard to the best available information. The assessment undertaken in CD105 is justified and robust.
2. Additionally, it is noteworthy that more recent data (in the form of the 2016-based SNPP) provides substantial support for the analysis undertaken in CD105, suggesting that assumptions made on population growth have now been supported by ONS in their own analysis. Household projections based on these are due to be published on 20th September 2018, and the Authority will seek to update the examination on their impacts at the Hearings.

4.12 In overall terms, is the OAN of 1,260 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?

1. There is no real basis for looking at another figure, as the 63 dwellings per annum (dpa) need figure is based on following a process as set out in the PPG. However, it should be noted that the OAN report does discuss the possibility of

using the level of affordable housing need as an alternative OAN (a figure of 71 dwellings per annum – see paragraph 4.19). However, the paragraph goes on to note the points made above (about affordable need not just being about the provision of new homes). On this basis, the 63 dpa remains the best figure to use as the OAN.

4.13 Does the Strategic Housing Land Availability Assessment (SHLAA) identify all potential sources of housing land in an attempt to meet identified need?

1. The Authority's SHLAA (CD104) sets out the work undertaken on the assessment of potential housing land in the National Park. The Authority acknowledges the national planning guidance that Plan-makers should not simply rely on sites that they have been informed about but actively identify sites through the desktop review process.
2. The Government's NPPG states that, "...*Plan makers should issue a call for potential sites and broad locations for development...The comprehensive list of sites and broad locations derived from data sources and the call for sites should be assessed against national policies and designations to establish which have reasonable potential for development.*" In accordance with this guidance, the Authority has undertaken a 'Call for Sites' process and a 'Call for Brownfield Sites' process. The 'Call for Sites' process commenced in 2015 and the Authority continued to accept and assess site submissions up to Autumn 2017. The 'Call for Brownfield Sites' process was launched in early 2017 in response to the Government's requirement for all local planning authorities to publish Brownfield Registers by the end of December 2017. All of the sites submitted through these two processes have been assessed.
3. In addition to sites submitted through these processes, the Authority also considered other sources of potential housing land. The NPPG highlights a range of sources including land in the local authority's ownership; surplus public sector land; and planning applications that have been withdrawn. The Authority's housing land availability assessment followed this guidance, with potential sources of housing land explored by the Authority including:
 - Sites subject to pre-application advice.
 - Sites within the National Park on the National Register of Public Sector Land.
 - All of the main public sector bodies with land within the National Park (e.g. the Forestry Commission, Hampshire County Council and New Forest District Council) were also directly contacted to highlight the assessment and invite submissions.

Given the small-scale of existing housing development within the New Forest National Park, a decision was made at the start of the assessment that no site size limit or minimum dwelling threshold would be set so as not to rule out any potential housing sites.

4. The proposed housing site allocations in the Submission draft Local Plan illustrate the range of sources explored. For example:

- Land at Whartons Lane, Ashurst (SP22) was initially identified through the defined village boundary review of Ashurst and was then subsequently submitted by the landowner through the 'Call for Sites' process.
- Land at the former Lyndhurst Park Hotel site (SP23) was submitted by the landowner in their representations on the Local Plan review.
- Land at Church Lane Sway (SP24) was originally put forward by the landowners through the initial 'Call for Sites' process.
- Land adjacent to the former Fawley Power Station (SP25) was originally identified through duty to co-operate discussions with the landowner and New Forest District Council.

4.14 *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?*

1. The Authority's SHLAA (CD104) sets out the work undertaken on the assessment of potential housing sites in the National Park. As highlighted in the response to question 4.15, housing land availability within the National Park is significantly constrained by a range of environmental designations and therefore development will be restricted.
2. The Authority's response below to question 4.15 sets out the site selection process undertaken and the factors that were taken into account. The methodology used in the housing land availability assessment process was based on guidance on '*housing and economic land availability assessment*' in the NPPG, which recognises that assessments should be proportionate. Sites were assessed against a wide range of criteria including potential impacts on nature conservation designations (e.g. Natura 2000 sites, SSSIs); built environment designations (e.g. Schedule Ancient Monuments); environmental constraints (e.g. sites within Flood Risk Zone 3); and proximity to services. Appendix A of CD104 sets out the full pro-forma used and this effectively assessed the sustainability of sites against a range of criteria.
3. The NPPG also sets out the core outputs expected from the housing land availability assessment process (Stage 5: *Final Evidence Base* in the process). In accordance with this methodology, the Authority has published: (i) a list of all sites or broad locations considered, cross-referenced to their locations on maps; (ii) an assessment of each site or broad location, in terms of its suitability for development, availability and achievability; and (iii) more detail for those sites which are considered to be realistic candidates for development.
4. As part of the Local Plan review, the Authority has formally consulted on potential housing sites on a number of occasions. The sites identified through the Plan-making process are within the larger, more sustainable settlements of the National Park and are less affected by significant constraints such as flood risk or proximity to the New Forest's Natura 2000 sites. The consultation draft Local Plan (October 2016) (CD171) identified seven proposed housing allocations and these were the subject of an 8-week period of consultation. The

potential housing allocations were also subject to a Sustainability Appraisal which was published alongside the draft Local Plan in autumn 2016.

5. Following this consultation, the Authority received updated advice from Natural England regarding development close to protected habitats. This resulted in a number of the proposed housing site allocations being removed from the draft Local Plan and in summer 2017 the Authority held a further 6-week public consultation on potential alternative housing sites. The results of this consultation informed the preparation of the Regulation 19 Submission draft Local Plan (January 2018) and the Local Plan review process dating back to 2015 demonstrates the attempts made by the Authority to identify housing land.

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

1. In line with the NPPG, the first part of the assessment considered the suitability of sites against key designations and criteria where development within the National Park would not be acceptable. The NPPG states that sites which have particular policy constraints, “...*should be included in the assessment for the sake of comprehensiveness but these constraints must be set out clearly, including where they severely restrict development.*” These key constraints are listed on page 8 of the SHLAA (CD104) and include nature conservation designations (e.g. Natura 2000 sites, SSSIs); built environment designations (e.g. Schedule Ancient Monuments) and environmental constraints (e.g. sites within Flood Risk Zone 3).
2. All sites that were not ruled out in the first stage of the assessment against these key constraints were then assessed in more detail. This covered a wider range of criteria, with the aim being to identify potential housing sites that are well related to the larger, more sustainable villages within the National Park where new housing could be provided close to services and facilities (in accordance with paragraph 55 of the NPPF). Pages 8 – 9 of the SHLAA (CD104) outline the criteria used in the second part of the site assessment and Appendix A of CD104 sets out the full pro-forma used in the assessment. The more detailed criteria include the proximity to protected habitats; access to services and facilities; and whether there were particular site constraints (e.g. overhead power lines).
3. National guidance also states that where constraints have been identified, the assessment should consider what action would be needed to remove them. For potential housing sites within the National Park, the most significant ‘constraints’ to development are impacts on the landscape and on the protected habitats in the New Forest. These ‘constraints’ are very challenging to overcome as the protection afforded to the landscape and habitats of the New Forest is enshrined in statute. Where appropriate, the Submission draft Local Plan factors in mitigation measures in the specific site allocations through restrictions on the area of land that can be developed (e.g. land to the south of Church Lane, Sway); the requirement to protect significant trees on the site (e.g. land at Calshot Village); or the requirement for significant supporting green infrastructure (e.g. land to the south of the former Fawley Power Station).

4. The reasons why preferred sites were selected while other sites were rejected is set out in Appendices B & C of the Authority's SHLAA. The Local Plan identifies housing allocations in areas relating to the larger, more sustainable settlements in the National Park where housing and other services can be located together to ensure the delivery of the Authority's socio-economic duty. The majority of the housing allocations are adjacent to the Defined Villages, ensuring the spatial distribution of housing supports the settlement hierarchy.
5. Where significant constraints have been identified, such as flood risk and impacts on Natura 2000 designations, sites have not been taken forward. Appendix B of CD109 provides a one page summary of all of the sites identified as having development potential, including those sites proposed for allocation and windfall sites within the defined villages. This covers the suitability, availability and achievability and estimated yield. Appendix C of CD109 and the accompanying maps provide a site specific summary for each of the rejected housing sites which again identified whether the rejected sites were considered suitable, available and achievable (as required by the NPPG); before a concluding paragraph entitled 'Summary of reason for rejection'. The Authority therefore considers the reasons for selecting the preferred sites and rejecting others to be clearly set out in CD109.

4.16 Which factors have been taken into account in determining the housing land requirement for the Local Plan? How does it compare with past rates of delivery?

1. In determining the housing requirement the National Park, the Authority has considered a wide range of factors. These include the identified housing need; the level of protection afforded by national policy to the landscape and scenic beauty of the New Forest; and the statutory protection to the national and internationally important habitats. The whole Local Plan-area benefits from the highest level of landscape protection (paragraph 115 of the NPPF, 2012) and in addition over 50% of the Plan-area is designated as being of international importance for nature conservation. When considered against the guidance in paragraphs 14, 115 and 119 of the NPPF (2012) and the National Parks Circular (CD35) the allocation of land for new housing development will be restricted.
2. The Authority also acknowledges the identified housing need within the National Park and therefore made the decision at the start of the Local Plan review process that housing land allocations should be considered for the first time since the National Park was designated by the Government in 2005. None of the development plans prepared by the predecessor planning authorities and inherited by the Authority in 2005 included any housing site allocations in what was the New Forest Heritage Area (designated in the 1980s). The Submission draft Local Plan therefore includes proposed housing allocations in the New Forest for the first time in decades. The proposed allocations range from 30 dwellings (Policy SP26) to 120 dwellings (Policy SP25).
3. The Submission draft Local Plan proposes 800 new dwellings in the National Park between 2016 – 2036, at an average of 40 dwellings per annum. This is an increase in the planned level of development from past rates of delivery, which have averaged circa 23 net dwelling completions per annum since the

National Park was designated in 2005. The proposed increase in housing development in the National Park recognises the identified local need and the requirements of national planning policy, while seeking to protect the New Forest as an area with a wide range of designations that constrain development. The Local Plan housing requirement is based on a capacity-led approach within the protected National Park landscape and focusing development towards the more sustainable settlements in the Park with greater access to services.

4.17 *Is the 400m restriction on the allocation of housing in relation to the SPA justified?*

1. Over 50% of the National Park is designated as being of international importance for nature conservation. The New Forest Special Protection Area (SPA), Special Area of Conservation (SAC) and Ramsar sites are important parts of the mosaic of habitats that make up the National Park. Paragraph 119 of the NPPF (2012) states that, “...*the presumption in favour of sustainable development (paragraph 14) does not apply where development requiring appropriate assessment under the Birds or Habitats Directives is being considered, planned or determined...*” This guidance is essentially reiterated in paragraph 177 of the revised NPPF (2018).
2. The Habitats Regulation Assessment (HRA) for the Local Plan (CD15) identifies a range of potential impacts from development on the protected habitats of the New Forest. Paragraphs 4.23 – 4.40 of the HRA provide the commentary of the potential ‘urban edge effects’ caused by new development in close proximity to protected habitats. These paragraphs of the HRA also provide the background to the restriction on allocations within 400 metres of the New Forest SPA.
3. Paragraph 4.35 of the HRA states that, “...*it is not possible to rule out the potential for urban edge effects such as cat predation or fly-tipping from residential allocations within 400 m of New Forest SAC or SPA by reliance on contributions to NFNPA’s Habitat Mitigation Scheme since it is not clear that any of the scheme elements would address these types of effect.*” Consequently the only proposed housing site allocation within 400 metres of the New Forest SPA is the brownfield site of the former Lyndhurst Park Hotel where draft policy SP23 requires development proposals to incorporate measures to mitigate potential significant urban edge impacts on the adjacent protected habitats. The site also has an existing lawful use as a hotel that would generate a baseline level of impact on the adjacent protected habitats.
4. In preparing the Submission draft Local Plan, the Authority met with Natural England officers in April 2017 to discuss potential housing site allocations and impacts on the New Forest’s Natura 2000 sites. The position statement agreed between Natural England and the National Park Authority after this meeting is set out in CD178. The statement confirms Natural England’s view that an appropriate assessment would be required for any proposed housing allocation within 400 metres of the New Forest SPA to determine whether the urban edge effects could be ruled out or mitigated. It was highlighted that it has not been possible to mitigate these urban edge effects from housing allocations in the Dorset Heaths and Thames Basin Heaths, where there is now effectively a ban on housing allocations with 400 metres of the protected habitats. The public

consultation undertaken in Summer 2017 on potential alternative housing sites was prompted by Natural England's clear advice to the Authority that allocations should not be made within 400 metres of the SPA due to the impacts of development on the immediately adjacent protected habitats.

5. In conclusion, the justification for the restriction on the allocation of housing within 400 metres of the internationally protected New Forest SPA is set out in the HRA (CD15). The approach taken in the Submission draft Local Plan is supported by Natural England and is consistent with the approach taken by neighbouring planning authorities. National policy confirms that the presumption in favour of sustainable development does not apply where development would require an appropriate assessment, which any proposed allocations within 400 metres of the SPA would. Although this significantly restricts the potential areas where development can be accommodated in the National Park, it is necessary to protect the integrity of the sites and ensure legal compliance.

4.18 *Is the Local Plan justified in not meeting the OAN? Which factors have been taken into account in reaching this conclusion?*

1. The Authority has taken the issue of delivering housing to meet identified local needs very seriously in the review of the Local Plan. The Submission draft Local Plan proposes housing site allocations in the National Park for the first time since it was designated in 2005 (and indeed for many years before the National Park was designated). The Authority has worked closely with New Forest District Council to commission the necessary assessments of housing needs and on the development of complementary Local Plan policies to guide the comprehensive development of a 1,500 home development on the site of the former Fawley Power Station. However, the submitted Local Plans includes a modest planned under-provision of housing within the National Park when assessed against the most robust evidence of local housing need (CD105).
2. National planning policy and guidance recognises that a different approach is justified to addressing identified needs within a nationally protected landscape. This is based on a number of factors, including the landscape protection afforded to the New Forest through primary legislation and the internationally protected habitats covering large parts of the National Park. National policy justification for restricting the scale of development in the New Forest includes:
 - Paragraph 14 of the NPPF (2012) which confirms that the presumption in favour of sustainable development means that Local Plans should meet objectively assessed needs: (i) unless the adverse impacts of doing so significantly outweigh the benefits; or (ii) specific policies indicate development should be restricted. Footnote 9 states that such policies include those relating to National Parks, sites protected under the Birds and Habitats Directives, or designated Sites of Special Scientific Interest.
 - Paragraph 47 of the NPPF (2012) states that, "...local planning authorities should use their evidence base to ensure that their Local Plan meets the full objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in this Framework..." (our emphasis). This emphasises that national policy should

be read as a whole and National Parks are denoted as areas where development should be restricted.

- Paragraph 115 and 116 of the NPPF (2012) set out the national planning policy position on National Parks. The paragraphs confirm that National Parks have the, “*highest status of protection in relation to landscape and scenic beauty*” and that “*great weight*” should be given to conserving this. Paragraph 116 of the NPPF states that planning permission should be refused for major developments in these designated areas except in exceptional circumstances and where it can be demonstrated they are in the public interest. This confirms that the scale of development in National Park will be smaller than areas not covered by the same level of protection, or operating with the same legal framework of the two National Park purposes.
 - Paragraph 119 of the NPPF (2012) confirms that the presumption in favour of sustainable development does not apply where development requiring appropriate assessment under the Birds or Habitats Directives is being considered, planned or determined. The HRA of the Submission draft Local Plan confirms that all residential development in the National Park has potential impacts on the integrity of the New Forest’s Natura 2000 sites.
 - The *English National Parks and the Broads: UK Government Vision and Circular 2010* (CD35) provides further guidance and information about the statutory National Park purposes and is cross-referenced within the NPPF (2012), the revised NPPF (2018) and the Government’s online NPPG resource. It remains extant and states that, “...*the Government recognises that the [National] Parks are not suitable locations for unrestricted housing and does not therefore provide general housing targets for them. The expectation is that new housing will be focused on meeting affordable housing requirements...*” (paragraph 76).
3. National planning policy guidance extant at the time of the assessment of housing needs in the New Forest confirmed that the assessment of housing needs should be an objective assessment of need based on facts and unbiased evidence. Local planning authorities were advised not to apply constraints (including environmental designations) to the overall assessment of need, but that these would need to be addressed in preparing the development plan. Therefore, as required by national policy and guidance, the assessment of housing needs undertaken for the National Park area was a ‘policy-off’ assessment that took no account of the New Forest’s protected status. However, it is entirely appropriate that the protection afforded to the landscape and habitats of the New Forest has influenced the planned level of development.
4. The Inspector’s Report into the Authority’s existing Core Strategy (2010, CD168) recognised that unlike most other development plans that are fundamentally concerned with delivering major housing growth, the local planning policies for the New Forest National Park are not “*development led*”. Although national planning policy has been revised since the adoption of the current Core Strategy, the legal framework in the National Park remains unaltered. National planning reforms continue to recognise National Parks as

areas where policies of restraint are justified. Examples include the exemption of National Parks from certain recent changes in Permitted Development Rights; the insertion of new wording in the revised NPPF (2018) stating that within National Parks, “...*the scale and extent of development in these designated areas should be limited...*” (paragraph 172); and the recognition in the NPPF (2018) that the Housing Delivery Test will not apply in National Parks.

5. In conclusion, national planning policy, guidance and primary legislation all recognise the need to restrict development within National Parks to ensure the delivery of the two statutory purposes. The Authority has gone to significant lengths to accommodate housing development within the context of a nationally protected landscape (and internationally protected habitats), and considers the modest planned under-provision against the OAN figure to be justified.

4.19 What are the consequences of not meeting the Objectively Assessed Needs for the area?

1. In planning terms, the main consequence of not fully meeting the Objectively Assessed Housing Need is that the Authority will need to continue to raise this unmet need with neighbouring planning authorities through representations on their emerging development plans. Against the best available evidence of housing need arising within the Park, this amounts to circa 23 dwellings per annum, or 460 dwellings over the Plan period to 2036.
2. This unmet housing need should be viewed in the context of the major development proposed within areas close to the National Park boundary. The New Forest District Council Submission draft Local Plan (June 2018) for example, is proposing an increase in annual housebuilding from just under 200 dwellings per annum in the current development plan to over 500 dwellings per annum. The Partnership for Urban South Hampshire (PUSH) Spatial Position Statement (2016) (CD172) sets out ambitious plans for 104,350 additional dwellings by 2034, an increase against current levels of delivery. The planned unmet housing need in the National Park is a modest figure in the context of the scale of planned development in adjoining sub-regions.
3. Looking within the National Park, a consequence of not fully meeting the OAN housing figure is that house prices may continue to rise and local people may be priced out of the market for new build properties. The Submission draft Local Plan therefore uses a range of planning policy tools to ensure the housing delivered meets identified local needs as far as possible. This includes:
 - Seeking on-site affordable housing provision for local people on allocated sites, informed by the viability assessment of the Local Plan (CD107). This is one of the main reasons why housing site allocations are proposed within the National Park for the first time since its designation in 2005.
 - The inclusion of the rural exception site policy (SP28) to deliver affordable housing in rural communities across the National Park, again informed by the viability assessment.

- A proposed lower site size threshold for the delivery of on-site affordable housing (SP27) within the defined villages, justified by the viability assessment and national policy contained within the National Parks Circular.
- Proposals that where specialist housing for older people is provided (Use Class C2), new provision will be made available for people with a connection to the National Park (rather than catering for external demand).