

Library Ref: TP06a

Justification for the Stepped Housing Trajectory and the level of Small Site Allocations

(A topic paper supporting the examination)

August 2021 (updated September 2021)



Introduction

1. This Topic Paper is one of a series of notes and papers provided by the Council to support the examination of its Local Plan. It provides information requested by the Local Plan Inspectors in relation to Matter 2 (housing).
2. During the Stage 1 Hearings, the Council proposed the housing trajectory in the Plan should be 'stepped' to ensure the Plan is 'up to date' at the point of adoption and has full weight for decision making purposes.
3. The first section of this paper sets out how the justification for a stepped trajectory both in terms of the step change needed in housing delivery (between adopted and emerging plans) and that a number of larger, more complex sites are expected to start delivering from the mid-point of the plan period.
4. The second part of this report covers the justification for the level of allocations which are a hectare or less in size.

The proposed stepped housing trajectory

Executive Summary

5. A fundamental principle of the National Planning Policy Framework (NPPF) is that strategic policies should deliver the full objectively assessed need for housing by the end of the plan period. The submitted Plan (CD01) allocates sufficient land to satisfy this.
6. The supply of housing land in the first five years of the Plan, since 2016, has however been significantly constrained. This has produced an accumulated shortfall of 504 dwellings. It also frustrates the Council's ability to demonstrate a five year housing land supply. A further challenge is the need to significantly increase the annual average delivery of housing from the 315dpa specified by the adopted Core Strategy (2011) to 504 dpa as set out in the submitted Plan (CD01).
7. During the Stage 1 Hearings, the Council indicated that it would be willing to consider further allocations in addition to those included in the submitted Local Plan to increase its five year supply. However, the availability of additional sites is considered unlikely to secure a five year supply in isolation. This is because of the extent of the shortfall, the scale of the increase in the annual average housing requirement, and the expected deferred delivery of housing on the larger housing sites that are allocated in the Plan.
8. This has led the Council to propose a stepped housing trajectory which would 'step up' the housing requirement over the plan period:

Plan Years	Annual Housing Requirement	Total of Housing to be Delivered
2016/17-2020/21	373	1,865
2021/22-2026/27	500	2,500
2026/27-2036/37	555	6,105
Total		10,470 (+37 compared to OAN)

9. The Council does not unnecessarily seek to delay meeting housing needs, or indeed 'cast aside' any of the shortfall which has accumulated in the first five years of the plan. It is, however considered unrealistic to try recover the shortfall before 2025/2026 since the Plan focuses delivery on a number of larger, more complex sites which will not start to come on stream and deliver housing until 2026/27 onwards. Instead, a 'Liverpool' approach in the form of a stepped trajectory is proposed to recover the shortfall over the whole of the plan period. This will deliver the full objectively assessed need.
10. A stepped trajectory would require certain consequential changes to the Plan. They will be set out in a schedule of proposed changes following any stage 2 hearings.
11. In short, the benefit of a stepped trajectory is that it provides a realistic means of ensuring objectively assessed need is addressed by end of the plan period, in a way which fully complies with the aims and objectives of the NPPF. Specifically, it would secure five years' worth of deliverable sites on adoption of the Plan. It would enable the Council to 're-set' the 2020 results of the Housing Delivery Test (72%) and remove the 'presumption in favour of sustainable development' which would otherwise operate from the adoption of the Plan. That would ensure the policies in the submitted Plan are 'up-to-date' for decision-making purposes at the point of its adoption.

Background

12. The housing trajectory (TP01c, Appendix 1 and CD27d, Appendix 3) demonstrates the Council's commitment to meeting the Borough's objectively housing need in full by 2037 and maximising housing delivery, both in the short and long term.
13. Housing delivery in the past five years has however, been suppressed by events outside of the Council's control. The decision of the European Court of Justice in the Dutch case¹ stalled new residential development for an 18 month period between February 2019 and August 2020. House building was also disrupted by the COVID-19 pandemic. The Council has now put in place a strategic mitigation scheme to achieve nutrient neutral development. Thus the "one off" effects of the Dutch Case and Covid19 have been resolved. However, taken together with the significant increase in the annual average requirement, the accumulated shortfall will continue to place pressure on the Borough's five year housing land supply unless other measures are taken.
14. The Council's Five Year Housing Land Supply Update (EB36c) indicates an accumulated shortfall of 504 dwellings since the start of the plan period (2016/17-2020/21). The Council's response to Question 2.5 (MIQ03), refers to advice contained in the Planning Practice Guidance (PPG)² as follows:

"Where the standard method for assessing local housing need is used as the starting point in forming the planned requirement for housing, Step 2 of the standard method factors in past under-delivery as part of the affordability ratio, so there is no requirement to specifically address under-delivery separately when establishing the minimum annual local housing need figure."
15. If the accumulated shortfall from the start of the plan period is set aside, the Borough's housing land supply would automatically increase to 5.4 years³. However, the PPG indicates past under-delivery may need to be considered where a plan is part way through the plan period at the point of adoption and delivery is below the housing requirement in emerging policies, as is the case here. The effect of each of those matters is that the policies and proposals of submitted Plan will not enable the Council to demonstrate a five year supply of deliverable housing sites on adoption of the Plan. That would render it out of date from the outset, and thereby run contrary to the "plan-led" planning system prescribed by the NPPF.
16. The Council considers that it would not be possible to address the shortfall in the five year supply solely by allocating additional sites; most of the Borough being affected by significant environmental constraints that limit its ability to significantly increase supply in the short term. Instead, the Council proposes housing delivery should be "stepped up" over the plan period to reflect the timing of the delivery of larger and more complex sites, and the consequential impact on the rate and quantum of housing delivery.

¹ The Dutch case in late 2018 means there is a need for development resulting in net increase in overnight accommodation to prevent any net increase in nutrients. See the Council's Housing Delivery Action Plan (EB37) for further detail.

² [Housing supply and delivery](#). Paragraph: 031 Reference ID: 68-031-20190722

³ See MIQ03 Havant Borough Local Plan Examination Statement Matter 2: Housing– paragraph 16

A stepped housing trajectory

17. The PPG⁴ states:

“A stepped housing requirement may be appropriate where there is to be a significant change in the level of housing requirement between previous policies and / or where strategic sites will have a phased delivery or are likely to be delivered later in the plan period. Strategic policy-makers will need to identify the stepped requirement in strategic housing policy, and to set out evidence to support this approach, and not to unnecessarily delay meeting identified development needs. Stepped requirements will need to ensure that planning housing requirements are met fully within the plan period. In reviewing and revising policies, strategic policy-makers should ensure there is not continued delay in meeting identified development needs.”

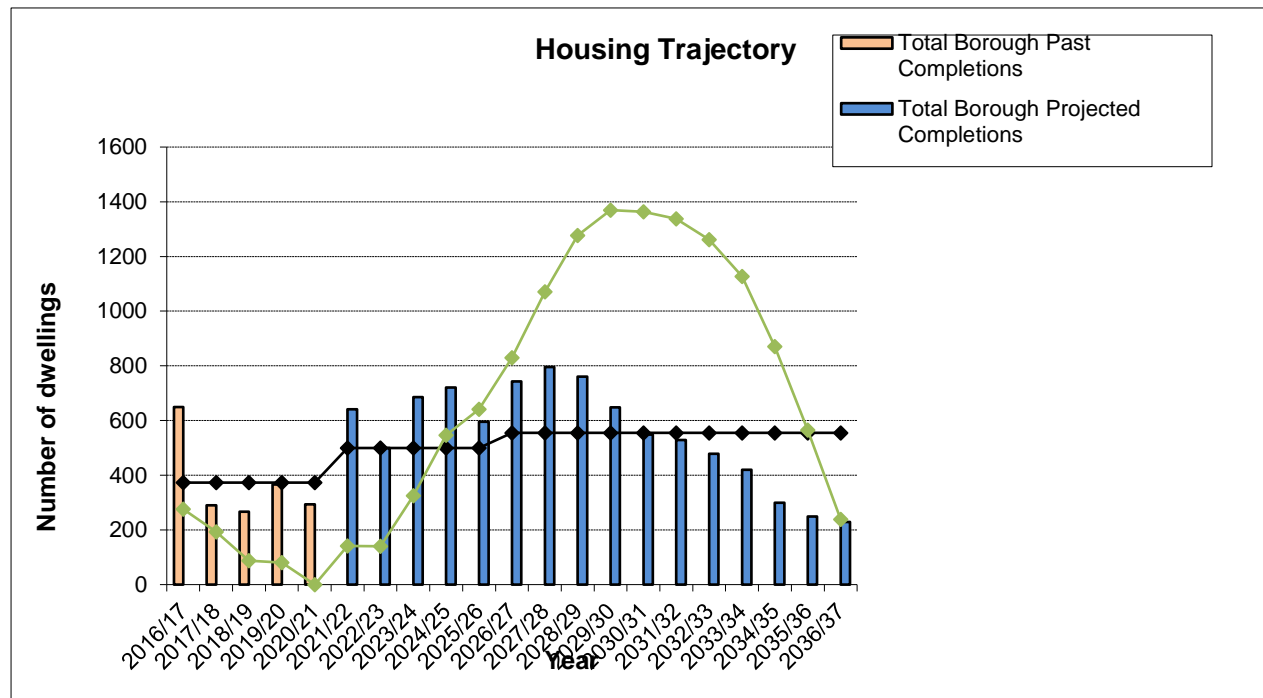
18. In Havant Borough, a “step change” in housing delivery is needed to deliver 504 dwellings per annum under the standard method. This represents an increase of two thirds when compared to the adopted housing requirement figure of 315 dpa set out by the Core Strategy (2011) (see EB37).
19. The submitted Local Plan (CD01) includes a number of key projects which are likely to be delivered in the mid to the latter part of the plan period. Havant Town Centre (Policy KP1) and Southleigh Strategic Site (Policy KP5) are expected to deliver first completions from 2025/26 onwards, whilst completions in Waterlooville Town Centre (Policy KP2) will take place from 2027/28 onwards. Collectively these larger, complex sites will deliver increased annual average delivery rates than that seen in the early part of the plan period.
20. To ensure that the Borough’s objectively assessed need (OAN) (10,433 dwellings) is met (and exceeded), the Council proposes three stages of housing delivery as part of any stepped trajectory:

Table 1: Stepped housing requirement over the plan period (2016/17-2036/37)		
Plan Years	Annual Housing Requirement	Total of Housing to be Delivered
2016/17-2020/21	373	1,865
2021/22-2025/26	500	2,500
2026/27-2036/37	555	6,105
Total		10,470 (+37 compared to OAN)

21. The first step in the trajectory (373 dwellings per annum (dpa)) is based on the rounded annual average housing delivery over 2016/17-2020/21. During this period, completions totalled 1,867 dwellings, or an annual average delivery rate of 373 dpa. The housing requirement between 2021/22 and 2025/26 would be set at a rate of 500 dwellings, and 555 dwellings from 2026/27 onwards. This represents a credible and effective mechanism to fully recover the shortfall over the plan period.

⁴ [Housing Supply and Delivery](#) Paragraph: 021 Reference ID: 68-021-20190722

22. Based on a housing requirement of 10,470 dwellings and a supply of 10,709 homes over the plan period, there would be a buffer of 239 homes⁵.
23. The third step in the trajectory would provide some flexibility to meet any future increases in objectively assessed need under the standard method. It also reflects the reality that larger, complex housing schemes will not start to deliver new homes before 2026/2027. A number of these sites were discussed as part of the stage 1 hearings, most notably Havant Town Centre (KP1), Land North of Long Copse Lane (H8), Rook Farm (H27) and Campdown (H40).



24. The trajectory below also shows that the housing requirement in the first step will be offset by significantly increased annual average outputs from larger, more complex sites in the second and third steps in the trajectory. Whilst completions from 2031/32 decrease below 555 dpa during the third step, the 'monitor' line shows there is surplus from 2027/28 to 2034/35. It also shows that the Borough is able to meet and achieve a small surplus over its objectively assessed need.
25. The stepped delivery is a pragmatic response to the suppressed housing completions over the last 18 months, and represents a balanced approach to remedy under-delivery with the significant environmental constraints that exist in the Borough. The approach is consistent with the Council's track record as a 'pro-development' authority; with initiatives such as its support in principle for development on draft allocations; the Local Plan Housing Statement; and the implementation of the Council's own mitigation scheme for nutrient neutrality demonstrate its commitment to significantly boosting the supply of housing.

⁵ In practice, there would remain a buffer of 276 homes against objectively assessed need of 10,433 dwellings (as per para 2.49 in CD27c).

The adoption of the stepped trajectory to recover shortfall

26. This apportionment of the shortfall over the whole of the remaining plan period through a stepped trajectory is a realistic and pragmatic response to the Borough's environmental and economic circumstances. In this respect, the PPG⁶ advises:

"If a strategic policy-making authority wishes to deal with past under delivery over a longer period, then a case may be made as part of the plan-making and examination process rather than on a case by case basis on appeal.

Where strategic policy-making authorities are unable to address past shortfalls over a 5 year period due to their scale, they may need to reconsider their approach to bringing land forward and the assumptions which they make. For example, by considering developers' past performance on delivery; reducing the length of time a permission is valid; re-prioritising reserve sites which are 'ready to go'; delivering development directly or through arms' length organisations; or sub-dividing major sites where appropriate, and where it can be demonstrated that this would not be detrimental to the quality or deliverability of a scheme."

27. The 2016 Local Plan Housing Statement (CD29) identified sites which were suitable for 'early release' at an early stage in the plan making process. The Position Statement identified a combination of sites which were 'ready to go' such as Land North and West of Selangor Avenue (reference APP/16/0072) as well as larger, more complex ones such as Forty Acres and Land North of Long Copse Lane. The Council has also accepted the principle of the subdivision of sites, most notably that of Land East of Castle Avenue – the first phase of which already benefits from planning permission (APP/18/01033) whilst a planning application for the second phase is expected shortly.
28. The Council does, however, recognise that additional sites (beyond those allocated in the Plan) are likely to be needed to boost housing supply in the short term. As set out in the Council's Examination Statement on Matter 2 (MIQ03), the Council's Planning Policy Committee is due to consider a further allocation for Land north of Tournurbury Lane & Hayling College (SHLAA reference HY5 & HY11) for 100 dwellings⁷. The Council is also considering an outline planning application (APP/20/0041) at Land east of the A3(M) which has the potential to provide up to 100 dwellings (previously up to 120 dwellings)⁸.
29. In those cases where the principle of development is not currently supported by the submitted Plan (CD01), it may be appropriate to reduce the length of time a permission is valid to boost housing supply in the short term. However, for the reasons that are given, the Council considers that this initiative would need to be applied in combination with the stepped trajectory to secure a five year supply upon adoption of the Plan.

⁶ [Housing supply and delivery](#) Paragraph: 031 Reference ID: 68-031-20190722

⁷ It should be noted that TP02 refers to the potential of 150 dwellings, but the layout submitted by the site promoter indicates about 100 dwellings could be provided on the site.

⁸ The description of development has been amended since the stage 1 Examination Hearings.

Five Year Housing Land Supply

30. Applying the 'Liverpool' methodology to the recovery of the shortfall the Council's five year supply position would be calculated as follows:

Table 2: Five Year Supply Calculation for period 2021/22-2025/26 (Liverpool Method)		
Calculating the required supply		Dwellings
a	Requirement 2016/17 – 2020/21	1,865
b	Completions 2016/17 – 2020/21	1,865
c	Shortfall/surplus	0
d	Five year requirement 2020/21-2024/25 (step 2)	2,500
e	Five year requirement plus shortfall	-
f	Five year requirement with 5% buffer	2,625
g	Five year requirement with 20% buffer	3,000
Identified Supply		
h	Supply over 5 year period 2020/21-2024/25	3,142
Five year land supply (expressed in years):		
Excluding buffer		$h / (e / 5)$
With 5% buffer		$h / (f / 5)$
With 20% buffer		$h / (g / 5)$

31. Table 2 indicates the Council would be able to demonstrate 5.2 years supply of housing with a 20% buffer, or a surplus of 142 homes against a five year requirement of 3,000 homes.

32. As set out above, additional sites (beyond those allocated in the Plan) are likely to be needed to boost housing supply in the short term. At this stage, it is envisaged officers will recommend that that Land north of Tournurbury Lane & Hayling College (HY5 & HY11) is included as a further allocation for 100 dwellings⁹ to the Council's Planning Policy Committee representing 0.2 years of supply.

⁹ The site promoter has indicated that there is clear developer interest in the site and that the site could be delivered in two 50 dwelling phases, in 2022/23 and 2023/24 respectively.

Housing Delivery Test

33. The 2020 Housing Delivery Test measurement for Havant is currently 72%¹⁰. That results in a presumption in favour of sustainable development by reason of housing delivery having fallen below 75% in the previous three years.
34. Planning Practice Guidance¹¹ indicates that a HDT calculation may be re-run using a new housing requirement where it is adopted after the publication of the measurement. Applying the proposed stepped trajectory to the HDT, the recalculated HDT results for 2020 and those projected for 2021 would be as follows:

2020 HDT measurement re-run (with the stepped trajectory in place):

Number of homes required			Total number of homes required	Number of homes delivered			Total number of homes delivered	Housing Delivery Test measurement* (%)
2017-18	2018-19	2019-20		2017-18	2018-19	2019-20		
373	373	373	1119	290	267	366	923	82.48%

* Calculated by dividing the Total number of homes delivered by Total number of homes required

2021 HDT projected measurement (with the stepped trajectory in place):

Number of homes required			Total number of homes required	Number of homes delivered			Total number of homes delivered	Housing Delivery Test measurement* (%)
2018-19	2019-20	2020-21		2018-19	2019-20	2020-21		
373	373	373	1119	267	366	293	926	82.75%

* Calculated by dividing the number of homes delivered by Total number of homes required

35. The application of the stepped housing trajectory 're-sets' the 2020 Housing Delivery Test result from 72% to 83%. The result is that the Council would continue to be required to apply a 20% buffer when it calculates its 5 year housing land supply. However, the presumption in favour of sustainable development would not, however be applied from the date of adoption. This would ensure the Plan is 'up to date' at the point of adoption and would carry full weight in decision-making.

¹⁰ [Housing Delivery Test: 2020 measurement](#). Published 19 January 2021.

¹¹ [Housing supply and delivery](#) Paragraph: 042 Reference ID: 68-042-20190722

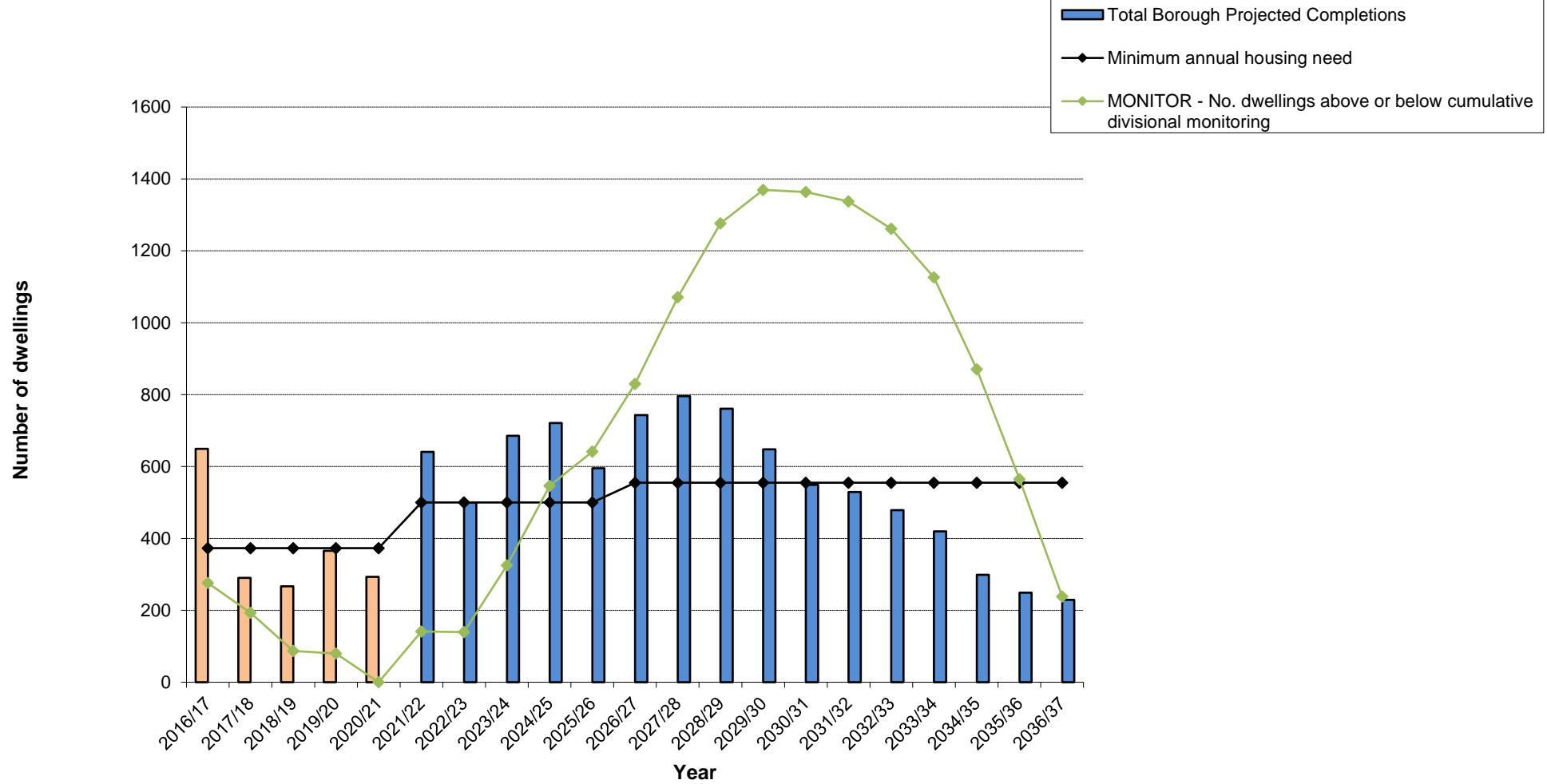
Approach to small and medium sized sites

36. Paragraph 68 of the NPPF states that small and medium sized sites can make an important contribution to meeting the housing requirement of an area, and are often built-out quickly. As part of promoting the development of a good mix of sites (alongside other measures), local planning authorities should: *“identify, through the development plan and brownfield registers, land to accommodate at least 10% of their housing requirement on sites no larger than one hectare unless it can be shown through the preparation of relevant plan policies that there are strong reasons why this 10% target cannot be achieved.”*
37. The Council is a pro development authority, and is committed to supporting small and medium sized housebuilders operating in the local area. This is demonstrated through the Council’s proactive approach to launch a simple and cost effective mitigation scheme for small and medium sized housebuilders to use to ensure that their developments can be nutrient neutral.
38. The submitted Plan (CD01) does not explicitly set out how many homes would be provided on sites of 1 hectare or less. Based on an objectively assessed need figure of 10,433 dwellings – there would be a target of 1,043 homes to be delivered on sites no larger than one hectare.
39. The table at Appendix 2 shows that 8.8% (919 homes) of the housing requirement could be provided on small and medium sites identified on the Council’s brownfield register and on allocations in the Plan (see appendix 2). Havant and Waterlooville Town Centres are areas of search and therefore have the ability to significantly contribute towards this target and the submitted Plan (CD01) seeks to optimise the potential for housing delivery in these locations accordingly. For example, the current Wellington Way application (reference APP/18/00234) in Waterlooville Town Centre has the potential to provide 264 homes on a 0.2 hectare site.
40. There are no other sites which the Council could identify to increase this figure, as none of the omission sites (TP02) would meet this criterion. It is not considered appropriate to sub-divide any larger sites into 1ha sites as this would threaten their deliverability. The Council does however identify that windfall sites within the built up area continue to make a reliable source of supply (EB36a), with 1,089 homes anticipated over the course of the Plan period. This reflects the built up nature and geographical constrained nature of the Borough as set out in the Council’s Housing Constraints and Supply Analysis (EB39).
41. Whilst the Council could allocate sites which are capable of delivering less than 5 dwellings, this would be disproportionate particularly bearing in mind the principle of development is established (through Policy E3) on sites within the built up area.
42. Overall, 919 homes (8.8% of need) can be provided on identified sites of less than 1ha. Nonetheless, with windfall development (1,089 dwellings) as well, this would mean that 2,008 dwellings, or 19.2% of need would be provided on sites of 1ha or less over the plan period.

Appendix 1: Stepped Housing Trajectory

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	TOTAL
Total Borough Past Completions	649	290	267	366	293	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1865
Total permissions						395	151	107	85	121	0	37	60	61	50	30	0	0	0	0	0	1097
Total allocations with permission						222	142	129	156	70	0	0	0	0	0	0	0	0	0	0	0	719
Total allocations						10	206	377	480	360	544	560	502	388	300	300	280	221	100	50	30	4708
Total windfall						0	0	0	0	0	99	99	99	99	99	99	99	99	99	99	99	1089
Southleigh						0	0	0	0	0	100	100	100	100	100	100	100	100	100	100	100	1100
Older persons housing						14	0	72	0	44	0	0	0	0	0	0	0	0	0	0	0	131
Total Borough Projected Completions						641	499	685	721	595	743	796	761	648	549	529	479	420	299	249	229	8844
Cumulative Completions	649	939	1206	1572	1865	2506	3005	3690	4411	5007	5750	6546	7307	7955	8504	9033	9512	9932	10231	10480	10709	10709
Minimum annual housing need	373	373	373	373	373	500	500	500	500	500	555	555	555	555	555	555	555	555	555	555	555	10470
Cumulative housing requirement	373	746	1119	1492	1865	2365	2865	3365	3865	4365	4920	5475	6030	6585	7140	7695	8250	8805	9360	9915	10470	
MONITOR - No. dwellings above or below cumulative divisional monitoring	276	193	87	80	0	141	140	325	546	642	830	1071	1277	1370	1364	1338	1262	1127	871	565	239	

Housing Trajectory



Appendix 2: Small Sites Delivery

Site Reference	Site Name or Address	Hectares	Site yield
HX	15-27 HORNDEAN ROAD	0.9	16
APP/19/00156	EASTLEIGH HOUSE BARTONS ROAD HAVANT	0.79	9
LP3	DUNSBURY WAY LEIGH PARK	0.61	72
H47	LAND NORTH OF Highbank Avenue	0.6	25
HB3	LAND AT PALK ROAD HAVANT	0.53	21
EM2	GAS SITE , PALMERS ROAD	0.46	15
APP/17/00529	380 SEA FRONT, HAYLING ISLAND	0.44	13
APP/17/01042	THE ROTUNDA, NORTHNEY MARINA, HAYLING ISLAND	0.43	21
APP/19/00722	WARD COURT, 65 SEA FRONT, HAYLING ISLAND	0.4	5
HY3	MANOR NURSERIES HAYLING ISLAND	0.39	9
APP/15/00896	38-44 LAND AT LONDON ROAD WATERLOOVILLE	0.39	42
APP/15/01425	FORMER WESSEX SITE NEW LANE HAVANT	0.33	41
APP/18/00897	15 LANGSTONE ROAD, HAVANT	0.3	8
APP/16/00963	81C THE CLOCK HOUSE LONDON ROAD WATERLOOVILLE	0.26	30
HY16	THE NAB CAR PARK, SOUTHWOOD ROAD	0.23	30
APP/14/01225	MARKET PARADE DEVELOPMENT SITE MARKET PARADE HAVANT	0.21	130
APP/18/00234	WELLINGTON WAY, WATERLOOVILLE	0.2	264
HY2	PULLINGERS, ELM GROVE	0.16	43
APP/19/00533	FERNWOOD HOUSE, 45-47 LONDON ROAD, WATERLOOVILLE	0.16	8
APP/18/00530	NORTH STREET ARCADE, 1-3 NORTH STREET	0.15	21
APP/10/00992	44-54 WEST STREET HAVANT	0.13	14
APP/16/00921	DOLPHIN QUAY, QUEEN STREET EMSWORTH	0.13	6
APP/19/00324	5-7 STATION ROAD, HAYLING ISLAND	0.13	19
APP/17/00694	11 EAST STREET, HAVANT	0.12	6
APP/19/00394	157 MILTON ROAD, WATERLOOVILLE, COWPLAIN	0.09	9
APP/14/00043	REAR OF 13-21 MENGHAM ROAD HAYLING ISLAND	0.07	7
APP/19/00060	71 FORESTSIDE AVENUE, LEIGH PARK	0.06	5
APP/14/00576	9 EAST STREET HAVANT	0.05	10
APP/16/00859	2-4 PARK PARADE LEIGH PARK	0.04	6
APP/17/00061	5-7 EAST STREET, HAVANT	0.04	9
APP/17/01088	THE WHITE HART, 1 EAST STREET, HAVANT	0.02	5
	TOTAL		919

