

Council statement on the progress of the emerging Local Plan

18th October 2022

In response to Pegasus ref: P20-3154 (ID-15)

1. Introduction

This note has been prepared by Gayle Wootton, Head of Planning Strategy and Economic Development for Fareham Borough Council. I manage the production of the Local Plan and its examination, and approve all evidence documents, including the Affordable Housing Background Paper.

2. The newly arising material considerations

Paragraphs 2.1-2.12

2.1 The chronology in paragraphs 2.1-2.8 is correct, although the Council contend that its work to assess the newly arising affordable homes requirement is not flawed, but do accept that the Inspector has asked it to produce a calculation based on the datasets referenced in the PPG. The Council feels it is important to emphasise that the PPG requires an estimate¹ rather than an exact calculation in the process of forming a Local Plan's affordable housing need.

2.2 The appellant accepts the Council's estimate of existing affordable need, but the issue arises in the calculation of the newly arising need. This is a calculation that can be performed using different interpretations of the formula below.

Total newly arising affordable housing need (gross per year) = (the number of newly forming households x the proportion unable to afford market housing) + existing households falling into need

2.3 The differing interpretations, particularly of the proportion unable to afford market housing, is acknowledged in the Affordable Housing Background Paper (September 2022 – ID-10), see paragraph 3.46, which recognises that there are different assumptions around the affordable level of income to be spent on rent or mortgage of affordability by the Office for National Statistics themselves. The examining Inspector also has accepted that this calculation needs to be caveated (see para 13 CDF13) when she says '*I accept that this may need to be caveated as suggested in paragraph 3.31 of the Background Paper.*'

2.4 The appellant is making assumptions that the Inspector had '*significant concerns with the failure of the Council to assess the need for affordable housing in accordance with the guidance which went to the soundness of the emerging Local Plan owing to that fact that she considered that the need for affordable housing was likely to have been underestimated.*' She has requested that the Council provide a calculation based on the data sources referenced in the PPG and has accepted that this calculation may need to be caveated. This, in the Council's view, does not amount to significant concerns, for the reasons set out in 1.13.

¹ Paragraph 006 Reference ID: 67-006-20190722

Paragraph 2.13

2.5 The points in this paragraph are not drawn from the Council's evidence directly. The Council has referenced a number of factors that cast doubt on the likely reality of the upper end of the scale for newly arising need, in paragraphs 3.44-3.47. Addressing the points in the Appellants latest submission in turn;

- i. The Council's level of unmet need is not 4,874. This figure is the total current need, which is to be met by the existing supply of affordable housing stock (2,639 units) and by the provisions in the emerging Local Plan (2,709). There are 552 households on the register and their needs will be met through the Local Plan supply.
- ii. The Council's Housing teams have made significant efforts to contact all registrants of the Register to ensure that the number is a true reflection of the current need. This is contrary to the Appellant's claims that there is no incentive to be or stay on the Register as there is a team of Council officers actively seeking engagement. This engagement is set out in paragraphs 3.11-3.12.
- iii. The Council works with the most up to date data and as such has undertaken a significant periodic review to inform the numbers of the Housing Register used in its calculations. Before the review, the numbers were static and not growing, which is the important point in relation to a measure of newly arising need – the Council were not witnessing an increased need. The review has reduced the numbers on the Register through a significant cleansing of the data, and since that review was undertaken, an increase has not been witnessed, see paragraphs 3.44-3.45 in the Affordable Housing Background Paper (September 2022 ID-10). An increase may have been expected because of the end of the furlough and the end of the ban of evictions, but has not been witnessed.
- iv. Those in need of affordable housing in Fareham Borough who may have temporarily relocated out of the Borough would still have been contacted, where the Council had contact details such as an email address or phone number, as part of the review of the Housing Register to ascertain their current level of need.
- v. Recognition of the current cost of living crisis is made in the Affordable Housing Background Paper (September 2022) paragraph 3.40. It states '*The Council however recognises that current economic challenges such as rising inflation and energy costs as well as any measures introduced by government designed to ease those challenges and stimulate economic growth can all have implications (both positive and negative) for future affordable housing need. This is an important reason why the Council will continue to keep the affordable housing need position under review (see paragraph 3.47 on the role of monitoring)*'.

Paragraph 2.14 -2.15

2.6 The Council disagrees and considers that it has advanced several arguments whereby the calculation of newly arising need may not transpire to be as high as predicted at the maximum end of the range. The examining Inspector has accepted this in her acceptance that the data and calculation can be caveated.

Paragraph 2.16-2.22

2.7 The Council were invited by the examining Inspector to consider whether it wishes to 'put forward potential options to address any matters arising'. The Council has done so and included MM088 which it references in its response to the Inspector's further letter where it states '*in discussion with yourself, a main modification has been prepared suggesting that the delivery against a future affordable housing need may be a future trigger for a Local Plan review (reference MM088)*'.

2.8 The important point to note here is that this MM has been drafted and considered with the Inspector. Although she did not expressly request sight of the revised AH paper in her letter of 5th September (CDF13) she did, at paragraph 14 request sight of the 'final version of the MM schedule'. The Council acknowledged that she has seen the paper before approving the schedule of MMs in our response of 13th October (ID-13, page 2 excerpt below)

*Your letter sought two changes. Firstly, paragraph 11 requested an expanded explanation of the review of the Housing Register that the Council undertook recently, in an effort to further justify the reduction in the number of households on that register. That text was drafted **and shared with you before the revised background paper was published on the 30th September.***

*Secondly, paragraph 13 requested further work to calculate the newly arising need using data sources referenced in the Planning Practice Guidance. This was completed, **shared with you and as a result, is included in the revised Affordable Housing Background Paper, published on 30th September.** While this data does show the potential for a higher level of newly arising need than was initially calculated, there are, as your letter suggests, a number of caveats that can be applied and the revised Background Paper sets these out. (emphasis added)*

2.9 The course of action taken by the examining Inspector is as set out in the guidance of Examining Local Plans, paragraphs 6.10 and 6.11. The examining Inspector had the opportunity to undertake the AH paper consultation separately from the MMs and to wait and see what the outcome of that was, but she has not done so.

2.10 Moreover, the Inspector has already concluded that the stepped trajectory, and therefore the stepped requirement, the ability of the plan to meet the requirement over the plan period, the assumptions around supply and the allocations is sound.

Her letter of 5th September stated that the stepped trajectory is ‘appropriate and justified’ and that she would set out her reasoning in the final report (see para 11 CDF13). In those circumstances, it is unreasonable to suggest that further modifications on the housing requirement or elements of Local Plan supply will be necessary, as that would change the stepped trajectory, which she has already concluded is sound.

2.11 In response to paragraph 2.19 of the Appellant’s latest submission, the Council has already provided examples of where Local Plans have been found sound without the certainty of being able to meet the affordable housing need in full (see paragraphs 5.2 and 5.3 of Affordable Housing Background Paper (September 2022 – ID-10). The Appellant acknowledges this in paragraph 2.21 of the latest submission.

2.12 The Appellant suggests however that this would not be the appropriate conclusion in the case of Fareham. Notwithstanding that this is a matter for the Local Plan examination, the Council has drawn comparisons with the Hart Local Plan where the Inspector concluded that the housing supply position was justified even though the assessed affordable need cannot be met (see paragraph 42 of ID-11). In that case, as in Fareham, 50% of the affordable housing supply over the plan period already has planning permission, and 33% will be delivered by April 2026 (see table 5 of ID10).

2.13 The conclusions on these points are;

- that the examining Inspector is aware that, in the worst-case scenario, the affordable housing need cannot be met over the plan period
- the examining Inspector has accepted that proposed course of action to include an MM in the Plan referring to ongoing monitoring and a possible trigger of an early review
- the examining Inspector has already concluded that the stepped trajectory and by implication the housing requirement is appropriate and justified and stated that she will set out her reasons in the Inspector’s report
- were she to consider that there is potential for the consultation on the MMs, in light of the September 2022 background paper, to prompt a conclusion that the housing requirement should change, she would not have already concluded that the requirement is appropriate and justified.

3. Materiality of this issue

3.1 In the Council’s view, the stage that the emerging Local Plan is at, it should be afforded significant weight on the basis that the Inspector is not going to seek a change in the housing requirement, nor require the Council to identify further housing allocations. The weight to be given to affordable housing is not affected by the Appellant’s latest submission. The Council is in a strong position with a significant number of affordable homes already permitted and programmed to be delivered in the short to medium-term.