

**Test Valley Revised Local Plan DPD
2011-2029
Regulation 22 – Submission to
Secretary of State**

Housing Topic Paper

June 2014

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Summary of Key Issues in Setting the Housing Requirement

Key factors influencing the setting of the housing target:

- What is the most appropriate scenario for basing the housing requirement of the Borough, demographic, economic or housing need and the assumptions that need to be made.
- The latest CLG household projections should be the starting point
- Government population and household projections suggest that 420-450 dwellings will be needed each year based upon demographic trends and rates of household formation
- As a minimum, the Council should be seeking to meet the growth needs (demographic based scenarios or zero net migration) needs of the existing local population of 147 dwelling per annum, which is achievable
- Housing needs should be assessed through the Strategic Housing Market Assessment (SHMA)
- Scope to provide for economic growth by providing housing for increase in labour supply of working age to fill increase in jobs forecast to be created, in addition to seeking to meet indigenous demographic based needs
- Scope to meet affordable housing needs (in so far as practicable/achievable) taking account of financial viable and finance to support
- Need to consider if any suppression of household formation rates has taken place, due to historic under supply
- The delay in available land with planning permission not currently being developed as fast as it could be.
- There is uncertainty as to how much development the local housing market will be able to sustain in the future, given economic uncertainty
- The capacity of the market to deliver and sustain high rates of completions Any future housing target should be realistic and not rely on the delivery of consistently high annual completion rates which are unlikely to be deliverable given the characteristics of the housing market and economic conditions.
- The windfall allowance is considered justified in the light of evidence of delivery

1 Introduction

- 1.1 This paper has been prepared to set out the background to the housing requirement and associated issues in the Revised Test Valley Local Plan. It seeks to outline the issues that have informed the locally derived housing requirement for Test Valley following revocation of the South East Plan (SEP) and provide justification for the requirement proposed.
- 1.2 It updates the previous Housing Topic Paper (January 2014) prepared to accompany the Regulation 19 Pre-Submission Draft of the Revised Local Plan.
- 1.3 It draws upon information and data from the evidence base and other published sources as is prepared as a technical paper to support the justification of the approach taken regarding the setting of a local housing requirement and the provision necessary to meet it in the Revised Local Plan.
- 1.4 It considers the issues of: housing need, housing demand, economic factors, market signals and other relevant matters.
- 1.5 It should be read together with the Test Valley Strategic Housing Market Assessment (SHMA) 2013, the South Hampshire SHMA 2013, the Strategic Housing Land Availability Assessment (SHLAA), Test Valley Local Housing Requirements Study 2011, and 2012 and 2013 Updates which form part of the evidence base. The Sustainability Appraisal (SA) and Authorities Monitoring Reports (AMR) also contain relevant information.
- 1.6 It is also intended to provide the housing trajectory and Housing Implementation Strategy on the delivery of housing to meet the housing target, as referred to in the National Planning Policy Framework (NPPF) (para.47).

2 Policy Context

SOUTH EAST PLAN (REGIONAL SPATIAL STRATEGY)

Status and Revocation

- 2.1 The Secretary of State revoked the SEP (in so far as it applied to Test Valley) on 25 March 2013. It therefore no longer forms part of the Development Plan.
- 2.2 Table H1a in the SEP stated that 10,020 dwellings should be provided for the whole of Test Valley between 2006 and 2026. Policy SH5 outlines a separate housing requirement for Southern Test Valley (the area part of the South Hampshire sub region) of 3,920 dwellings or 196 dwellings per annum (dpa). Policy AOSR2 sets the requirement for 6,100 dwellings or 305 dpa in the rest of Test Valley (Northern Test Valley).
- 2.3 The Northern Test Valley requirement did not include the small area of the Borough within the New Forest National Park. There was a separate housing requirement for this

area, which is the responsibility of the New Forest National Park Authority as local planning authority for that area.

GOVERNMENT GUIDANCE

Setting of Local Requirement

2.4 The Council, in assessing the housing requirement for the Borough, based its consideration on local evidence, as required by the National Planning Policy Framework (NPPF, 2012). The NPPF sets out a number of factors which should be taken into account:

- NPPF para.14 states that sustainable development for the purpose of plan making means that local planning authorities in preparing Local Plan should meet objectively assessed needs, unless adverse impacts would significantly and demonstrably outweigh the benefits when assessed against the NPPF or be contrary to specific NPPF policies.
- NPPF para.17 third bullet gives as one the 12 core planning principles of driving sustainable economic development to deliver homes and to objectively identify and then meet housing needs, taking account of market signals:

“proactively drive and support sustainable economic development to deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs. Every effort should be made objectively to identify and then meet the housing, business and other development needs of an area, and respond positively to wider opportunities for growth. Plans should take account of market signals, such as land prices and housing affordability, and set out a clear strategy for allocating sufficient land which is suitable for development in their area, taking account of the needs of the residential and business communities;”

- NPPF para.47 states that in order to significantly boost the supply of housing, local planning authorities should use their evidence base to meet the full objectively assessed needs for market and affordable housing in the housing market area.
- NPPF para.159 states that local planning authorities should prepare a Strategic Housing Market Assessment (SHMA) to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. A Strategic Housing Land Availability Assessment (SHLAA) would also be prepared to establish the availability, suitability and likely economic viability of land to meet the identified need for housing over the plan period.

Factors to consider in setting the Housing Requirement

2.5 Housing has a crucial role both in ensuring that the future population of an area can be accommodated and in securing local economic wellbeing. Growth in population will also increase the scope over the medium term to sustain existing and support additional retail, recreational and cultural facilities, through the additional potential customers and spending power.

- 2.6 The Council has a responsibility to set its own requirement and providing the right number of new homes is one of the most important challenges it faces. The Council has undertaken its own up to date assessment of the number of homes it needs in the context of its responsibilities under the Localism Act 2011 and NPPF. This is both a technical and a policy issue. The judgement over what the future requirement should be is a strategic policy choice over what level of future housing is appropriate, taking account of different demographic, economic and housing need considerations and the assumptions underlying them, as well as planning constraints.

3 Data Sources and Evidence Base

Government Household Projections

- 3.1 The interim 2011-based Government sub-national population projections (SNPP) (ONS) (published September 2012) and Government household projections (CLG) (published April 2013) (and which both take account of the 2011 Census), provide an indication of population levels and household levels and structures which would result if the assumptions based on previous demographic trends in the population and rates of households formation were realised. National Planning Practice Guidance (NPPG) states that CLG household projections should be the starting point for estimating overall housing need.
- 3.2 The 2011-based CLG interim household projections give a figure for Test Valley at 2021 (the latest date they cover) of 51,000 households, which compares to 53,000 (at 2021) in the previous 2008-based household projections, which ran to 2033. These compare with 48,000 actual households in 2011. The household projections include assumptions regarding headship rates¹ which are lower than in previous projections. Beyond 2021 a judgement needs to be taken on what the likely household formation rate will be. The future rate of household formation also has implications for population projections, in considering their impact on housing need. If household size is larger, then a greater population can be accommodated in the same number of dwellings, reducing housing need.
- 3.3 The 2011-based Sub-National Population Projections (SNPP) published by ONS which take account of the 2011 Census, give a figure for Test Valley population of 123,000 at 2021, which compares to 118,000 (at 2021) in the previous ONS 2010 based SNPP forecast.
- 3.4 The 2011-based interim SNPP and household projections datasets have been used in economic based scenarios which use job growth forecasts for both the South Hampshire SHMA 2013 and Test Valley SHMA 2013, as well as the Local Housing Requirements (LHR) 2013 Update.

¹ Number of people within a population who are a 'head of a household', which measures the propensity of household formation.

- 3.5 Post the South Hampshire SHMA 2013 and Test Valley SHMA 2013, ONS 2012-based SNPP (published May 2014) and which run to 2037, give projections up to 2021, which are lower than the interim 2011-based SNPP, but higher than the 2010-based SNPP. Beyond 2021 to 2037, they give projections which are higher than the 2010-based SNPP. 2012-based household projections have not yet been published by CLG and are not expected to be available until late 2014.
- 3.6 It should be noted that whilst both the SHMA and LHR studies use the same datasets, the modelling assumptions which input into the modelling vary, meaning that they deliver different output results.

Jobs Forecast Data

- 3.7 NPPF para.158 states that the Local Plan should be based upon adequate, up to date and relevant evidence regarding economic, social and environmental characteristics. The strategies for housing and employment should be integrated and take full account of relevant market and economic signals. The National Planning Practice Guidance (NPPG), which supports the NPPF, states that an assessment should be made of the likely growth in job number based upon past trends and/or economic forecasts and also having regard to the growth in the working age population.
- 3.8 The provision of housing should be sufficient to potentially provide a working age population (labour supply) available to fill the additional jobs created. As the existing population is expected to age over time, additional housing beyond household forecasts is needed to accommodate an increase in the workforce. If the supply of working age population (labour supply) is lower than the expected job growth, then the level of out-commuting could increase. Therefore, whilst the CLG household projections are the starting point, account also needs to be taken of the economy and scope to make provision for economic growth. This should be based upon the forecast increase in employment and ensuring that there is an appropriate balance between housing and employment.
- 3.9 Experian prepared the Council's Long Term Economic Strategy 2007 and 2012 update and their previous jobs forecasts informed the earlier Local Housing Requirement Study 2011 and 2012 update economic/jobs based scenarios.
- 3.10 The most recent jobs forecast data from Experian (Q1 2013) is of growth of 8,770 jobs 2011-2031, which equates to 439 jobs per annum. This dataset has been used in economic/job based scenarios for both the South Hampshire SHMA 2013 and Test Valley Addendum SHMA, as well as the Local Housing Requirements 2013 Update. It should be noted that whilst both the SHMA and LHR studies use the same datasets, the modelling assumptions vary, resulting in different outputs.

STRATEGIC HOUSING MARKET ASSESSMENT (SHMA) AND LOCAL HOUSING REQUIREMENT (LHR) STUDIES

- 3.11 The Partnership for Urban South Hampshire (PUSH) of which Test Valley is a member commissioned a new SHMA for the South Hampshire sub-region *South Hampshire*

SHMA 2013, which includes Southern Test Valley. It was prepared to provide an up to date evidence to inform the refresh and roll forward of the PUSH Spatial Strategy.

- 3.12 The Council has separately commissioned a *Test Valley SHMA 2013* in order to provide Borough-wide SHMA coverage. This has been prepared by the same partnership of consultants using the same methodology. It considers in so far as relevant for the housing market area, the housing needs and planned housing provision in neighbouring local authorities of Basingstoke & Deane and Winchester within Hampshire (Central Hampshire & New Forest area), as well as Wiltshire and West Berkshire.
- 3.13 Both SHMA reports have been prepared in line with the NPPF para.159 and NPPG guidance, including the need to assess economic scenarios based upon jobs forecasts.

Test Valley SMHA 2013

- 3.14 The purpose of the SHMA is to provide a long term strategic assessment of both housing need and demand, develop understanding of current housing need and housing market conditions and consider what level and mix of housing – both market and affordable housing – is required to meet population and household growth, and to meet the needs of different groups within the local community. It was developed in accordance with CLG SHMA Practice Guidance 2007 and 2013, the NPPF and NPPG, and includes a review of the housing market, future housing requirements and assessment of affordable housing need.
- 3.15 The SHMA considers the Borough as a whole and also five sub-areas, based upon groups of wards: Romsey, South-Rural, Central-Rural, North-Rural and Andover. Stakeholder consultation confirmed that these groups were valid. The Romsey and Southern-Rural sub-area form part of South Hampshire (Southern Test Valley), with the remainder part of Northern Test Valley.

Characteristics of Test Valley Housing Market

- 3.16 The characteristics of the local Test Valley housing market (as informed by local agents) and divided into three areas, are:

Romsey and Southern Test Valley

- Whilst the majority of sales and lettings are to local people, it houses Southampton households who seek a better quality housing offer and Winchester households that cannot afford Winchester prices.
- Chandler's Ford in Eastleigh has a different housing offer to the town of Eastleigh and is connected to the Southern Test Valley.
- There is significant new build at Abbotswood, Romsey with developers offering a range of specifications and price points. Developers and Registered Providers (RP) are offering a range of affordable products
- There is considerable demand for rented housing due to first time buyers and other not being able to afford home ownership or not having the status for a mortgage. Investors are continuing to grow supply through new acquisitions.

- House prices were thought by some agents to be increasing marginally, rents less so.
- Lettings are generally to local people, with strong demand, but investors have responded with additional supply reducing upward pressure on rents.
- Few landlords will accept benefit claimants, but will consider working households with top up benefits.

Andover

- The area attracts more incomers as it is closely related to Basingstoke, south west London and Salisbury. Andover house prices offer incomers considerable value, although there are also strong sales to local people.
- There is significant development taking place in the town.
- Some sales of new homes are to investors and parcels at East Anton and Picket Twenty were sold to the MOD.
- Investors are active in the re-sale market
- Large private rented sector in the town, with strong demand and activity by investors.
- Professionals priced out of rented markets in nearby towns seek rented housing in Andover.
- Few landlords will accept benefit claimants, but will consider working households with top up benefits.

Rural Area

- There is a large amount of premium housing in the villages.
- The rural housing market has been less affected by the credit crunch
- There is a higher proportion of premium housing in Test Valley than in most other parts of South Hampshire.

3.17 The SHMA has undertaken an assessment based upon 15 scenarios; seven demographic led, seven economic led and one housing led. These provide an analytical review of the level of housing needed to fulfil supporting each of these themed factors on the basis of an annual requirement figure. Account has been taken of past trends, although it is important to acknowledge that these are in part affected by changing past national trends and local policy decisions. This is discussed in more detail in Section 5.

3.18 The *Test Valley SHMA* concludes that a housing requirement should be considered between 420 and 590dpa to meet objectively assessed need.

South Hampshire SHMA 2013

3.19 Southern Test Valley forms parts of the Southampton (western) Housing Market Area (HMA) within South Hampshire together with Southampton, Eastleigh and parts of New Forest and the western wards of Winchester and Fareham. The remainder of South Hampshire forms the Portsmouth (eastern) HMA.

- 3.20 The SHMA has undertaken an assessment based upon ten scenarios; five demographic led, four economic led and one housing led. These provide an analytical review of the level of housing needed to fulfil supporting each of these themed factors on the basis of an annual requirement figure. Account has been taken of past trends, although it is important to acknowledge that these are in part affected by changing past national trends and local policy decisions.
- 3.21 The *South Hampshire SHMA* concludes that demographic based scenarios offer best approach to assess housing based needs. The adjusted SNPP based scenario (PROJ 2) is recommended.
- 3.22 In determining a figure consideration will also need to be given to housing requirements in other neighbouring and adjoining areas, taking account of the Duty to Co-operate and meeting the fully assessed needs across the housing market area as a whole. The level of appropriate housing requirement is discussed further in Section 5

Local Housing Requirement (LHR) Studies, 2011 and 2012 and 2013 Updates (NLP)

- 3.23 To inform the Local Plan, in 2011 the Council commissioned planning consultants Nathaniel Lichfield & Partners (NLP) to undertake a study to assess potential options for a future housing requirement, based upon a number of different scenarios. The original study was prepared at an early stage of the local plan process, prior to revocation of the SEP. The purpose of the NLP reports is to provide independent technical evidence to inform the Council's policy decision on this issue as part of the evidence base. NLP have also undertaken 2012 and 2013 updates of the 2011 study to take account of more recent demographic data sets, particularly interim 2011-based SNPP (ONS) and household projections (CLG). The 2013 update is considered the most relevant and complements the SHMA studies.
- 3.24 However it should be noted that the LHR studies are intended to examine the issues which should inform the housing requirement figure only, rather than encompassing the full scope of the matters to be covered by a SHMA study as required by the NPPF.
- 3.25 NLP have undertaken an assessment based upon nine scenarios; four demographic led, two economic led and three housing led. These provide an analytical review of the level of housing needed to fulfil supporting each of these themed factors on the basis of an annual requirement figure. Account has been taken of past trends, although it is important to acknowledge that these are in part affected by changing past national trends and local policy decisions. This is discussed in more detail in Section 5.
- 3.26 The overall conclusion of the 2013 update is that the housing target should be in the range of 360-700dpa. This is above demographic trend based scenarios and will also see a reasonable level of employment growth (growth in the resident labour force).

Details of Test Valley SHMA and LHR studies scenarios

- 3.27 Whilst the SHMA and LHR studies use the same datasets, due to differences in the modelling used, the outcomes of the scenarios tested result in different housing figures. Appendix 1 summarises each of the scenarios tested, grouped where they use

comparable datasets and assumptions. The scenarios have been sub-divided between those based upon: demographic-led, economic-led and housing need-led factors. For comparison purposes, scenarios have also been undertaken based upon past delivery of housing completions.

Demographic-led scenarios

- 3.28 The demographic-led scenarios are derived from sources based upon the interim 2011-based ONS Sub-National Population Projections (SNPP), headship rates and migration. Various different assumptions have been used.

Economic-led scenarios

- 3.29 The economic-led scenarios are derived from forecasts of jobs growth, with various different assumptions used. These scenarios result in higher annual dwelling figures than those which are demographic-led.

Housing Need-led scenarios

- 3.30 The housing need-led scenarios are based upon affordable housing need and the total amount of housing necessary to deliver this (assuming it is achieved from private housing development). This scenario results in the highest annual dwelling figure.
- 3.31 In considering the scenarios in determining the housing requirement there is a need to meet demographic needs and provide for economic growth and affordable housing need (fully objectively assessed needs) as far as is achievable and deliverable.
- At lower end delivery below 400dpa potential for major adverse labour force (working age population) implications impacting upon economic development and significantly exacerbating the trend of an ageing population
 - Demographic scenarios suggest housing requirement lower than economic scenarios
 - Economic scenarios would lead to a housing requirement beyond the level of delivery previously generally achieved in recent years
 - Housing scenarios are significantly higher still as rely on open market housing to deliver affordable housing need
- 3.32 Taking account of the various different scenarios assessed by the SHMA and LHR studies, it is considered that there is not an exact single right answer to what the housing requirement should be. It is considered that it is properly a matter of judgement taking the local evidence on housing need into account. This position is supported by the Planning Advisory Service guidance on the *Ten key principles for owning your housing number-finding your objectively assessed needs* (PAS, 2013) which acknowledged there are a number of factors that need to be taken into consideration when delivering housing numbers. Both the SHMA and LHR studies have concluded that a range is appropriate which should be considered further, taking all relevant factors into consideration.

4 Housing Market

Realisable Demand and Housing Market Signals

- 4.1 In considering the scale of housing to be delivered within the plan period, the Council needs to take account of the assessed need in the context of the housing market.

National Planning Policy Framework (NPPF)

- NPPF para.17 one of the 12 core planning principles is that in delivering sustainable development including the homes needed and meeting need that account be taken of market signals, such as land prices and housing affordability. Relevant market and economic signals are part of a proportionate evidence base in assessing housing targets. At present, the level of activity in the housing market and house prices are considered to be two such market/economic signals alongside land prices and housing affordability
- NPPF para.154 advises that plans should be aspirational but realistic.
- NPPF para.158 on using a proportionate evidence base, states that the Local Plan should be based upon an up to date and relevant evidence about economic characteristics and prospects. Strategies for housing should take full account of relevant housing and economic signals.
- NPPF para.182 sets out that for a plan to be effective it should be deliverable over the plan period. The housing requirement should therefore be realistic and deliverable.

National Planning Practice Guidance (NPPG)

- 4.2 NPPG states the housing number suggested by the CLG household projections should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings.
- 4.3 The NPPG also recognises that market signals are affected by a number of economic factors and that plan makers should not attempt to estimate the precise impact of an increase in housing supply. Rather they should increase planned supply by an amount that, on reasonable assumptions and consistent with the principles of sustainable development, could be expected to improve affordability, and monitor the response of the market over the plan period.

House Prices

- 4.4 The median Test Valley house price was £245,000 in Q3 2012, an increase of 3.2% from Q3 2007 (Source: GLH Analysis of HM Land Registry data). The median price in Romsey is over £330,000 (Source: Zoopla summer 2013). The NPPF highlights the affordability of housing as a market signal to be considered in setting housing strategies, the assumption being that if the ratio is increasing, more homes are needed

locally to help constrain house prices and make them more affordable to the local community.

- 4.5. Affordability remains an issue, over the decade 1998-2007 prices in Test Valley have increased by 158% equivalent to almost 16% per annum, although lower than for Hampshire at 18.1% and the South East at 18.8%² suggesting that the Borough experience less market pressure from supply/demand imbalance. The absolute change in prices tracked the Hampshire averages quite closely in the decade to 2007, with little significant divergence and in 2008 median prices were approximately 7% (£20,000) above the Hampshire average
- 4.6. Since 2007, economic conditions and constraints on mortgage availability have led to vastly different housing dynamics. Prices remained flat between 2008-2012 and since the peak in late 2007, price growth in Test Valley has been 0%, compared to 2.8% for Hampshire, which taking account of inflation is negative growth in real terms. In 2012 Q2 median prices were approximately 5% (£11,000) above the Hampshire average.
- 4.7. Overall, there is no evidence of a particular divergence in long-term house price trends in Test Valley, against either Hampshire or the South East. Even at the height of the market, growth in Test Valley tracked slightly below the Hampshire level. However, the Borough is a high value area with prices for all property types above the Hampshire averages. This would tend to indicate a higher level of demand in the market which would be expected to sustain modestly higher growth in the housing stock.

Affordability of Market Housing

- 4.8. The ratio of lower quartile price can be used to consider the affordability of entry-level market housing to lower income households and first time buyers. Affordability has worsened over the past 15 years (1997-2012)³ and is worse for Test Valley than for Hampshire or the South East. The lower quartile ratio (price:income) for Test Valley was 8.60 in 2012, compared to 8.63 across Hampshire, although affordability decreased relatively at a slightly lesser rate for than for the South East. This indicates only modestly higher affordability pressure in Test Valley compared to elsewhere and the recent trend has been improved affordability, compared to other areas where the change in affordability has remained flat.

Rental Trends

- 4.9. Rental trends and average rental prices are also relevant. There has been modest growth across the South East since 2011 or approximately 3%, however this is above that for the South East of 2%⁴. Valuation Office data⁵ indicates a similar trend, although show higher growth for the South East of 5% since 2011. For Test Valley, growth has been higher at 9.3%, suggesting comparatively stronger growth in demand in the local rental market.

² HM Land Registry

³ CLG Table 576

⁴ ONS Private Rental Index

⁵ VOA Private Rent Market Data

- 4.10 Absolute average rent in Test Valley is £906pcm, 8% above the Hampshire average of £838. However, this is skewed by the size profile of properties to rent, with 50% of rental transactions in Test Valley for properties with three bedrooms or more, compared to 40% for Hampshire and the South East. There is an exception with regard to four bedroom properties in that rental values for Test Valley are below those for Hampshire and the South East.
- 4.11 Private rental values have grown faster in recent years than for Hampshire and the South East. Whilst likely to be driven in part by an increase in demand in the private rented sector, taking account of the size profile of rental transactions one reason might be due to the constraint on owner occupation.

Housing Market Drivers and Conditions

- 4.12 The ability of the development industry to deliver homes is a constraining factor. Viability and market capacity may limit development in the short term in the light of the recession and slow recovery, evidenced by a decline in completions in some recent years. Recent past trends indicate that completions have rarely exceeded 700 dpa. A step change in the rate of delivery would be needed in order to exceed this. Given the current state of the financial market for both developers and households wishing to obtain loans and particularly the ability to access mortgage finance in the absence of a large deposit, it is currently a barrier to higher delivery and one outside the scope of the planning system to influence.

National Context

- 4.13 A Home Builders Federation article⁶ highlighted that “the housing building industry knows from experience that there are limits to the capacity of the local housing market to absorb new development each year, even in growth areas...” and that allocating large amounts of land for development will not automatically lead to large numbers of new homes in any given year and that “the scale of land release in an area must be broadly in line with potential market demand and household growth in each housing market area.”
- 4.14 There are also development industry constraints regarding, materials, availability of skilled workers and financial conditions. Savills⁷ report that ‘rapidly increasing output is putting some pressure on build costs. Material shortages have been cited by builders, but the biggest medium risk is a shortage of skills. With...training scaled back during the downturn, skills shortages are being felt as the industry scale up today. A mobile European workforce will help, but it will still take some time for the industry to find the skills required to upscale.’ Concerning the availability of finance, ‘...SMEs (small and medium sized enterprises) are still suffering in a relatively debt-constrained environment...’

⁶ Housing: Can the planning system deliver 200,000 dwellings a year? Andrew Whitaker, HBF in Journal of Planning and Environmental Law, Dec 2007

⁷ Market in Minutes UK Residential Development Land, November 2013, Savills

- 4.15 A further report produced by Savills⁸ stated that ‘...even with a Government boost, there are constraints to the number of homes private house builders can physically deliver. Some cite difficulties in recruiting a large enough workforce as a barrier to building more...It is questionable whether private house building for sale can ever provide the volumes necessary to meet the demands of the growing population. At its highest in the 1960s, private house building delivered about 200,000 homes a year. We are unlikely to return to those levels in today’s market. Government incentive schemes do not alter the fact that demand for homes remains constrained by property prices that are high relative to income.’
- 4.16 With a constrained housing market, it is difficult for house builders to justify building more homes if less people can access the finance to buy them. This suggests that without significant intervention in the lending market to support house buyers, it will be very difficult to deliver sustained increases in house building. Wider influences are affecting the housing market in general across the whole of the South East. It is considered that it is economic circumstances that are affecting housing delivery and not land supply or local planning policies. It would be too simplistic to assume that an increase in the supply of housing would ensure more homes will be built. It is primarily economic circumstances that are affecting housing delivery and not land supply or local policy.
- 4.17 Management Statements produced by housebuilders⁹, provide an insight into their current market performance and future plans. For the first half of 2013, these highlight the continued uncertain economic climate and the impact that this has been having on the industry. Conditions are now stable or showing moderate improvement, with sales volumes and consumer confidence increasing, although primarily due to support from the Government’s ‘Help to Buy’ scheme of 20% equity share loans (free for first five years). Mortgage lending, has not though increased fundamentally and continues to act as a constraining factor and the success of the Help to Buy scheme is dependent upon lenders providing competitively priced mortgage products¹⁰. A gradual improvement in market conditions is generally expected.
- 4.18 Overall it is fair to assume that there are other factors, outside the control of the planning system, which are limiting the demand for and supply of new housing, largely dictated by market constraints and the attitudes of housebuilders. This was recognised by an Inspector in an appeal decision in Romsey in 2011¹¹ who in her decision considered that *“I am not aware of what more the Council could do that would reliably assist the housing supply position; it seems largely to be down to developers taking a judgement on the economic viability of site; their chance of competing and selling houses and deciding against proceeding – or proceeding at a cautious rate. All the main elements of these calculations are outside local authority control...”*

⁸ Residential Property Focus Q3 2013, Savills

⁹ Management Statements of Barratt May 2013, Bellway June 2013, Berkeley September 2013, Bovis Homes May 2013, Redrow April 2013, Persimmon August 2013, Taylor Wimpy April 2013

¹⁰ Taylor Wimpey Interim Management Statement April 2013

¹¹ Para.18, Halterworth Appeal Decision, November 2011, I APP/C1760/A/11/2149410 & 10/00623/OUTS

4.19 It is considered appropriate for the Council to be planning for a housing requirement which considers market indicators, which is realistic and deliverable, and which provides certainty for local communities, (in line with NPPF para.17 core principles).

5 Setting the Housing Requirement

- 5.1 Whatever figure of housing requirement is taken forward, the following factors are considered relevant:
- A figure at the lower end of the recommended range will likely have significant negative economic and demographic consequences through a declining labour force (of working age people) and an ageing population structure, it would also fail to provide sufficient affordable housing.
 - A figure at the top of the recommended range is likely to be difficult to deliver given market conditions/characteristics. Environmental constraints may restrict the availability of suitable sites and infrastructure requirements would increase substantially which may not be adequately funded.
 - Southern Test Valley – the SEP figure is below that of the former Hampshire structure plans and any further substantial reduction in the figure is likely to lead to a unbalanced demography and unmet housing need
 - If an equivalent increase in jobs is not achieved in line with the increase in the working age population resulting from additional housing, the consequence could be a shift in the scale of out commuting.
- 5.2 It is important to consider housing delivery and the implication which it may have on demography and achieving the Council's aspirations and vision for the future of the Borough. To ensure a robust and realistic strategy to achieve key objectives, the implications that different levels of growth can have on economic, social and environmental sustainability have been tested. The key aims of the Community Plan currently provide this context. The future vision needs to consider economic prosperity and a balanced strategy for meeting housing needs taking account of changing demographics and the implications of this for economic growth.

ECONOMIC GROWTH AND EMPLOYMENT

Supporting economic growth and employment and impact of economic growth on the housing market

- NPPF para.158 states that strategies for housing and employment should be integrated and takes full account of relevant market and economic signals.
- 5.3 There are potential risks regarding economic and jobs forecasting, as there is uncertainty over how economy will develop, particularly in the short to medium term, affected by national and international conditions.
- 5.4 Additionally, there are uncertainties regarding the future proportion of older people participating in employment, including beyond state pension age which is increasing. As the population ages, a sufficient working age population needs to be maintained in order to provide a local labour supply to fill the additional jobs forecast to be created. To what extent this is mitigated by an increase in the employment rate, particularly of older people needs to be taken into account.

- 5.5 The lack of an established link between past rates of jobs growth and homes demonstrates a challenge in accurately quantifying the potential impact of changing housing targets on economic growth. However, if they are not in balance and completions are insufficient this may lead to an increase in in-commuting. In contrast, if completions exceed local jobs growth, then this could lead to an increase in out-commuting.
- 5.6 The housing figure must also be deliverable and the nature of the Borough's housing market is predominantly locally driven, especially for Andover. Housing provision in excess of realistic expectations of local demand is unlikely to be built, or would be filled by people from outside the borough at a level in excess of local job opportunities which would lead to increased unsustainable out-commuting for employment.
- 5.7 The Council is assessing the merits of the recommended range have taken account of the Strategic Housing Market Assessment (SHMA), the Strategic Land Availability Assessment (SHLAA) and past delivery.
- 5.8 The *Test Valley SHMA* indicates that the starting point of the 2011-based Sub-National Population Projections (SNPP) and related CLG household forecasts suggest a housing requirement of approximately 370dpa. However this projection only covers the period to 2021 and in the recent past population growth has been underestimated. The draft NPPG also encourages consideration to be given as to whether there has been suppression of household formation, primarily due to the recession. As household size has continued to fall in the decade to 2011, this does not suggest that such suppression in Test Valley has been significant, although the rate has been lower than the previous 2008-based projections.
- 5.9 PROJ2 SNPP and 2a SNPP adjusted (see Appendix 1) indicate a requirement of 420-450dpa which is considered a more appropriate projection of future population than PROJ3 and PROJ4 which are based upon past migration. It is anticipated that future net migration will increase in the future as the population of surrounding areas increases and the Borough continues to be an attractive location for families to move to.
- 5.10 The economic scenarios based upon jobs growth forecasts (PROJA, Aa, B, Ba, C and Ca) predict an increase in working age residents beyond that of PROJ2. Economic performance could therefore have an upward pressure on the housing market. The relationship between population growth and the growth in jobs is however complex and dependent upon employment rates, commuting patterns and people having more than one job. The economic scenarios suggest a requirement within the range of 570-590dpa.
- 5.11 Overall, it is suggested that a housing requirement within the range of 420-590dpa should be considered in order to meet objectively assessed housing need. The lower end of the range driven by past demographic trends (and which is above the last CLG projections) and the upper end is driven by the highest economic projections.

Proposed Housing Requirement Figure

- 5.12 Taking account of the outcomes of the SA, in conjunction with other considerations, the Council has chosen a housing figure based on the most recent economic and jobs growth forecasts. Within the range, a figure has been identified based on existing commuting patterns and forecasting a higher employment rate in the future, as this is considered to be the most realistic scenario to come forward. It is also considered to be deliverable and realistic over the plan period and support the delivery of affordable housing.
- 5.13 Jobs forecast of 439 jobs per annum (jpa) (Q1, 2013, Experian) is ambitious, but is based on the latest data and in line with the aspiration to achieve economic growth of the NPPF. It is considered that the most up to date economic data should be used and that deriving the housing requirement from an economic based scenario is the appropriate approach. In using 439jpa to determine the housing requirement it is considered that assuming a constant commuting pattern versus 1:1 ratio of jobs to local workers and increase in the employment rate from 76.9% in 2011 to 81% in 2031 rather than 78.5% is the most appropriate and reasonable approach.

Commuting

- 5.14 At present, there are more Test Valley residents of working age in employment than there are jobs in Test Valley. Therefore overall there is net out-commuting. This situation is common for most rural areas and market towns. This reflects the size and nature of the local economy and the size and location of settlements in the Borough compared to those in relative proximity outside. It also reflects the mix and price of the local housing stock. Whilst it would be desirable to reduce net out-commuting and as an ideal aim for a 1:1 ratio of workers to jobs, it is considered questionable whether this is an achievable or realistic aspiration.

Employment Rate

- 5.15 Since the 1960s there has been an upward trend of women of all ages going to work. In contrast the proportion of men working overall has fallen since the early 1970s, particularly older men (in 50s and 60s age groups). Since the 1980s, less young people (16-24yrs) of both genders have been working, due to a greater proportion continuing in full time education, beyond 16 years and then also continuing beyond 18 years. More recently, the proportion of older people of both genders working has been increasing, in part reflecting later retirement and an increase in state pension age for women. The proportion of people working beyond state pension age has also increased, but this still remains relatively. The trends of more women of all ages working, and of more older people of both genders working, both in later working age (50s and 60s) and beyond state pension age are each expected to continue. State pension age will increase to 65 for women in 2018 and for both genders, to 66 in 2020 and 67 by 2028.

- 5.16 Although the proportion of Test Valley residents of working age in employment has fallen in recent years due to the recession, in comparison to 2004 and 2008 where an employment rate over 80% was achieved, it is considered reasonable than an increase in the employment rate is an achievable and realistic aspiration.
- 5.17 The most realistic scenario is to increase the employment rate to 81% based on the most recent forecast of job growth and assume a constant level of commuting. The Council's proposed housing requirement is a figure of 588dpa (equating to 10,584 dwellings over the plan period), which is considered deliverable and which will support the provision of affordable housing. 588dpa is in excess of all the demographic based scenarios, allowing for economic growth and an allowance for potential suppression in household formation which may have resulted from the recent recession.
- 5.18 The proposed housing figure of 588dpa broadly equates to 1.2% annual growth in the Borough's current housing stock figure, and is above the 0.9% average annual growth in the housing stock achieved between 2003-2013. 1.2% annual growth also compares favourably with what rates have been achieved in 'growth areas' including Milton Keynes (1.5%), Swindon (1.4%) and Ashford (1.3%) which are in a different league to Test Valley regarding both size and context.
- 5.19 The proposed requirement is intended as an annual average (over the plan period) and therefore in some years delivery can be expected to fall below as in some years to be above. The target is not intended as an annual ceiling.
- 5.20 The detail and justification of the proposed housing requirement is set out in the Sustainability Appraisal.

6 Affordable Housing Need

- 6.1 The SHMA concludes that allowing for both the existing need (537 households) and the newly arising need (2,782 households 2013-2018, equivalent to 556pa), the overall need for affordable housing for the period 2013-2018 is 3,319 dwellings. Taking account of the supply of affordable housing which can be expected to come forward from re-lets of existing affordable housing 1,471 units, the residual affordable need to be met is 1,850 2013-2018 or 370 dwellings per annum. Beyond 2019, (assuming that the current backlog is met by 2018), then the affordable need to be met is 262 dwellings per annum. Alternatively, if the current backlog is spread over the plan period as a whole, the then affordable need equates to 292 dwellings per annum.
- 6.2 This should be considered in the context of viability, the availability of funding and also the role of the private rented sector (PRS) which makes a significant contribution towards accommodating some households, who would otherwise require social housing. There are currently 1,430 Housing Benefit/Local Housing Allowance (HB/LHA) claimants in the PRS in Test Valley. The PRS is expected to continue to meet part of this demand and may generate 950 lettings (or 190pa) over the next five years.

- 6.3 Assuming 35% affordable housing is achieved overall, 292dpa affordable dwelling equates to 834dpa taking account of the market housing sites to provide them (542 market/292 affordable). This assumes that Policy COM7 with a stepped approach with a sliding scale to seeking affordable housing from market housing development is applied and that an element of affordable housing (up to 100%) is provided through Rural Exception Sites (RES), community led development and Registered Provider (RP) own development.
- 6.4 As Policy COM7 is based upon the level of affordable housing which can viably be achieved from market housing development, it is not considered that in excess of 35% affordable housing overall can be delivered. To achieve 292dpa on this basis would require 834dpa in total which is not considered deliverable. There is not considered to be the market for the number of private dwellings which they would necessitate (542dpa). In addition if 834dpa were built it may result in unsustainable out-commuting, as there would not be sufficient jobs within the Borough to support the resulting increase in the working age population.
- 6.5 Applying the 35% assumption of affordable housing achieved overall, to the proposed housing requirement of 588dpa would equate to 206 affordable dwellings per annum. This is slightly above the Council's corporate target of 200 affordable dwellings per year. This amount would also provide the opportunity to meet a greater proportion of housing need of those who cannot afford market housing without subsidy, through provision of affordable housing and also reduce the reliance on the PRS.
- 6.6 The Council seeks to secure as much additional affordable housing provision as possible. However, the role played by the PRS in meeting need is also part of the overall provision for those households who require affordable housing is also relevant.

7 Environmental constraints

- 7.1 Environmental designations, particularly those for nature conservation may constrain development in specific locations, due to their sensitivity. This is primarily an issue in site selection through the Sustainability Appraisal (SA) assessing the extent of environmental constraints on meeting fully objectively assessed needs, rather than in setting an overall housing requirement, although cumulative effects do need to be taken into account. The SA broadly indicates that the higher the housing number the greater the potential of an adverse environmental effect.

8 Infrastructure constraints

- 8.1 The evidence base provides a context to assess opportunities and constraints on development. The ability of infrastructure and the environment to accommodate development is an important consideration in balancing housing provision against barriers to its delivery. With the exception of the Fullerton Waste Water Treatment Works (WWTW) serving Andover, which on current evidence may limit housing growth in the town subject to the phasing of growth relative to available capacity, there are no significant infrastructure constraints. Investment will need to be secured from developer contributions for the infrastructure required to mitigate the impact of development.

9 Split Housing Requirement

- 9.1 Since the 1980s the housing requirement for the Borough has been split between Northern Test Valley (NTV) and Southern Test Valley (STV). This split has been recognised by successive Hampshire Structure Plans and the SE Plan (2006). The current Partnership for Urban South Hampshire (PUSH) boundary includes the seven STV parishes¹² and follows the SHMA boundary.
- 9.2 The *Test Valley SHMA 2013*, covers the Borough, although it needs to be recognised that the Test Valley is part of a wider housing markets extending across the local authority boundary. The CLG research¹³ suggested that a strategic level that Test Valley is part of the Southampton market area, together with Winchester, Southampton, Eastleigh and New Forest. At a more specific level of analysis, based upon wards splits Test Valley broadly into two local housing market areas (HMA): Winchester/Eastleigh including 13 wards and extending into Eastleigh, Winchester and part of East Hampshire, and Salisbury HMA including 10 wards and extending into Wiltshire (majority of former district and Salisbury and part of Kennet) and parts East Dorset, New Forest. Bourne Valley ward under this analysis is placed in the Newbury HMA. From the CLG research it is difficult to define an HMA that fully takes account of cross-boundary linkages.
- 9.3 It is therefore considered reasonable to prepare a Borough wide SHMA for Test Valley, which takes account of these cross boundary linkages. The *South Hampshire SHMA* provides these for Southern Test Valley, but other interactions, particularly with Wiltshire also need to be taken into account with regard to the Andover area.
- 9.4 The primary purpose of a split housing figure is to recognise that within the Borough there are two distinct housing market areas. STV is part of the Southampton and South Hampshire market, and the remainder of the Borough (NTV) part of the North Hampshire market. Andover also has some of the characteristics as a free standing local market as a distinctive local area within North Hampshire. The Council's Strategic former Housing Market Assessment (SHMA) (2007) commissioned jointly with the other Central Hampshire and New Forest districts also recognised this distinction, as did the SE Plan, although in neither case was a precise boundary between them defined.
- 9.5 The distinction of STV is recognising the interrelationship with Southampton and the western part of South Hampshire for employment, retail, leisure, cultural and transport activities.
- 9.6 NTV which includes Andover and the villages is also well established as a housing planning area. However in the past, the Andover market has not been distinguished from the rest of NTV, despite it being by far the largest settlement and the location of past and currently planned residential development. There is merit in identifying an element of the NTV requirement for the villages, in order to take their contribution to housing supply into account.

¹² Ampfield, Chilworth, North Baddesley, Nursling & Rownhams, Romsey Extra, Romsey Town, Valley Park

¹³ Geography of Housing Market Areas across England, CLG, November 2010

- 9.7 It is considered that a split housing requirement should be maintained, as it recognises the separate housing markets and local circumstances of the different parts of the Borough to be individually taken into account in setting the strategy for future housing provision. It is also considered that further splitting the NTV requirement informally between that to be met at Andover and for the villages should also be taken forward. This allows for the housing needs of Andover and those of the villages to be assessed separately, based upon their own communities' needs. The figure for the villages, takes account of an assessment of future housing capacity and windfalls which could be achieved within the revised settlement boundaries, through rural exception schemes (RES) and community-led development.
- 9.8 Using parish boundaries is considered the most appropriate way in which to define the boundaries between the split figures.

Apportionment between Southern Test Valley and Northern Test Valley

- 9.9 The scenarios in the *Test Valley SHMA* have been prepared for the Borough as a whole. The *South Hampshire SHMA* includes equivalent projections from the majority of these scenarios for Southern Test Valley (within South Hampshire). For the proposed housing requirement of 588dpa (PROJ Ba) this equates to 33% of the Borough-wide figure (see Appendix 1).
- 9.10 A 67:33 split between NTV and STV is proposed which closely reflect the existing employment split. A split based upon employment is considered the most appropriate approach using an economic based scenario. It also reflects the Council's desire for Andover to maintain its relatively high degree of self-containment of the labour market and the aspiration to increase the town's population in order to achieve a population to sustain higher order leisure, cultural and retail facilities. This needs to be balanced against potential development constraints. The proposed splits sits within the range of 58:42 to 71:29 suggested to be considered further by NLP, taking account of the greater population and larger geographical extent of NTV.
- 9.11 The proposed apportionment for STV reflects the refreshed South Hampshire Strategy 2012¹⁴ prepared by the PUSH which set a figure 2,950 dwellings between 2011-2026.
- 9.12 To reflect the predominately rural area of NTV, the housing requirement has been further split to provide a rural Test Valley and an Andover figure. The rural figure (10% of the NTV figure) is apportioned to the Rural Villages as identified in the settlement hierarchy. This figure is indicative and relies upon rural exception schemes (RES). Any additional housing delivered through community led mechanisms would be additional and the figure would not be a ceiling and as such, would not therefore prevent such development coming forward.
- 9.13 Further detail and analysis is contained within the Sustainability Appraisal.

¹⁴ South Hampshire Strategy: A framework to guide sustainable development and change to 2026, PUSH, 2012

Table 1			
Area of the Borough		Housing Requirement for 18 year Plan Period (per annum figures provided in brackets)	
Andover	Northern Test Valley	6,444 (358)	7,092 (394)
Rural Test Valley		648 (36)	
Southern Test Valley		3,492 (194)	
Borough Wide Total		10,584 (588)	

10 Housing Completions and Past Delivery

Housing Completions

- 10.1 Completions have been increasing in recent years and are relatively healthy given general underlying housing market and economic conditions.
- 10.2 The tables below set out the housing completions since 2006, alongside the percentage of the annual SEP requirement this fulfils.

Table 2 – Housing Completions		
Year	Northern Test Valley (Annual figure 305)	Southern Test Valley (Annual figure 196)
2006/07	61 (20%)	227 (116%)
2007/08	223 (73%)	116 (59%)
2008/09	93 (30%)	54 (28%)
2009/10	295 (97%)	143 (73%)
2010/11	369 (121%)	19 (10%)
2011/12	437 (143%)	86 (43%)
2012/13	467 (153%)	203 (104%)
2013/14	359 (118%)	183 (93%)
Total	2304 (94%)	1031 (66%)

Northern Test Valley

- 10.3 Table 1 illustrates the housing completions based on Policy AOSR2 of the SEP annual figure. Against an uncertain economic climate, housing has continued to be delivered in Northern Test Valley to date. It is evident that in the reporting periods 2010/11, 2011/12 and 2012/13 housing completions exceeded the SEP annual average with 121% for 2010/11, 144% for 2011/12 and 155% for 2012/13. It is noted that there is a record of under delivery prior to 2010. Housing completions for 2009/10 only misses the SEP annual figure by 8 units. Factors contributing to under delivery within 2008/09 have been outside of the Council's control taking into account of the economic climate. An additional factor is that the Borough Local Plan was only adopted in 2006 and this

resulted in a delay in Greenfield allocations being brought forward and completions being achieved.

Southern Test Valley

- 10.4 Since 2007, there has been a record of under delivery with housing completions not achieving the SE Plan annual figure of 196 units. In 2012/13 housing completions exceeded the SEP annual average with 103%. Factors outside of the Council's control have negatively influenced the delivery of housing. For instance, the economic climate has had an impact on the provision of housing on large scale permitted sites.

Borough-wide

- 10.5 The Borough has performed well within a Hampshire context¹⁵ with the rate of development increasing as large greenfield allocations have commenced. In 2010 the Borough was identified as being one of the 15 lowest housing delivery risk areas¹⁶, so having greater resilience to the economic conditions.

11 Strategic Housing Land Availability Assessment (SHLAA)

- 11.1 The Council's latest Strategic Housing land Availability Assessment (SHLAA) is being updated to provide a position as at April 2014. This followed consultation with developers and landowners during March and April 2014.
- NPPF para.159 requires that local planning authorities prepare a SHLAA to establish realistic assumptions regarding the availability, suitability and likely economic viability of land to meet the identified need for housing over the plan period.

Land Availability (stock of permissions)

- 11.2 The SHLAA, which has been prepared in consultation with developers and landowner of both housing sites which have current planning status through planning permission or allocation and potential available sites, which do not currently have planning permission. The potential sites have been split between Northern Test Valley and Southern Test Valley which are further separated by those where there is a presumption in favour of residential development and those where there is a general policy restraining development i.e. a greenfield site. They have also been further split between those which are rural, taking account of the settlement hierarchy.
- 11.3 The SHLAA identifies that in total there is land promoted for the development of approximately 36,661 dwellings. Whilst this land is potentially available it does not take account of policy or other planning constraints. The SHLAA suggests that subject to planning and other constraints, there are not any absolute land supply constraints (based upon the availability of land) on meeting the various scenarios considered to inform the housing requirement. This is detailed in Table 3 below:

¹⁵ www3.hants.gov.uk/briefing_note_housing_completions_in_hampshire_2010-11.pdf

¹⁶ Economic Outlook, August 2010, NLP (<http://nlplanning.com/uploads/ffiles/2011/03/412506.pdf>)

Table 3

Type	Northern Test Valley	Southern Test Valley	Total
Unimplemented Permissions	3,543	1,324	4,867
Deliverable/Developable where there is an existing policy presumption in favour of development	1,000	103	1,103
Potentially Developable where a change in planning policy is required	11,826	12,053	23,879
Potentially Developable Rural Sites	6,729	83	6,812
Total	23,098	13,563	36,661

Source: Test Valley SHLAA 2014

- 11.4 Existing large sites included within the supply make a significant contribution and it is considered that these are deliverable, with no infrastructure, viability of other barriers to their delivery. They also provide for a sufficient choice and range of sites to provide flexibility.

12 Five Year Housing Land Supply

- NPPF para.47 requires authorities to identify and update annually a supply of specific deliverable sites sufficient to provide five years worth of housing against their housing requirements. It also requires a buffer of 5% (5.25yrs supply) to be applied to the supply of housing, brought forward from later in the plan period to allow for choice and competition in the market. The buffer should be increased to 20% where there is a persistent record of under delivery.
- NPPF para.49 states that housing applications should be considered in the context of the presumption in favour of sustainable development and relevant policies on the supply of housing should not be considered up to date if a five year supply of deliverable housing sites cannot be demonstrated.

5% buffer

- 12.1 On the basis of the detail set out in the previous section on past delivery, it is considered that the 5% buffer is triggered for Test Valley. Therefore the requirement is for 5.25 years of supply in Northern and Southern Test Valley.

20% buffer

- 12.2 It is not considered that a 20% buffer (6.0yrs supply) is appropriate, as the Council does not have a consistent record of low delivery. The appropriateness of a 5% buffer has been supported by recent appeal decisions¹⁷
- 12.3 The purpose of the buffer is to provide for choice and competition in the market for land. In Southern Test Valley there are already a number of large sites and land available for development and delivering completions, which provides for choice and competition.

¹⁷ Appeal decisions: Nutburn, North Baddesley June 2012, APP/C1760/A/11/2167212 & 11/01253/OUTS and Land at Harewood Farm, Andover August 2013, APP/C1760/A/13/2190103 & 13/01611/OUTN

These sites would be coming forward for development more quickly in a better or improving economic climate.

- 12.4 Delays in commencement and the rate of delivery are not typically the result of planning or physical constraints, but simply due to market realities, there is not additional realisable demand at present. More development sites and/or a higher requirement would result in broadly the same level of forecast delivery on an annual basis, just potentially spread over more sites, which will have negative implications for infrastructure delivery and provide uncertainty for communities affected by development. This position is supported by the market indicators, that the NPPF states that local planning authorities should have regard to as part of their evidence base (NPPF para.158).

Methodology in Calculating the 5 Year Housing Land Supply

- 12.5 The Council has significant experience of 5 year housing land supply calculations and has refined a robust position following extensive discussions at a number of recent Section 78 planning appeals in Northern and Southern Test Valley. The approach set out takes a pragmatic view of projected yield from large greenfield sites. Given the rural nature of the Borough, these form a significant proportion of supply. The Council has regular contact with the developers and land agents to understand the intentions and detailed progress of the sites to inform the projections over the 5 year period. These have been considered against the economic climate, historic delivery rates (where the site has been developed over a number of years). In some cases the developer is projecting a higher yield than the Council is using for the purposes of the supply calculations.

Footnote 11 of paragraph 47 of the NPPF sets out that:

11 To be considered deliverable, sites should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years and in particular that development of the site is viable. Sites with planning permission should be considered deliverable until permission expires, unless there is clear evidence that schemes will not be implemented within five years, for example they will not be viable, there is no longer a demand for the type of units or sites have long term phasing plans.

- 12.6 Regular contact with developers and land agents has allowed the Council to identify sites which have permission but may not be expected to be delivered within the 5 year period. These have been discounted from short term supply. However, it may be that in future years the constraints or legal issues which do not currently allow certainty of delivery will be overcome, and the sites may make some contribution to housing supply later in the 5 year period.

- 12.7 Within the supply, the Council has identified and monitored individually all significant sites (sites of a net gain of 5 or more dwellings). A discount of 10% has then been made to all other outstanding permissions to take account of the potential level of uncertainty regarding the exact number of permissions that will be implemented. This approach is considered to provide the appropriate level of confidence and degree of flexibility in the figures.
- 12.8 Although it is not considered that there has been persistent under delivery in housing supply within Test Valley, as can be seen from Table 1 housing delivery within Test Valley is behind the requirement of the SE Plan after 7 years. This is referred to as the shortfall and is included in the 5 year housing land supply calculations demonstrating that the Council is committed to meeting its supply requirements.
- 12.9 The Council's position is to make up this overall shortfall in Southern Test Valley in the short and medium term, proportionally over the next 10 year period (i.e. the current 5 year period and the following 5 years, 2015/16 to 2024/25). It is considered that to make up a shortfall built up over 6 years within the next 5 year period, on top of the annual SE Plan requirement, is disproportionate and would be difficult to deliver in the current climate. This position is consistent with the conclusions of the Inspector at the Nutburn appeal¹⁸.
- 12.10 For Northern Test Valley, it is considered that it should be made up within five years in line with the conclusions of the Inspector at the Harewood appeal¹⁹.
- 12.11 The NPPF allows for a windfall allowance (housing supply from unidentified and unplanned sources) to be included in the 5 year housing land supply (paragraph 48). To provide a detailed calculation of supply within the Borough, the Council has not included supply from unknown sources, although such completions would still be expected in the period.
- 12.12 The methodology, consultation with developers and detailed housing projections are set out annually in the Council's Strategic Housing Land Availability Assessment (SHLAA).

Northern Test Valley

- 12.13 The housing land supply position is set out in detail for Northern Test Valley (as at 1st April 2014) in Appendix 2

Southern Test Valley

- 12.14 The housing land supply position is set out in detail for Northern Test Valley below (as at 1st February 2014) in Appendix 2

¹⁸ Land at Nutburn, North Baddesley Planning reference 11/1253/OUTS

¹⁹ Land at Harewood Farm, Andover Planning reference 13/01611/OUTN

13 Deliverability

Achievability and Deliverability of sites identified for development

- NPPF para.47 specifies that a supply of specific deliverable sites should be identified, to provide a five year housing land supply (plus a 5% or 20% buffer as appropriate), and a supply of specific developable sites or broad locations for years 6-10 and where possible 11-15. A housing trajectory should set out the expected rate of housing delivery.

Robustness of Housing Trajectory

- 13.1 The trajectory reflects the expected phasing of future delivery of completions in the most recent SHLAA (as at April 2014), prepared in consultation with landowners and developers. They have been contacted for all sites of 5 net gains and above. Developer input is important to the accuracy of the forecasts particularly for major sites, which will be developed over a number of years and regarding the first year of delivery. Such input is considered to support the robustness of the forecast completions which are considered justified.
- 13.2 The Council has also taken account of the general development principle that in general housebuilders do not normally build more than one home per site per week, meaning 50 homes per developer per site in a year.

Deliverability of Key Sites

- 13.3 Major sites have an important role in the overall delivery of housing growth. An analysis of completions on recent large site allocations has been undertaken to assess whether the previously forecast rates of completions have been realistic and achievable. This has assessed the outturn at year end of actual completions for individual allocations and the overall total to determine how close the projections have been to those as included within the SHLAA and housing trajectory in the Authority's Monitoring Report (AMR) over the last five years. See Table 4

Table 4

	P	A	P	A	P	A	P	A	P	A
	2009/10		2010/11		2011/12		2012/13		2013/14	
Romsey Brewery					10	0	10	8	10	5
Abbotswood					75	30	163	190	155	157
East Anton	25	184	180	257	180	103	111	181	111	135
Picket Twenty	50	0	0	0	50	147	80	178	110	180
Total Allocations	75	184	180	257	315	280	364	557	386	477
Overall Total	204	438	269	388	496	523	449	670	402	542

Source: Annual Monitoring Reports

P= Projected Completions in AMR for previous year, for given year

A= Actual completions for given year

- 13.4 This demonstrates that although there has been a delay in the commencement of development for particular sites and also that the momentum of completions has been slower than anticipated in some cases, overall a significantly higher number of completions has been achieved overall (and in each year except for 2008/09 at the start of the recession), and from East Anton and Picket Twenty.
- 13.5 The SHLAA will be kept under review, although based upon recent performance of major site allocations and overall completions it is considered that the allocations and housing requirement should be deliverable as projected in the housing trajectory (see Appendix 4).

14 Windfalls

Windfalls (Allowance for Unidentified Windfalls)

- NPPF para.48 allows for local planning authorities to make an allowance for windfalls if there is compelling evidence that such sites have consistently become available in the local area and will continue to provide a reliable source of supply. Any such allowance should be realistic having regard to the SHLAA, historic rates of windfall delivery and expected future trends. It should not include any potential contribution from residential gardens.

- The NPPF defines windfall sites in Annex 2 (the glossary) as:

Sites which have not been specifically identified as available in the Local Plan process. They normally comprise previously-developed sites that have unexpectedly become available.

- The NPPF is clear on windfall sites within the housing projections. Paragraph 48 states:

“Local planning authorities may make an allowance for windfall sites in the 5 year supply if they have compelling evidence that such sites have consistently become available in the local area and will continue to provide a reliable source of supply. Any allowance should be realistic having regard to the Strategic Housing Land Availability Assessment, historic windfall delivery rates and expected future trends, and should not include residential gardens.”

- The NPPG, reiterates that a windfall allowance can be justified in the five year housing land supply if a local planning authority has compelling evidence (as per NPPF para.48). However, it also goes further than the NPPF which is silent on the issue of windfall beyond the five year period. The NPPG in contrast states

“Local planning authorities have the ability to identify broad locations in year 6-15, which could include a windfall allowance based on a geographical area (using the same criteria as set out in paragraph 48 of the NPPF.”

- 14.1 This clearly sets out the need based on clear evidence. It also excludes residential gardens from the definition.

- 14.2 Clarification was sought on the issue of inclusion of windfalls sites in years 6-15 within housing supply by Caroline Nokes MP (Romsey and Southampton North), in the House of Commons debate on Planning Reform, held in Westminster Hall on 8 January 2014. Nick Boles MP, Parliamentary Under Secretary of State for Planning, responded that,

“...windfall sites absolutely can form part of a plan. Where an authority can evidence that it has had a consistent delivery of housing through windfall sites in the past, and it is reasonable to expect that there will continue to be such a delivery of housing through windfall sites, it is absolutely reasonable to say that part of its planned projections assumes a level of windfall site delivery. There is nothing in the policy to prevent that.”
(Hansard Reference - 8 Jan 2014 : Column 99WH)

Identified Capacity (SHLAA Sites)

- 14.3 The Strategic Housing Land Availability Assessment (SHLAA) has informed the housing supply and provides the basis for 'Identified Capacity' supply. These are sites which do not currently have planning permission but have an existing policy presumption in favour of development and are therefore expected to form part of supply during the plan period. These sites have been promoted to the Council and are therefore are being progressed to the planning application stage and would be acceptable in principle. Where these sites are expected to come forward outside the detailed 5 year supply a 10% reduction has been applied to the expected capacity to allow for changes in circumstances and potential implications of more detailed design.
- 14.4 Some of the Identified Capacity is formed of increased density on the existing housing sites which are currently being implemented at East Anton (2500 dwellings) and Picket Twenty (1200) in Andover (Northern Test Valley). This increase in density would result in a significant number of extra dwellings during the plan period, of 300 dwellings at East Anton and 100 dwellings at Picket Twenty respectively. The detailed Reserved Matters applications which have been approved and the phasing detail provided, demonstrates that a higher overall density is being achieved acceptably. Representations from the developers to the SHLAA consultations confirm that this will continue.
- 14.5 Windfall housing development is that development which is unplanned and arises from unidentified sources during the plan period. The windfall allowance is based upon observable trends and analysis of whether these trends are likely to continue in the future. It comprises small sites (1-4 net gains) which are not covered by the SHLAA as they are below its 5 net gains threshold for inclusion. The Borough has historically benefited from this form of housing supply, often from redevelopment within the settlement boundaries set out in the Local Plan 2006 or from reuse of buildings in the rural area. It has comprised an important source of housing supply. By projecting a windfall supply within the housing supply it allows the Council to take account of this form of development and better forecast housing supply expected during the plan period.

- 14.6 Such completions are outside the control of the Plan and the Council however it is expected that such supply will continue throughout the plan period from the proposed changes to the settlement boundaries, the supportive policies relating to Affordable Exception Sites and Community Led Development in the Countryside and the NPPF positive approach to planning and reuse of buildings. Therefore there is a difficult balancing act.
- 14.7 The Appendix 3 sets out the housing completions from windfalls for the years 2006/07-2012/13. Windfalls comprise development of 1-4 net dwelling gains, on previously development land (PDF). What constitutes PDF applies to the definition of what it comprised at the time planning permission was granted and after 2010 reflects the Government amendment to remove residential garden land (from the definition of PDL). These figures further support the robustness of the windfall assumptions.
- 14.8 Taking account of the NPPF and NPPG guidance, the Council proposes to include a windfall allowance, which is considered to be justified and robust in the light of compelling local evidence that such sites have consistently become available in the local area and will continue to provide a reliable source of supply during the plan period. The windfall allowance from unplanned sites 2015/16-2028/29 is based upon the average achieve in recent years from sites comprising previously developed land within settlement boundaries, excluding those which are garden land. For Northern Test Valley 35 dwellings per annum and for Southern Test Valley 16 dwelling per annum.
- 14.9 The windfall allowance is separate to the contribution from named specific sites (identified capacity) in the SHLAA which is accounted for separately. For further detail see Appendices 2, 3, 4 and 5.

15 Revised Local Plan Proposals

Need for new allocations and identification of allocations

- 15.1 The Council has taken a decision on the objectively assessed housing need for the Borough. In order to deliver this within the Local Plan for the next 18 year period, it is important to understand the existing supply and commitments.

Residual Housing Requirement

- 15.2 The Council has managed supply and monitored implementation of a number of sites, formally allocated in the Local Plan 2006 or gained permission to meet the requirements of the SE Plan. These are in the process of being implemented and therefore have and will contribute to the Borough housing requirement 2011 to 2029. The revised Local Plan seeks to allocate sufficient housing sites to meet the need of the Borough. The residual requirement is the level this allocation must take following the subtraction of the existing housing commitments expected to come forward.
- 15.3 Similar to the 5 year housing land supply calculations, the Council has sought to take a clear, robust and prudent approach to projecting supply from existing permissions over the proposed plan period. The methodology of discounting existing small site

permissions by 10% and removing sites which developers cannot provide assurances of implementation.

Cushion

15.4 To provide an additional level of robustness to the calculations, a 10% cushion has been applied to the residual figure. This has been added after the calculations and other discounting methods have been applied. This provides further flexibility in supply and recognises the importance of having a viable plan as set out in the Harman Review, demonstrating the Council's commitment to meeting the housing requirement. It is considered that a 10% cushion is justified and a robust approach.

15.5 The residual requirement calculations which have informed the Local Plan are set out below.

Northern Test Valley

Housing Requirement – Northern Test Valley

Table 5	Number of dwellings	Total
Requirement	7092	7092
Completions	1263	5829
Commitments	3573	2256
SHLAA – Identified Capacity	1023	1233
Unplanned sites 2015/16 – 2028/29 @ 35 units / year	490	743
Residual Requirement		743
Residual Requirement +10%		817

15.6 The residual housing requirement, with the inclusion of a 10% cushion for the Revised Local Plan, is 817 dwellings.

Southern Test Valley

Housing Requirement – Southern Test Valley

Table 6	Number of dwellings	Total
Requirement	3492	3492
Completions	472	3020
Commitments	1296	1724
SHLAA – Identified Capacity	47	1677
Unplanned sites 2015/16 – 2028/29 @ 16 units /year	224	1453
Residual Requirement		1453
Residual Requirement +10%		1598

15.7 The residual housing requirement, with the inclusion of a 10% cushion for the Revised Local Plan, is 1598 dwellings.

15.8 The Council has assumed an allowance from unplanned sites beyond the five year period for both northern and southern Test Valley. This is on the basis of past trends from the number of sites coming forward from previously developed land over the past six years, the likely increase in dwellings as a result of the changes to permitted development rights, rural exception sites coming forward and the amended settlement boundary.

Need for New Allocations

15.9 The Council does not wish to be in a position where it plans for a long term housing target which based upon past experience will prove undeliverable due to continued periods of boom and bust. It is preferable to set a realistic and achievable requirement over the long term, which will be met though annual completion rates that are sometimes higher than the target, but which in other years may be lower.

Proposed Allocations

15.10 The Local Plan sets the proposed housing sites to meet the residual figures set out above. Significant background work has been undertaken to ensure that the constraints have been identified and assessed and that the sites are deliverable. There will be a separate Infrastructure and Delivery Plan supporting the Local Plan where further detail is set out.

15.11 Housing supply trajectories have been produced for Northern and Southern Test Valley which set out the proposed phasing of the strategic sites. These are intended to provide the Housing Implementation Strategy evidence, as required by NPPF (para.47). This indicates the likely timetable of the sites and is structured to ensure a consistent and balanced supply. The Council will seek to monitor and manage this supply as necessary. The trajectories are in Appendix 5, and include details of the allocated sites alongside the unallocated sites. The unallocated sites are made up of existing permissions of 5 or more, phased as advised through consultation with the landowner or developer, and the outstanding small permissions (with 10% discount) and identified capacity within 5 years spread evenly between the period. Identified capacity in the later phases of the plan period are divided evenly within the timescales identified (ie 5 to 10 or 10 to 15 years), alongside the windfall allowance. The sources are the SHLAA and the 5 year housing land supply.

15.12 New housing allocations are proposed:

- Northern Test Valley (NTV) –
 - Policy COM6 Picket Piece (extension), Andover 400 dwellings, and
 - Policy COM6A Picket Twenty (extension), Andover 300 dwellings

- Southern Test Valley (STV) –
 - Policy COM3 Whitenap, Romsey 1,300 dwellings
 - Policy COM4 Hoe Lane, North Baddesley 300 dwellings
 - Policy COM5 Park Farm, Stoneham 50 dwellings

15.13 The sites themselves have been selected following promotion through the SHLAA and analysis through the Sustainability Appraisal. For further information, please see the Sustainability Appraisal.

16 Previously Developed Land (PDL)

16.1 The character of the Borough and the scale of development to be accommodated means that most of the new homes will be built on greenfield sites. The Council is not proposing a target for development on Previously Developed Land (PDL) (also known as brownfield land) but does support the approach of development of brownfield land wherever appropriate.

17 Housing Mix

- NPPF para.50 states that in order to provide a wide choice of housing and create sustainable and mixed communities, local planning authorities should plan a mix of housing. This should take account of current and future demographic and market trends and the needs of different groups. The size, type, tenure and range should reflect local demand.

17.1 The new homes built overall over the plan period should provide a mix of sizes and types to meet the demographic changes of the Borough and the results of the Strategic Housing Market Assessment (SHMA). The SHMA identified a need for a variety of housing types. The appropriate mix of dwellings by type and size of units will be considered as part of the planning application process for each individual site.

17.2 Chapter 8 of the Test Valley SHMA considers the issue of the requirement for different sizes of homes to accommodate future households. This is affected by a combination of demographic issues as well as need and demand factors which affect choice and affordability. Account also needs to be taken of the composition of the existing housing stock. Based upon taking the various factors into account the SHMA suggests that the overall composition of new housing completions should comprise:

Table 7

Dwelling Size	Affordable Housing	Market Housing
1 Bedroom	40%	10%
2 Bedrooms	35%	35%
3 Bedrooms	20%	45%
4 Bedrooms	5%	10%

17.3 Figures for the potential housing mix have also been produced by the SHMA for each of the sub-areas of the Borough, which suggest local adjustment to take account of past trends and future demographic changes.

17.4 Southern Test Valley, as a more suburban and rural area of the South Hampshire sub-region contributes to providing a 'family' offer of housing with the area and there is a high representation of properties of three or more bedroom compared to more urban local authorities within South Hampshire.

17.5 The SHMA considers the specific housing needs of different groups:

- Older Persons,
- People with Disabilities
- Black and Minority Ethnic (BME) households
- Households with children
- Young people
- Service Families

17.6 Policy COM1 of the Revised Local Plan recognises the importance of a housing mix to provide choice and meet the needs of the community.

18 Conclusions

18.1 The Council has considered a range of scenarios assessed in the Test Valley SHMA to identify the objectively assessed need for the Borough. It has considered different spatial strategies and approaches to deliver the approach, as well as producing a robust assessment of the likely housing supply. This has taken account of the NPPF, draft NPPG guidance and evidence base. Consideration has also been given to the characteristics of the local housing market and market conditions.

18.2 The Council's proposed housing requirement is 588dpa (equating to 10,584 dwellings over the plan period), which is derived from an economic-led scenario, of the latest jobs forecast, assuming constant commuting and an increase in the employment rate to 81.0%. This figure provides for economic growth, is above demographic and will contribute to meeting housing need (fully objectively assessed needs). It also provides for an allowance for potential suppression of household formation which may have resulted from the recent recession.

18.3 It is considered that the Council has produced a robust and clear approach to meeting the informed objectively assessed need, which is compliant with the NPPF objectives and requirements. It is considered that the proposed housing requirement is robust, achievable and deliverable.

18.4 It is proposed to have a split housing requirement to take account of the Borough containing two separate distinct housing market areas. The apportionment between Northern Test Valley and Southern Test Valley 67:33 is based upon the South Hampshire SHMA scenario equivalent to 588dpa (for Southern Test Valley) being 33% of the Borough-wide figure. 10% of the Northern Test Valley figure is further apportioned to the Rural Villages as identified in the settlement hierarchy.

18.5 New housing allocations are proposed in order to meet the residual requirement identified, taking account of completions, existing commitments, identified sites within the SHLAA and a windfall allowance. A 10% cushion has been applied to the residual requirement for additional robustness. The site selection process for these new allocations is set out in the Sustainability Appraisal.

APPENDIX 1 SCENARIOS

Demographic Led Scenarios for Borough Wide Housing

Source of Option	Scenario Coding	Description	Per Annum (pa) Housing Figure for Test Valley Borough
NLP (2013)	A	ONS 2010-based Sub National Population Projection (SNPP), and 2011-based headship rates	308 pa
TV SHMA	PROJ 1	ONS 2010 and 2011-based SNPP (updating migration assumptions), trending forward 2011-based headship rates	358 pa
TV SHMA	PROJ 2	2011-based SNPP (accounting for 2011 mid-year population estimate), trending forward 2011-based headship rates	418 pa
NLP (2013)	Bi	2011-based SNPP, indexing 2011-based headship rates	401 pa
TV SHMA	PROJ 2a	As PROJ 2 but using revised headship rates post 2021	453 pa
TV SHMA	PROJ 2b	As PROJ 2 but using revised headship rates post 2011	485 pa
NLP (2013)	Bii	2011-based SNPP, trending forward 2011-based headship rates	361 pa
NLP (2013)	C	Long term migration trends (past 10 years)	316 pa
TV SHMA	PROJ 3	10 year migration trends	331 pa
NLP (2013)	D	Short term migration trends (past 4 years)	234 pa
TV SHMA	PROJ 4	5 year migration trends	297 pa
TV SHMA	PROJ X	Zero net migration	147 pa

Economic Led Scenarios for Borough Wide Housing

Source of Option	Scenario Coding	Description	Per Annum (pa) Housing Figure for Test Valley Borough
NLP (2013)	Ei	Based on Experian Long Term Economic Strategy (LTES) (2007) (average job growth of 331 pa)	671 pa
NLP (2013)	Eii	Based on Experian LTES 2012 Update (average job growth of 359pa)	694 pa

TV SHMA	PROJ C	Based on Experian LTES 2012 Update (average job growth of 359pa)	591 pa
TV SHMA	PROJ Ca	As PROJ C but assuming a higher rate of employment	511 pa
NLP (2013)	F	Economic growth based, with average job growth of 150pa ²⁰	527 pa
TV SHMA	PROJ A	Linked to April 2013 Experian jobs forecast (average job growth of 439pa) - 1:1 ratio of jobs to local workers	647 pa
TV SHMA	PROJ Aa	As PROJ A but assuming a higher rate of employment	566 pa
TV SHMA	PROJ B	Linked to April 2013 Experian jobs forecast (average job growth of 439pa) - constant commuting pattern	670 pa
TV SHMA	PROJ Ba	As PROJ B but assuming a higher rate of employment	588 pa
NLP (2013)	Eiii	Based on 2013 Experian jobs forecast (average job growth of 439pa)	758 pa
TV SHMA	PROJ Y	Zero net employment growth	280pa

Housing Led Scenarios for Borough Wide Housing

Source of Option	Scenario Coding	Description	Per Annum (pa) Housing Figure for Test Valley Borough
NLP (2013)	G	Housing need based on TV SHMA	292 pa ²¹
NLP (2013)	H	Delivering housing need (i.e. housing need figure delivered as 35% of total housing figure, with 65% from private housing)	834 pa

Other Scenarios for Borough Wide Housing

Source of Option	Scenario Coding	Description	Per Annum (pa) Housing Figure for Test Valley Borough
NLP (2013)	I	Past delivery trends (based on 2001/02 to 2012/13)	406 pa
TV SHMA	PROJ Z	Past completions (based on 2001/02 to 2011/12)	382 pa

²⁰ This option was developed to reflect a lower growth rate in jobs, using approximately half of the jobs growth rate envisaged within the Long Term Economic Strategy (2007).

²¹ Based on meeting the backlog over the plan period and the annual newly arising need.

Scenarios for Southern Test Valley^{22,23}

Type of Scenario	Scenario Coding	Description	Per Annum (pa) Housing Figure	Proportion of Test Valley Wide Figure
Demographic	PROJ1	Linked to ONS-2010 and 2011 based SNPP	120 pa	34%
	PROJ2	Linked to SNPP with migration adjusted for mid-year population estimates	142 pa	34%
	PROJ2A	As PROJ2 but using 2008 household projections	168 pa	35%
	PROJ3	10 year migration trends	103 pa	31%
	PROJ4	5 year migration trend	90 pa	30%
	PROJX	Zero net migration	36pa	24%
Economic	PROJA	Linked to January 2013 Experian jobs forecast (1:1 ratio of jobs to local workers)	213 pa	33%
	PROJB	Linked to April 2013 Experian jobs forecast (using 2001 Census data on commuting pattern)	221 pa	33%
	PROJY	Zero employment growth	116 pa	41%
Housing	n/a	Housing need	97 pa	33%
Other	PROJZ	Past completions (based on last 10 years)	114 pa	30%

²² Note that the South Hampshire SHMA uses Ward boundaries, rather than Parish boundaries, as this reflects the best available information. Therefore the resultant figures include the Parish of Braishfield. The boundaries of Southern Test Valley and the PUSH are not changed as a result of this. The proportions for Southern Test Valley identified as a result of this work are still considered on the basis of being the best available information.

²³ Based on PUSH SHMA, as presented in the Test Valley SHMA, Justin Gardner Consulting, 2013.

APPENDIX 2 FIVE YEAR HOUSING LAND SUPPLY

NTV Housing Land Supply Summary

(Based on South East Plan figure until the end of 2012/13 (revoked 25th March 2013), then Revised Local Plan (Regulation 19) figure)

Requirement (2015/16 -2019/20)	<i>Figure</i>	Sub Totals
SE Plan Requirement 2006/07 to 2012/13	2135	
Completions 2006/07 to 2012/13	1945	
Shortfall against SE Plan requirement 06/07 to 12/13		190
RLP requirement 2013/14 - 2014/15	788	
Completions 2013/14	359	
Expected completions 2014/15	499	
Shortfall against RLP requirement 2013/14		-70
Total Shortfall		120
RLP requirement 2015/16 to 2019/20	1970	
Total Requirement (including shortfall over 5yrs)		2090
Supply within 5 yrs (2014/15 - 2018/19)		
East Anton	555	
Picket Twenty	545	
Picket Piece	409	
Other sites with permission	579	
Identified sites	127	
Windfalls - unidentified sites	175	
Total Supply within 5 years		2390
5 Year Housing Land Supply		
5yr Supply (making up shortfall over 5 yrs)	5.72	years

STV Housing Land Supply Summary

(Based on South East Plan figure until the end of 2012/13 (revoked 25th March 2013), then Revised Local Plan (Regulation 19) figure)

Requirement (2015/16 -2019/20)	<i>Figure</i>	Sub Totals
SE Plan Requirement 2006/07 to 2012/13	1372	
Completions 2006/07 to 2012/13	848	
Shortfall against SE Plan requirement 06/07 to 12/13		524
RLP requirement 2013/14 - 2014/15	388	
Completions 2013/14	183	
Expected completions 2014/15	232	
Shortfall against RLP requirement 2013/14 to 2014/15		-27
Total Shortfall		497
RLP requirement 2014/15 to 2018/19	970	
Total Requirement (including shortfall over 10yrs)		1219
Supply within 5 yrs (2015/16 - 2019/20)		
Abbotswood	263	
Redbridge Lane	194	
Romsey Brewery	50	
Other sites with permission	371	
Identified sites	47	
Windfalls - unidentified sites	80	
Total Supply within 5 years		1005
5 Year Housing Land Supply		
5yr Supply (making up shortfall over 10 yrs)	4.12	years

APPENDIX 3 WINDFALLS

Based on schemes for net gain less than 5 (including net losses) on PDL (as defined at the time)

	STV	NTV	TOTAL
2006/07	28	38	66
2007/08	17	45	62
2008/09	14	52	66
2009/10	14	30	44
2010/11	16	28	44
2011/12	23	26	49
2012/13	0	23	23
Average	16	35	51

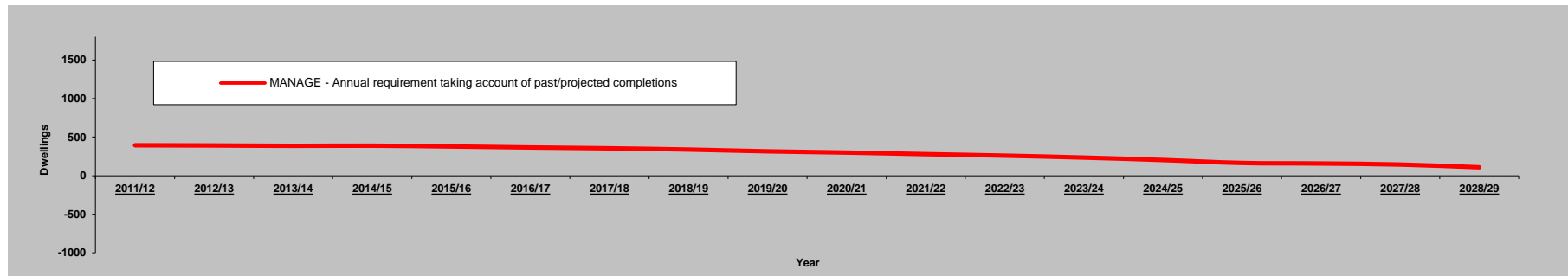
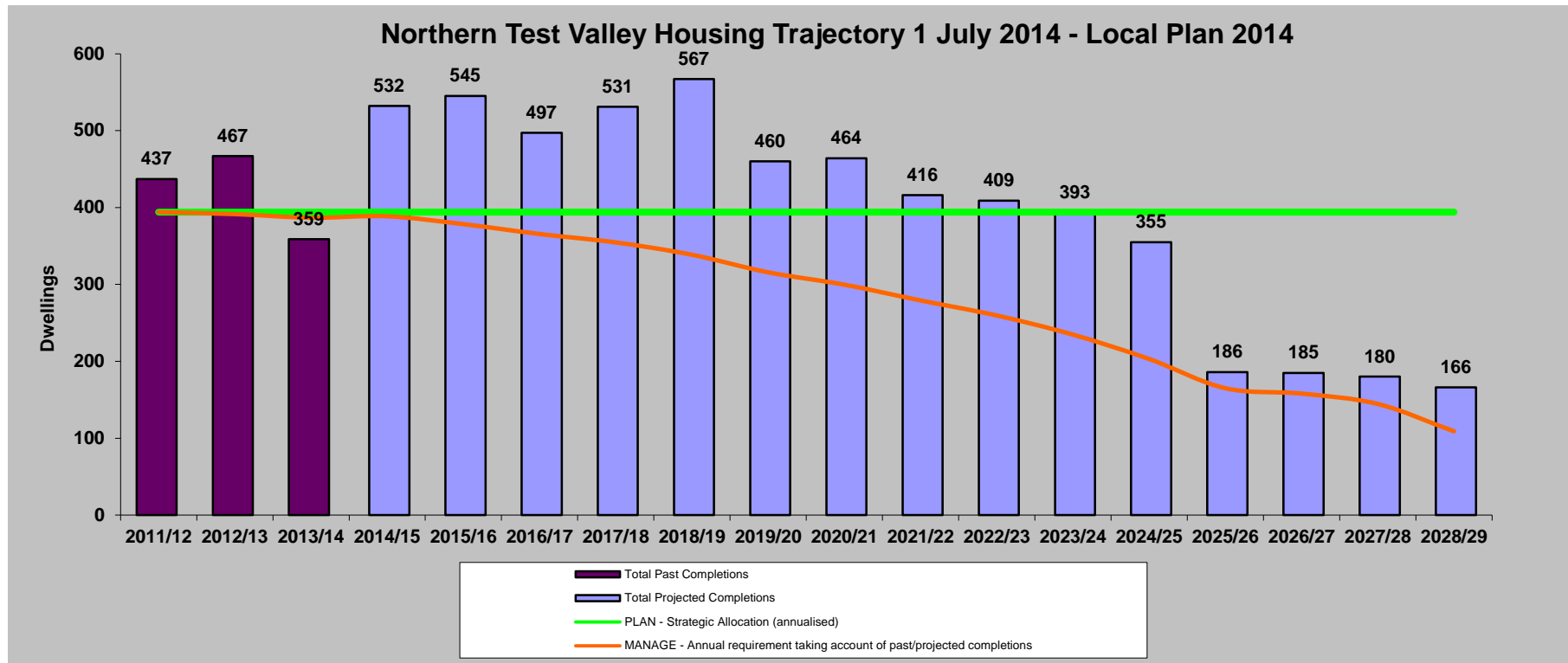
APPENDIX 4 HOUSING TRAJECTORY

Northern Test Valley Housing Trajectory 1 July 2014 - Local Plan 2014

	2011/12	2012/13	2013/14	2014/15	2015/16	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	TOTAL
<i>BLP (2006) Allocations</i>																			
East Anton, Andover	103	181	135	111	111	111	111	111	111	111	111	111	111	111	111	111	105	92	2059
Picket Twenty, Andover	147	178	180	150	150	150	140	80	25										1200
<i>RLP (2014) Allocations</i>																			
Picket Twenty Extension								60	125	90	25								300
Picket Piece Extension									58	80	80	80	70	32					400
George Yard/Black Swan Yard												30	30	40					100
Projections - Allocated Sites				261	261	261	251	251	319	281	216	221	211	183	111	111	105	92	
Completions - Allocated Sites	250	359	315																
Completions - Unallocated Sites	187	108	44																
Existing Commitments				271	224	176	219	255	81	12									1238
Identified Capacity - SHLAA sites (5+ units)					25	25	26	26	25	136	165	153	147	137	40	39	40	39	1023
Unplanned sites (windfall) 2015/16-2028/29					35	35	35	35	35	35	35	35	35	35	35	35	35	35	490
Total Past Completions	437	467	359																
Total Projected Completions				532	545	497	531	567	460	464	416	409	393	355	186	185	180	166	7149
Cumulative Completions	437	904	1263	1795	2340	2837	3368	3935	4395	4859	5275	5684	6077	6432	6618	6803	6983	7149	
PLAN - Strategic Allocation (annualised)	394	394	394	394	394	394	394	394	394	394	394	394	394	394	394	394	394	394	7092
MONITOR - No. dwellings above or below cumulative allocation	43	116	81	219	370	473	610	783	849	919	941	956	955	916	708	499	285	57	
MANAGE - Annual requirement taking account of past/projected completions	394	391	387	389	378	366	355	339	316	300	279	260	235	203	165	158	145	109	
Years Remaining	18	17	16	15	14	13	12	11	10	9	8	7	6	5	4	3	2	1	

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Southern Test Valley Housing Trajectory 1 July 2014 - Local Plan 2014

	2011/12	2012/13	2013/14	2014/15	2015/16	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	TOTAL
<i>BLP (2006) Allocations</i>																			
Romsey Brewery		8	5	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	163
Abbotswood, Romsey	30	190	157	160	176	87													800
<i>RLP (2014) Allocations</i>																			
Whitenap, Romsey								60	120	120	120	120	130	130	130	130	120	120	1300
Hoe Lane, North Baddesley										30	60	60	60	60	30				300
North Stoneham																20	20	10	50
Projections - Allocated Sites				170	186	97	10	70	130	160	190	190	200	200	170	160	150	140	2223
Completions - Allocated Sites	30	198	162																390
Completions - Unallocated sites	56	5	21																82
Existing Commitments				71	180	92	107	117	60	43	43	10							723
Identified Capacity - SHLAA sites (5+ units)							42	5											47
Unplanned sites (windfall) 2015/16-2028/29					16	16	16	16	16	16	16	16	16	16	16	16	16	16	224
Total Past Completions	86	203	183																
Total Projected Completions				241	382	205	175	208	206	219	249	216	216	216	186	176	166	156	3689
Cumulative Completions	86	289	472	713	1095	1300	1475	1683	1889	2108	2357	2573	2789	3005	3191	3367	3533	3689	
PLAN - Strategic Allocation (annualised)	194	194	194	194	194	194	194	194	194	194	194	194	194	194	194	194	194	194	3492
MONITOR - No. dwellings above or below cumulative allocation	-108	-99	-110	-63	125	136	117	131	143	168	223	245	267	289	281	263	235	197	
MANAGE - Annual requirement taking account of past/projected completions	194	200	200	201	199	184	183	183	181	178	173	162	153	141	122	100	63	-41	
Years Remaining	18	17	16	15	14	13	12	11	10	9	8	7	6	5	4	3	2	1	

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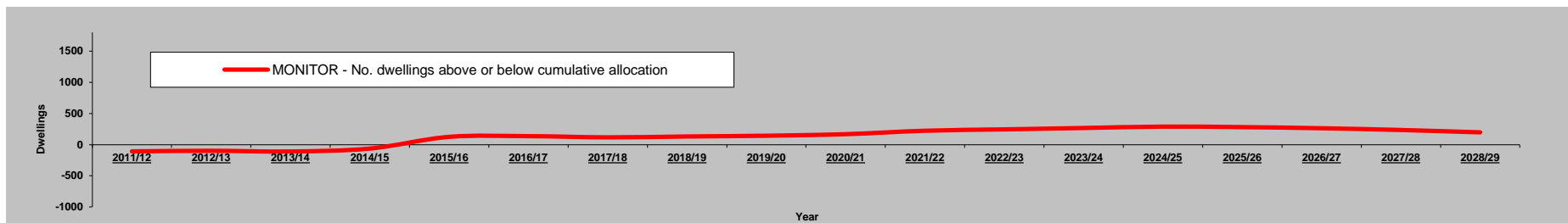
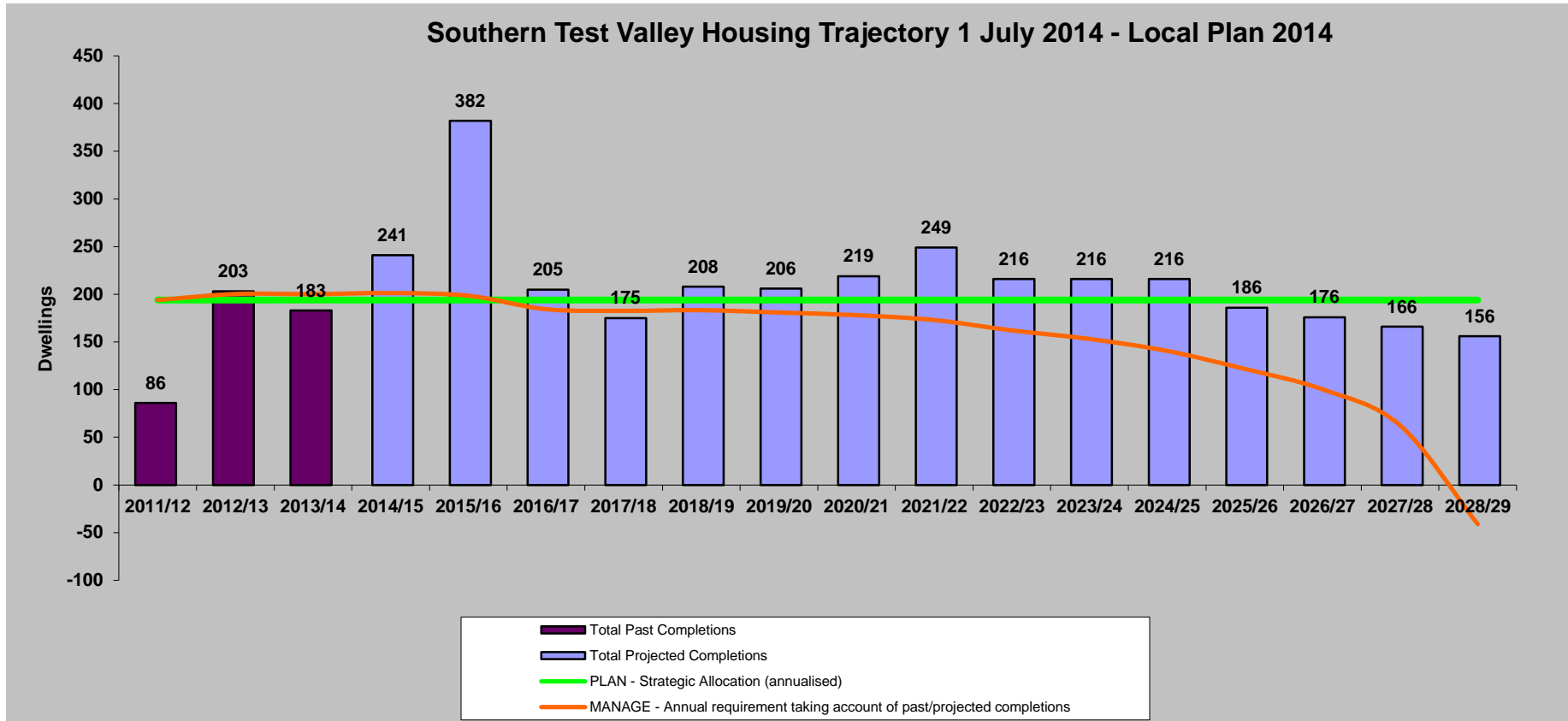
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HOUSING TRAJECTORY

Row A	Total past completions for past years, from allocated sites
Row B	Total past completions for past years, from unallocated sites
Row C	Total past completions for past years $C = A+B$
Row D	Total projected completions for current year and future years
Row E	Cumulative completions for each given year (sum of completions for given year and all previous years)
Row F	PLAN figure – overall requirement divided by the number of years which it covers. If no phasing, this is the same for each year throughout the plan period.
Row G	MONITOR figure – number of cumulative completions at each given year above or below the cumulative annualised requirement PLAN figure (F). Where cumulative completions are above the total annualised requirement to date then the figure is positive (and the strategy is ahead of the annualised delivery with a surplus), where it falls below then this figure is negative (and is under delivering with a shortfall).

$$G = E - (F \times \text{number of years})$$

Row H	MANAGE figure – number of future completions needed if the outstanding requirement is to be met by the end of the plan period on an equal annualised basis. This is the remaining annual requirement as reflected over the remaining years of the plan period, taking account of any shortfalls or surplus from both previous and future years i.e. any surplus or shortfall against the annualised requirement PLAN figure (F) is spread over the remaining plan period.
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For the first year H is identical to F. For other years, it is the cumulative requirement, less cumulative completions, divided by the number of years remaining i.e. for year 2 on the basis of completions in year 1 and for year 3 on the basis of cumulative completions for years 1 and 2.

Year 1	$H = F \div \text{number of years remaining}$
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Year 2 onwards	$H = [(F \times \text{number of years completed}) - E] \div \text{number of years remaining}$
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Chart Comprises two graphs:

- Total past completions and total projected future completions by year as a bar chart. Includes PLAN figure (F) and MANAGE (H) figure as line graphs, overlaid on the bar chart.
- MONITOR figure (G) as a line graph