

Winchester Local Plan 2020-2040 Examination

Our ref 15877/01/MS/MT
D 4 April 2025
From Lichfields on behalf of O'Flynn Group

Subject Matter 4: Meeting Housing Need

1.0 Calculation of LHN

Q1.

- 1.1 No. Whilst we note the numerical calculation of local housing need under the standard method, for the reasons set out in Q10 below - including how the housing need has been 'backdated' such that the Council can bank previous 'overprovision' and offset it against future housing needs - we do not consider that the strategic policies are properly informed by a local housing need assessment which reflects the future housing needs identified by the standard method, and meets national policy and guidance.

Q2.

- 1.2 Yes. The PPG paragraph provides a non-exhaustive list of circumstances, one of which includes an authority agreeing to take on unmet need, as set out in a statement of common ground. We consider this would also logically extend to circumstances where there is no agreement, but unmet housing needs nevertheless exist in neighbouring areas. In accordance with NPPF para 11b, those unmet needs should be provided for unless there is evidence of particular protections or adverse impacts that indicate those needs should not be provided for. That is logical, else the PPG indication that unmet needs must be agreed to plan for a higher housing need figure would simply be to incentivise LPAs to not reach agreement (and therefore continually defer needs)¹. The unmet needs as assessed provide the substantive evidence that it is appropriate, and indeed necessary, to plan for a higher housing need figure than the standard method for the district itself indicates.

Q3.

- 1.3 Our response to this question is addressed elsewhere in our statement.

2.0 The housing requirement

Q1.

- 2.1 No. NPPF paragraph 61 includes that "*In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for.*" As we set out in our Matter 1

¹ Which one might speculate is what has happened in the case of Winchester and the PfSH area

statements, the housing needs that cannot be met within neighbouring areas have not properly been taken into account in establishing the housing requirement. There is an unmet housing need from neighbouring authorities which the current set of SoCG's place at around 18,000 homes, yet this scale of unmet housing need has not been factored into arriving at the appropriate housing requirement (also see our response to questions below).

Q2.

- 2.2 The consequence is simply that the Plan would need to identify additional allocations within the District outside of the SDNP. However, this goes to highlight the inflexibility of the housing supply proposed to address the housing requirement and how the Council has seemingly sought to do what it perceives to be the bare minimum², rather than positively address the overall housing needs that exist across the district and neighbouring areas, in co-operation with its neighbouring authorities and the SDNP.

Q3.

- 2.3 No. For clarity, we consider that in principle a figure which exceeds LHN is justified by the evidence given the Council has not demonstrated, per NPPF para 11, that it is unable to address unmet housing needs from its neighbours. Indeed, it is fundamentally necessary to ensure the plan is positively prepared and meets the tests of soundness (NPPF para 35). However, the precise figure of 1,900 is not justified by any evidence and falls short by some margin. See Q4 below.

Q4.

- 2.4 We set out in our Matter 1 statement the derivation of this 1,900 dwellings figure. In summary, it has not been derived from any of:
- 1 Ongoing cooperation between neighbouring authorities across the PfSH area to meet in total the housing needs of the area;
 - 2 By reference to the scale of confirmed unmet need with Portsmouth City Council (3,577)³ or Havant Borough Council (4,309)⁴, with both of these seemingly coming after the 1,900 home allowance had already been concluded upon by WCC; or
 - 3 The testing of the scale of unmet needs from across PfSH that exist against the constraints in the District.
- 2.5 In respect of (3) in particular, those constraints are not shown by the evidence to be of a significance that Winchester District cannot accommodate any more housing beyond the 15,465 dwellings identified by the housing requirement. Indeed, the SHELAA (HA04) and the iterations of the IIA (IIA01-09 and SDO2a-d) show that there are suitable opportunities, options and ways to deliver sustainable growth across the district in excess of the total housing requirement, including delivering more than the very modest 1,900 home

² But which is not actually the bare minimum given, inter alia, the unmet need from across PfSH that it has neglected to address in its plan making process.

³ SDO8i page 10 "outstanding unmet need"

⁴ SDO8e pdf page 10

contribution to the unmet housing needs. However, the Council has chosen not to proactively seek to test and address those unmet needs through this Plan.

- 2.6 To our reading, the unmet needs allowance figure of 1,900 is simply calculated as the residual 'left over' from the amount of supply/sites the Council had chosen to allocate against its own, somewhat unique, interpretation of how the standard method works alongside a backdated plan period⁵, and recorded housing delivery. Or to put it another way, the housing requirement is not based whatsoever on the housing needs that the Plan is required to address, but is simply a sum of what the Council was willing to allocate within its strategy (and an unwillingness to test if it could allocate more, or adopt a different strategy to address the scale of unmet needs). This is confirmed in the Reg. 19 IIA⁶ which sets out that 1,900 was arrived at by:
- 1 Starting with Reg 18 Local Plan 'buffer' of 1,450 dwellings - an equally arbitrary number of no clear origin, but purported to be reflecting the *"increased capacity of the preferred approach (1a)"*.⁷ In turn this appears to be based on:
 - a the Council's pre-defined preferred spatial strategy from the Strategic Issues and Priorities Document that did not take account of any unmet needs, as confirmed in earlier IIA's⁸; and
 - b a 2,000 dwelling *"headroom/buffer... built into the housing figures to allow any further changes to the... standard method and any potential unmet needs arising from the Partnership for South Hampshire Joint Strategy"* (underlining our emphasis)⁹. This is despite the estimated unmet need being 13,000+ homes around this point (PSHO6) meaning a headroom to account for any potential unmet needs would need to be 13,000+ homes, not an arbitrarily defined 2,000.
 - 2 Factoring in removal of sites and revised development yields between Reg 18 and Reg 19 stages. i.e. changes to supply on proposed allocation sites;
 - 3 Setting this new supply against the calculation of the standard method (for just Winchester District) as applicable at the time of the Reg 19 Plan;
 - 4 Arriving at an "unmet need allowance" of 1,900.
- 2.7 In this context, it is not considered that 1,900 is justified at all by the evidence. It is simply an amount left over from the above process which summed the supply from allocations and windfall. For example, if the standard method calculation had increased between Reg. 18 and Reg. 19 (one of the stated purposes of the 'buffer') presumably the unmet need contribution would now be zero because of the approach taken by the Council above, to start with a supply figure rather than a need figure.
- 2.8 The unmet needs allowance has been calculated entirely without proper consideration of the actual quantity of unmet needs.

⁵ See Q10

⁶ SDO2a page 591

⁷ EDO2 para 4.17

⁸ E.g. see for example IIA02 para 2.32

⁹ SDO2a para 2.41

Q6.

- 2.9 As explained in our Matter 2 statement (Q6) the Plan would not deliver sufficient affordable housing to meet affordable housing needs. With the delivery of a higher housing requirement, it would both deliver more affordable housing to meet those needs as well as deliver additional housing to improve the relative overall affordability of homes (reducing the number of households who will find themselves in need and on the waiting list in the future). This, allied with the unmet needs that exist, provide compelling reasons, and substantive evidence, as to why the minimum housing requirement should be increased.

Q8.

- 2.10 No. The Plan is not positively prepared and will not secure a significant boost to the supply of homes. This is highlighted by the fact that the Plan:
- 1 Is only delivering new allocations for less than 25% of its (inadequate) housing requirement; the rest already exist within the adopted Plan's framework;
 - 2 Has not sought to grapple with the scale of unmet housing needs from neighbouring authorities;
 - 3 Has a housing trajectory delivering 10,909 homes over 16 years (2024/25-2039/40), a rate of 681dpa, which is significantly lower than the 948dpa average it has been delivering in recent years (2018/19-2023/24)¹⁰.
 - 4 Seeks to hold back most allocated greenfield sites (i.e. the new site allocations) until the later parts of the Plan period (Policy H2) despite: the wider unmet housing needs that exist in Hampshire now; an affordable housing waiting list of more than 1,500 households¹¹ now and wait times of up to 5+ years for some properties; and the wider unaffordability of homes in Winchester now.
 - 5 Has a housing requirement which exactly matches its housing supply so is not being aspirational at all in the way it is seeking to significantly boost the supply of homes; and
 - 6 Was accelerated in its preparation specifically to avoid the implications of the December 2024 NPPF and its higher housing needs¹².
- 2.11 None of these are the policies or actions of a Local Planning Authority which is aiming to significantly boost the supply of homes in its area (that would benefit its own residents) through a positively prepared local plan. It reveals WCC to be an authority seeking to do precisely the opposite.

Q9.

- 2.12 No. The time horizon of the Local Plan and its housing requirement is in effect 31st March 2040 (the final year of the housing requirement and trajectory being monitoring year

¹⁰ EDo2 Table 1

¹¹ HAO1 Table 3.2

¹² E.g. see the minutes of 19 August Cabinet meeting

<https://democracy.winchester.gov.uk/documents/s29280/Extract%20of%20Minutes%20-%20Cabinet%2019%20Aug%202024%20-%20Local%20Plan%20Reg%2019.pdf>

2039/40). For the plan period to provide strategic policies that look ahead over a minimum 15-year period from adoption, the plan would have needed to be adopted by 31st March 2025. At best it appears the Local Plan will have a circa 14-year horizon at adoption. This again illustrates that the Plan has sought to minimise, not significantly boost, the amount of new homes for which it seeks to make provision for.

Q10.

- 2.13 Our Reg. 19 response comprehensively addresses this point (see para 3.2-3.8), and this issue is also addressed in Matter 3 Q2. In summary:
- 1 We dispute there has been ‘overprovision’ because to arrive at that conclusion fails to factor in the PfSH unmet need (in addition to the Standard Method number for the district), that some supply in Winchester District had originally been hypothecated to be meeting when allocated in the previous Local Plan;
 - 2 Notwithstanding, the PPG is clear (ID: 2a-011-20190220) that the affordability adjustment in the standard method already takes into account past-under-delivery, and therefore the converse is also true, the affordability also takes into account past ‘over-delivery’.
- 2.14 The Council in EDO2 seek to rebut this (paras 3.5-3.21) but has made its own position worse by revealing how far removed are its real intentions from those that are intended to underpin plan making under the NPPF:
- 1 At para 3.5 it egregiously states one reason to not change the start and end date of the Plan would be because it “*would result in identifying more sites*” (i.e. making plain to all that the modus operandi of the Council in preparing its Plan has been to avoid identifying more sites);
 - 2 At para 3.12 it effectively states that the Council does not believe that the basic laws of supply and demand apply to housing (i.e. that as supply increases, house prices – all other things being equal – will fall relative to incomes). This working assumption (unevidenced by the Council) conflicts with the Government’s settled position and the PPG which states the affordability adjustment is applied to “*respond to price signals*” and “*ensure the... housing need starts to address the affordability of homes.*” (i.e. that supply is a component of price);
 - 3 At para 3.15, it indicates that if affordability were influenced by dwelling completions, then one would expect recent increases in completions to reduce the affordability ratio/SM figure, ignoring the fact that Winchester operates in a much wider interlinked housing market where there has been significant undersupply of homes (i.e. unmet housing need) and how prices are also impacted by incomes; so one would expect the price and affordability ratio to continue to rise in that period. The rather simple point – sadly not understood by the Council – is that additional supply reduces the marginal increase in that rate; i.e. the reference case is that had new supply been at a lower level; the affordability ratio would be even worse than it is. Indeed, that is unsurprisingly what the SHMA concludes: strong delivery slows rates of house price growth and eases (improves) affordability. At EDO2 para 3.17, the Council seems to infer the SHMA says

the opposite but we invite the Inspector to read the SHMA's words as they are on the page, not what the Council imagines them to be. The previous delivery is fully factored into the standard method figure via the price signal, to then include it again (or offset it against future needs) is economically illiterate, equivalent to double counting, and does not accord with the PPG. It actively frustrates the purpose of the affordability adjustment.

- 2.15 Aside from the technical points, one should be cognisant of what the current Government is actually seeking to achieve. In proposing to delete Para 77 of the NPPF (2023) and remove wording on past oversupply (albeit in a 5-year housing land supply context), Government said¹³ *"Given the chronic need for housing we see in all areas, we should celebrate strong delivery records without diluting future ambitions."* But diluting future ambitions is precisely what the Council is seeking to do by reference to its past delivery record. It is not what a positively prepared Plan should be seeking to achieve.

Q13.

- 2.16 Yes. The plan is unsound as submitted, not least because the housing supply is no longer anticipated to meet the – too low – housing requirement.¹⁴ However, the Council's proposed modification, instead of seeking additional supply, is seeking to reduce the housing requirement; this would not be a sound approach, is not evidenced as justified, and would also mean the Council is meeting even less of the unmet need.

3.0 The overall supply of housing

Q1.

- 3.1 No. The housing trajectory in the Plan (15,465 homes) exactly matches the housing requirement (15,465 homes)¹⁵ and does not provide for any buffer on delivery. This is not a sound basis for meeting the need.
- 3.2 NPPF Para 86(d) sets out that *"Planning policies should... be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices (such as live-work accommodation), and to enable a rapid response to changes in economic circumstances"*. In practice this means ensuring a housing trajectory has sufficient land supply across the Plan period so that it can adjust and accommodate any unforeseen circumstances. Critically, this means that to achieve a housing requirement a Local Plan must release sufficient land, or allow sufficient headroom, so that there is an appropriate buffer within the overall planned supply.
- 3.3 The housing trajectory does not do this at all. Against whatever housing requirement is sound (i.e. one that properly addresses unmet need following a testing of options for higher

¹³ Proposed reforms to the National Planning Policy Framework and other changes to the planning system, paragraph 20 – accessible here: <https://www.gov.uk/government/consultations/proposed-reforms-to-the-national-planning-policy-framework-and-other-changes-to-the-planning-system/proposed-reforms-to-the-national-planning-policy-framework-and-other-changes-to-the-planning-system>

¹⁴ ED02 Table 4

¹⁵ SDO1 Table H2

growth), a headroom/buffer of supply is necessary and will provide resilience in the face of potential delays to any of any strategic allocations.

Q2.

- 3.4 Matters addressing specific site allocations will consider threats to their delivery, but in general, in line with Q1 above, trajectories should be resilient to any element of delivery that may not come forward in the manner envisaged (i.e. delays or a need to reduce dwelling numbers at application stage). It is not realistic to expect a housing trajectory to come forward exactly as planned, and therefore it needs flexibility and sufficient headroom to account for both known and unknown (as per NPPF para 86d) threats to delivery. This is fundamentally illustrated already by ED02 para 5.23 which has already reduced the trajectory since submission of the Plan in November 2024.

Q4.

- 3.5 No. For the reasons previously set out.

Q5.

- 3.6 See Q8; there must be major concerns as to whether this is positive planning given the evident need for homes now.

4.0 Five year housing land supply

Q4.

- 4.1 No. This would not be sound and there is no sufficient justification for doing so.

Word Count: 2,878