



EXAMINATION OF THE WINCHESTER DISTRICT LOCAL PLAN 2020-2040

MATTER 4: MEETING HOUSING NEED

On behalf of Wates Developments Ltd.

April 2025

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1.0 INTRODUCTION

- 1.1 This statement is submitted on behalf of Wates Developments Ltd. ('Wates') in relation to the Examination in Public of Winchester City Council ('the Council') Local Plan 2020-2040 ('the Local Plan'). Carter Jonas LLP is instructed by Wates.
- 1.2 Wates is promoting the development of Land to the rear of Thodys, New Farm Road, at the western edge of New Alresford ("the site" or "Land to the rear of Thodys")
- 1.3 In this submission, Wates sets out its responses to Matter 4: Meeting housing need.
- 1.4 This statement should be read in combination with Wates' responses to the Inspector's others Matters, especially with reference to its response to Matter 8.

2.0 ISSUE: WOULD THE OVERALL STRATEGY AND PROVISION FOR HOUSING DEVELOPMENT BE JUSTIFIED, EFFECTIVE AND CONSISTENT WITH NATIONAL POLICY?

Calculation of Local Housing Need (LHN)

Question 1

- 2.1 The Council has followed the correct approach to identifying its Local Housing Need (LHN) via the Standard Method (SM), as required by paragraph 61 of the NPPF. However, the plan period for using the LHN is not correct, as we have set out in response to Matter 3.

Question 2

- 2.2 It is accepted that the plan meets the requirements to be examined under the 'transitional arrangements' and as such the use of the 'old' SM is acceptable. However, the plan will need to be reviewed swiftly post its adoption.
- 2.3 Moreover, Wates believes that there remains a significant gap in the housing needs considered in the Local Plan, and this is the unmet housing needs across Hampshire. PPG (ID: 2a-010-20201216) states that it is **appropriate to plan for a higher housing need figure than the SM** when... *an authority agree[s] to take on unmet need from neighbouring authorities.*
- 2.4 This is in reference to the NPPF at paragraphs 11, and 62, where it is explained that *any needs that cannot be met within neighbouring areas* should be considered in addition to the LHN.
- 2.5 The unmet needs of Hampshire are set out in the Partnership for South Hampshire (PfSH) Spatial Position Statement (Doc: PSH01) and total more than 11,000 homes (under the previous version of the SM – as is used for the Winchester Plan). There are several Statements of Common Ground which support the position statement (Docs: PSH05, 06 and 07) which explain that the Councils are working towards an approach to meeting the substantial unmet needs. However, no solution is forthcoming.
- 2.6 Under the new SM, the housing needs and likely unmet needs of authorities across Hampshire are increasing and the issue is becoming more acute. Those authorities with significant constraints – coastlines and a National Park – will not be able to accommodate many more homes, so it will be incumbent upon those authorities in Hampshire with a greater capacity for development – including Winchester – to help meet some of those unmet needs.
- 2.7 The substantial unmet needs of the PfSH area is a demonstrable and justifiable reason to plan for a higher housing need figure than that which is indicated by the SM.
- 2.8 Part of the response to the unmet needs of the neighbouring authorities could be to allocate additional sites, including Land to the rear of Thodys, at the western edge of New Alresford.

Question 3

- 2.9 Wates is not aware of any currently.

The housing requirement

Question 1

- 2.10 It is appropriate for the Local Plan to include a housing number for part of the South Downs National Park (SDNP), because the plan area covers a part of the SDNP, and there is a need for housing in this area.
- 2.11 However, it is unclear whether 350 dwellings is the correct figure. This is because there is some dispute between the two authorities about the correct figure (it could be only 250, as illustrated in the SoCG between the two parties, Doc: SD08j),
- 2.12 Again, the plan period matter is raised here, because the SDNP 'capacity' figure includes completions from 2020 onwards, but the plan period should start in 2024.

Question 2

- 2.13 Wates expects that some new houses will be accommodated in the SDNP, but if the full amount cannot be met, then the 'remainder' will need to be delivered in Local Plan areas outside of the SDNP.
- 2.14 The number of homes that the Council is required to deliver, as set out in policy H1, will need to increase from 15,115 homes to 15,215 homes. Based on the latest trajectory published by the Council it now expects to deliver 15,041 homes over the plan period. Therefore, based on that trajectory (and setting the plan period to one side) the reduced supply from the SDNP will lead to a shortfall across the plan period of 174 homes.
- 2.15 Land to the rear of Thodys could help to meet some of the undersupply in the SDNP.

Question 3

- 2.16 As above, the inclusion of an allowance to meet needs in neighbouring authorities is fully justified and consistent with national policy at NPPF paragraphs 11 and 62 and associated PPG.
- 2.17 However, the 1,900 dwelling allowance is insufficient given the scale of those needs and the fact Havant, Portsmouth and Gosport for example clearly have limited physical capacity for increasing supply beyond what is already proposed.
- 2.18 The Council's Land Availability Assessment demonstrates that there is a greater capacity in the Local Plan area and specifically Land to the rear of Thodys could help to meet some of the unmet need.

Question 4

- 2.19 Wates reads the allowance as an arbitrary figure which has been based on the sites which the Council would like to allocate rather than any robust assessment of sustainable capacity.
- 2.20 It is telling that the engagement with Portsmouth City Council and Havant Borough Council is post the Reg. 19 publication of the Local Plan. It is unclear if the engagement was constructive and meaningful, and even less so if the 1,900 homes is an appropriate number to include in the Local Plan. The PfSH position statement suggests that unmet needs far outstrip this figure, and as set out above, the position statement relies on the 'old' SM, and not the increased LHN figures that now exist.

Question 5

- 2.21 No. A specific figure, based on an agreed approach would be much more effective for plan making, and monitoring. Specific figures, and potentially nominated sites, would also be more appropriate to demonstrate that “*land can come forward where it is needed*” as required by NPPF paragraph 61.
- 2.22 Wates is ambivalent whether the unmet needs are expressed as a discrete figure or as a percentage of the overall requirement. However, it is likely that for monitoring purposes, a specific figure would be the most efficient and effective approach.

Question 6

- 2.23 Yes. The Strategic Housing Market Assessment (SHMA) update (Doc: HA01) evidence demonstrates that there is a significant affordable housing need in local authority area. The highest need is for affordable & social rented housing at an estimated 368 dwelling per annum (dpa) and 411 dpa including SDNP (see table 3.11 of the SHMA update). Affordable home ownership needs increase the need to 495 dpa and 558 dpa when SDNP is included.
- 2.24 This is significant need for affordable homes in the area and one that will not be met on the basis of the proposed housing requirement. The housing requirement can, and should, be increased to ensure that the housing needs of the whole community are met.
- 2.25 Since 2015 the following ‘Local authority housing statistics data returns’ show the number of households on the housing waiting list (or register) has fallen, but remains high:

| | |
|-------------|-------|
| 2015 / 2016 | 2,265 |
| 2016 / 2017 | 2,029 |
| 2017 / 2018 | 1,648 |
| 2018 / 2019 | 1,309 |
| 2019 / 2020 | 1,369 |
| 2020 / 2021 | 1,452 |
| 2021 / 2022 | 1,286 |
| 2022 / 2023 | 1,579 |
| 2023 / 2024 | 1,544 |

- 2.26 Setting the delivery of affordable homes¹ against completions as reported by the ONS², reveals the actual percentage of Affordable Homes delivered for the same period:

| Year | Affordable Homes | Total completions | Affordable Homes as a % |
|-------------|------------------|-------------------|-------------------------|
| 2015 / 2016 | 134 | 280 | 48% |
| 2016 / 2017 | 134 | 430 | 31% |
| 2017 / 2018 | 118 | 410 | 29% |
| 2018 / 2019 | 106 | 590 | 18% |
| 2019 / 2020 | 253 | 460 | 55% |
| 2020 / 2021 | 171 | 510 | 34% |
| 2021 / 2022 | 700 | 850 | 82% |

¹ Government returns statistical table 1008S

² Data set: House building, UK: permanent dwellings started and completed by local authority

| | | | |
|-------------|-----|-----|-----|
| 2022 / 2023 | 247 | 970 | 25% |
| 2023 / 2024 | 446 | 770 | 58% |

- 2.27 The above statistics reveal a very inconsistent picture of Affordable Housing delivery. The Council needs to create a situation where these fluctuations are less pronounced, so that needs can be more consistently met.
- 2.28 What also is generally agreed is that affordable housing is delivered by private developers via obligations, and less is via public sector developments, and Registered Providers. Indeed, the same 'Local authority housing statistics data returns' show that 70% of Affordable Houses were delivered via S106 agreements in 2023/24.
- 2.29 The Council will need to ensure that sufficient sites are allocated to meet as much of the affordable housing need as possible. If the Council is going to get anywhere close to delivering 558 affordable dwellings per annum (as 40% of its Local Plan requirement) it should be considering an annual housing requirement of 1,400 dwellings.

Question 7

- 2.30 Policy H5 includes some detail about some specific types of homes, and the size mix for affordable Housing. Wates suggests that an indicative mix for market housing would be appropriate as part of the same policy. However, the mix should remain under review, and be a starting point, not a requirement in every case so that proposals can meet locally identify needs as necessary.

Question 8

- 2.31 Wates is concerned that the Local Plan relies heavily on completions, extant permissions and previous commitments to meet it housing requirement.
- 2.32 While this approach means that housing delivery in the Local Plan's early years is above the housing requirement it does not provide consistent delivery across the plan period. The flaw in the approach is that the plan period starts in 2020, when it should start in 2024 which is the proper base year for using the SM; it is forward looking, and not a retroactive process.
- 2.33 The lack of supply in later years of the plan is not positive, dose noting to help meet neighbouring unmet housing needs, and puts at significant risk the Council's ability to demonstrate a robust 5-year housing land supply across the plan period at any given monitoring period.

Question 9

- 2.34 No. The Local Plan period is started in the wrong year, and assuming that it is adopted in 2026, to enable it to look forward 15 years the plan horizon should be at least 2041.

Question 10

- 2.35 As Wates has set out elsewhere in its submissions, the starting point of the Local Plan should be 2024. This would reflect the requirements of the SM for calculating housing need.

- 2.36 PPG (ID: 2a-011-20190220) states that ...*the affordability adjustment is applied to take account of past under-delivery*. It is reasonable to assume that if the affordability adjustment takes account of under supply it must also take account of any oversupply.
- 2.37 The Council argues that it does not consider there to be direct link between past completion rates and affordability, however, as it set out in PPG successive Governments consider the past supply of homes to be linked to the cost and affordability of housing and it is central to the SM.
- 2.38 Wates acknowledges that the ratio of median house price to median gross annual workplace-based earnings has reduced a small amount in recent years, it remains very high, and prices are out of the reach of many workers, the figures are as went from 12.19 in 2018, peaked at 13.84 in 2021, and are now at 12.06. The 5-year average is 12.84
- 2.39 The past delivery of new home has not significantly reduced the affordability ratios, and while it is accepted that there are other factor which affect affordability the SM is clear that the ratio and associated adjustment should be used to calculate housing need, and the starting date for calculating the SM, and the starting year of the plan period should be that of submission – i.e. 2024.

Question 12

- 2.40 It would be more effective and efficient if policy H3 and the table on pages 389/390 set specific housing requirements for known Neighbourhood Development Plan areas.

The overall supply of housing

Question 1

- 2.41 No. Wates does not consider the housing trajectory in the Local Plan to provide the requisite level of detail. The Council has provided a trajectory with a good level of detail in its Housing Topic Paper (Doc: ED02), and it is suggested that this is perhaps a better template to use for the Local Plan, and for monitoring purposes.

Question 2

- 2.42 Wates has considerable concerns about the lack of realism shown in the Local Plan trajectory, and its overall robustness.
- 2.43 In the Housing Topic Paper - addendum (Doc: ED02) the trajectory appears to show that there is in fact a shortfall in the Council's supply of some 79 dwellings. This suggests that more sites are needed to meet the Council's identified housing requirement of 15,465 dwellings over the plan period.
- 2.44 Allocating Land to the rear of Thodys, would go some way to meeting this deficit.
- 2.45 Wates also notes that there is no room for manoeuvre in the trajectory, there is no allowance for lapses in permissions, failure in site delivery, or the stalling/delay of other sites. It is likely therefore that more sites will be required to provide a buffer for the Council in its overall delivery strategy.

Question 3

- 2.46 Wates is content that the contribution from windfall is reasonable and proportionally justified in the Windfall Assessment Report (Doc: HA07).

Question 4

- 2.47 Wates is content that the lead in times and build out rates indicated in the housing trajectory are sound. The trajectories for some of the large-scale sites, and complex regeneration projects appear a little optimistic, but it will be for the Council to remain vigilant in its monitoring, and nimble in its actions in response (i.e. by allowing other consents) should any of those allocations stall. This also speaks to the lack of 'buffer' in the overall allocation of sites compared to the identified requirement; if the Council was a little more positive in its number of allocations, then there would be more scope of optimism in its trajectories.
- 2.48 However, and foreshadowing the next question, the trajectory is unacceptably and unsoundly based on an artificial and unjustified suppression of "new greenfield sites."

Question 5

- 2.49 Wates believes policy H2 to be completely unjustified, and unsound. Policy H2 fails to present a positive response to the urgent need for housing in England and limits the opportunity to boost housing land supply.
- 2.50 Furthermore, it is noted that the policy is inconsistent with Paragraph 60 of the NPPF which states that "*...it is important that a **sufficient amount and variety of land** can come forward where it is needed...*"
- 2.51 Section 6 of the Housing Topic Paper (Doc: SD10g), sets out the justification for the phasing policy and how it intends to operate. However, Wates opinion is:
- The Council's attempt to create an artificial housing trajectory in order to 'level out housing delivery' fails to account for the variable nature of the housing market in the District.
 - As set out in the WMS, brownfield development alone will not be enough to meet the existing unmet housing and commercial needs.
 - The proposed upgrades to wastewater treatment works presents only part of the solution in reducing nutrient discharge. To drive forward nutrient neutrality in the District, localised mitigation solution must be encouraged to create wider sustainability benefits.
 - The capacity of the electricity grid should not be presented as a barrier in the delivery of homes on allocated greenfield sites.
- 2.52 The Council's proposed phasing of new greenfield housing sites allocated in the Local Plan is contrary to the NPPF and will likely create a barrier to the sufficient amount and variety of land to come forward and meet the critical need for housing.

Question 6

- 2.53 No. See above.

Five-year housing land supply

Question 1

- 2.54 Wates' first concern is that the five-year supply is attempting to back date the Local Housing Need figure and apply completions since 2020 to meeting that need. As is explained elsewhere in Wates' submissions the SM draws a line under past completions and looks forward; the Housing Delivery Test, and the necessary buffer added to the five-year requirement represents the correct response to past trends.
- 2.55 Completions before 2024 should not be included in the housing land supply calculations.
- 2.56 The Council has not clearly set out in the Housing Topic Paper Update (Doc: ED02) how it has assessed the likely deliverability of sites in the trajectory, it has not demonstrated clear evidence for deliverability.
- 2.57 The definition of "deliverable" is set out in **Annex 2** of the NPPF (December 2023). PPG (**ID: 68-007-20190722**) amplifies the NPPF and sets out some examples of demonstrating deliverability.
- 2.58 On sites where there is outline planning permission only, or the site is allocated in a development plan, the onus is upon the authority to provide 'clear evidence' that the site will deliver dwellings over five years.
- 2.59 Appeal Inspectors³ have explained clear evidence and the Council has presented no evidence in the Housing Topic Paper Update (Doc: ED02) to properly demonstrate deliverability. It is also insufficient to simply rely on housebuilder evidence, and alongside this a detailed analysis should be undertaken of individual sites which identifies whether there are factors which may delay the delivery of homes.

Question 2

- 2.60 Wates shares the Inspector's uncertainty here and would appreciate the opportunity to comment on the committed supply when it is made clear. In the meantime, the lack of clarity on extant permissions is an example of the lack of robust evidence in the housing trajectory, as is expressed in response to the previous question.

Question 3

- 2.61 Wates is content that the contribution from windfall is reasonable and proportionally justified in the Windfall Assessment Report (Doc: HA07).

Question 4

- 2.62 Wates notes that the Council has used the 'Liverpool Method' to spread the remaining housing requirement of the proposed plan period across the remaining 15 years of that period.
- 2.63 First, the housing requirement should be met from the first year of the SM calculation (i.e. 2024) and it should not look back into 2020.

³ E.g. Little Sparrows, Sonning Common, Oxfordshire (PINS ref: 3265861)

- 2.64 Second, the use of the 'Liverpool Method' is confusing because it is usually a matter reserved for dealing with undersupply, yet in this case it is an argument to reduce the annual average housing requirement of Policy H1 and instead rely (in an unjustified way) on housing high delivery in the years before 2024.
- 2.65 Third, PPG (**ID: 68-031-20190722**) is clear that the Sedgefield approach should be used to deal with any shortfall, unless a robust case is made.
- 2.66 So, if the Council wishes to use the 'Liverpool Method' albeit to deal with an oversupply rather than an undersupply, it stands to reason that a case needs to be made. There does not appear to be a compelling argument made in the Local Plan, or in the Housing Topic Paper Update (Doc: ED02).
- 2.67 The five-year housing land supply should be recalculated using the SM, and 2024 as the base year. Only completions from 1st April 2024 should be included, and any under/oversupply should be dealt with in the five-year period (the Sedgefield approach).
- 2.68 The Council should also include rigorous analysis of the component sites of the housing land supply, along with comments from the associated site promoters and developers.

