



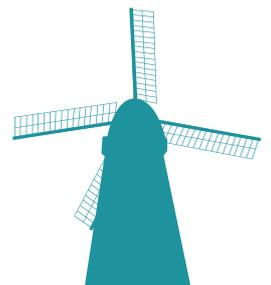
Eastleigh Borough Local Plan 2016-2036



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Housing Trajectory Background Paper

June 2018



This background paper supports the Eastleigh Borough Local Plan and provides background information on how the housing target for the borough will be met. This document is not on deposit for consultation and is background evidence.

Any queries regarding the document should be sent to:

Email: localplan@eastleigh.gov.uk

Website: www.eastleigh.gov.uk/localplan2016-2036

Address: Local Plan team, Eastleigh Borough Council,
Eastleigh House, Upper Market Street, Eastleigh SO50 9YN

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Introduction & Summary

1. The Eastleigh Borough Local Plan 2016-36 (EBLP) is seeking to make provision for 14,576 (rounded in the plan to 14,580) net additional dwellings in the period 1st April 2016 to 31st March 2036. This equates to an annualised figure of 729 dwellings per year. This total housing target is derived largely from the informal and non-statutory sub-regional strategy prepared by PUSH (the Partnership for Urban South Hampshire) in the form of the Spatial Position Statement published in June 2016.
2. This paper is a revised housing trajectory which sets out how the borough council expects that housing requirement will be met. It updates the original trajectory report which was published in July 2017 though it retains the same base date. Looking back beyond the start of the plan period to the 1st April 2011 it describes the various different sources of supply and explains the rationale and assumptions which underpin the dwelling numbers attributed to the various components of supply and how and why the dwellings have been phased the way they have over the plan period.
3. It also briefly explains the context in which Eastleigh borough sits in in terms of the definition of the Southampton Housing Market Area and both the identification of housing need and the subsequent distribution of housing within and across the Housing Market Area.
4. It explains and justifies the discounts which have been applied to a number of sources of supply. The plan makes allowance and provision for the delivery of 14,950 dwellings; a surplus of +374 dwellings against a plan requirement of 14,576 equating to an average of 747 dwellings per year. This means the ultimate conclusion of the trajectory report is that, even after the application of non-implementation discounts to the various components of supply, the council has reasonable confidence that more than sufficient dwellings will be delivered by 31st March 2036 to meet the local plan housing requirement. The delivery estimate of 14,950 dwellings is the council's formal position on housing land supply. However, the trajectory also sets out a number of different scenarios which modify the levels of discount applied to individual components of supply in order to reinforce the position that this is a reasonable one.

Methodology and data sources

5. The bulk of the raw data has been provided by Hampshire County Council (HCC) from its [Land Availability Monitoring System](#) (LAMS). LAMS is based on a comprehensive process of monitoring new planning permissions, starts and completions on sites based on information provided by district councils in Hampshire and supplemented by an annual round of site visits. LAMS is widely regarded as a comprehensive, robust and detailed assessment of housing land supply in the county and its outputs are regularly scrutinised through local plan examinations and s78 appeals.
6. The trajectory has a base date of 1st April 2016 as that is the latest date for which published data is available. The Council had expected to be able to

update the trajectory to a 1st April 2017 base date in early 2018. However, with the uncertainty created by the publication of the Government's standard housing methodology ([Planning for the right homes in the right places: consultation proposals](#)) in September 2017 and [revised draft NPPF](#) and associated consultation documents in March 2018, and with delays to the publication of HCC land supply data, this update retains the 1st April 2016 base date which is consistent with that of the local plan.

7. However, as with the previous draft trajectory, the trajectory records progress on developments which have been permitted since the base date in order to ensure it is as accurate and up to date as possible. This is not least because the borough council has granted or resolved to grant planning permission for a large number of dwellings over and above those which were committed at the 1st April 2016 base date. It has also lost a number of planning appeals in that period which will also feed into the housing land supply over the course of the plan period.
8. The phasing of delivery of sites which have been granted permission since the 31st March 2016 and so which do not appear in the LAMS database is based on direct contact with the landowners / developers / promoters of the sites in question. The outputs of this contact is described in quarterly updates to the council's 5-year housing land supply position which are produced on the council's behalf by consultancy GL Hearn. These [quarterly 5-year supply updates](#) are uploaded on the council's website.
9. In order to be able to fully explain the derivation of the housing trajectory for the EBLP which covers the period 2016 to 2036 it is necessary to go back to an earlier base date of 1st April 2011 as that is the starting point for the [PUSH Spatial Position Statement](#) and accompanying evidence base (primarily the PUSH Strategic Housing Market Assessment (SHMA) and subsequent update). The trajectory describes the work which underpinned the establishment of the OAHN, the distribution of housing across the Housing Market Area (HMA) in which Eastleigh borough sits and the positions adopted by other authorities which sit, either in full or in part, in the same HMA.
10. The components of supply are as follows:
 - a. Total net Completions 1st April 2011 to 31st March 2016
 - b. Planning permissions on large sites (10 or more dwellings net gain) at 1st April 2016 and granted since 1st April 2016
 - c. Resolutions to grant planning permission (or sites lost at appeal) issued since 1st April 2016
 - d. Former local plan allocations from the draft 2011-29 version of the local plan
 - e. An allowance for completions on small sites (9 or fewer dwellings net) based on past rates for the period 1st April 2016 to 31st March 2036

- f. An allowance for completions on large windfall sites (10 or more dwellings net) based on past rates for the period 1st April 2026 to 31st March 2036
 - g. An estimate of the anticipated rate of housing delivery from the North of Bishopstoke and North and East of Fair Oak Strategic Growth Option (SGO) to be allocated for development in the local plan
 - h. An estimate of delivery from other sites to be allocated in the local plan
11. This draft trajectory does not cover point g. above in any detail. [Delivery of the SGO](#) is discussed in a separate paper.
12. A summary of the draft trajectory is set out below. This replicates the essence of Table 1 in the Appendices to this paper:

EBLP Housing Trajectory 1st April 2011 to 31st March 2036

Requirement:

Housing Requirement 1.4.2011 to 31.3.2036	16,250
Completions 1.4.2011 to 31.3.2016	1,674
Residual Requirement 1.4.2016 to 31.3.2036	14,576

Supply:

Discounted (5%) Large Site Commitment & Permissions post 1.4.2016	7,855
Discounted (10%) Resolutions post 1.4.2016	36
Discounted (20%) former Plan Allocations	1,107
Discounted (20%) Small Site Allowance at 50pa 1.4.2016 to 31.3.2036	1,000
Discounted (20%) Windfall Allowance at 86pa 1.4.2026 to 31.3.2036	860
SGO Delivery Within Plan Period	3,350
Total Discounted Supply	14,208
Shortfall (Supply minus Requirement):	-368
Allocated in local plan (including 10% discount)	742
Overall plan provision (shortfall plus allocated)	+374
Total Supply 1.4.2016 to 31.3.2036	14,950

13. All figures quoted are net figures and so take account of losses to the dwellings stock as a result of conversions, demolitions and changes of use. Each of the components of supply, aside from completions in the first five years of the plan period which reflect actual development that has already been built, is discounted to some degree varying between 5% and 20% of the total for the respective component of supply or compared to past rates of delivery. If no discounts were applied to any of the identified-site components of supply (i.e. excluding any new greenfield allocations) the trajectory would show a surplus of 326 dwellings rather than a shortfall of -368 dwellings (see

Table 1 in the Appendices). This would mean there would be no need (in purely numerical terms) for the local plan to allocate any additional land for residential development in order to meet the local plan target as it would already be in surplus.

14. If the large and small site windfall allowances also went undiscounted the trajectory surplus (without new small greenfield allocations) would be over 700 dwellings (786) (see Table 19 in the Appendices). If all components of supply went undiscounted and a large site windfall allowance was counted for 15 of the remaining years of the plan period (rather than the ten year period included in the trajectory), the trajectory would be over 1,300 dwellings in surplus (1,326) without counting new small greenfield allocations (see Table 20 of the Appendices). Adding in an undiscounted contribution to supply of 824 dwellings from the new allocations would take the most optimistic assessment of supply surplus to over 2,000 dwellings (2,150) against the residual plan requirement of 14,576 (see Table 20 in the Appendices).

A Cautious Trajectory

15. It must be stressed that these undiscounted surpluses do not represent the council's formal position on land supply for the purposes of this local plan. They are produced to inform the debate in response to the suggestion at an advisory visit from PINS that the council remove discounts from the trajectory. The council considers some caution is required in view of the failure of the previous local plan (largely on housing land supply grounds) and the pressure the council is under from the Ministry for Housing, Communities and Local Government to achieve a 'sound' local plan. However, they illustrate the point very clearly that this trajectory is a cautious trajectory and almost a 'worst-case scenario' in terms of the residual figure to be addressed through new allocations in the local plan. The matter of discounts is revisited at the end of this trajectory report.
16. It is also worth considering the strategy implications of pursuing an undiscounted approach. As noted above, in a scenario where no discounts were applied, there would be no need for any new greenfield allocations in the plan. The housing requirement could be met from the commitment, windfall allowances and development on the SGO. In strategy terms this is not considered to represent a balanced portfolio of housing provision. It would represent an inflexible strategy which did little to provide choice and variety in the housing market in terms of the size, type and location of site to be developed and one which placed 'all its eggs on one basket' in the form of the SGO. There would be little, if any, contingency to deal with any uncertainty or delay surrounding the implementation of the SGO (in particular). In the council's view such an inflexible strategy would not represent a robust housing position and would be likely to mean the local plan failing to meet the NPPF 'tests of soundness'. This is considered to be a further reason for adopting a cautious approach.
17. That said, it is clear from completions achieved in the period 2011 to 2016 that future delivery of housing will have to occur at a level which is consistently double that achieved during those first five years. Against a PUSH target

which equates to an annual average figure of 650 dwellings per year only 335 net completions per year were achieved on average in the first five years meaning that delivery must average 729 dwellings each year of the remainder of the plan period if the 16,250 dwelling 2011-2036 PUSH target is to be met. By adopting a cautious approach to delivery of most sources of supply compared to past rates the borough council is aiming to ensure that there is a sufficient supply of new sites allocated and available for development to ensure this completion rate is achieved and maintained.

18. However, this cautious approach still addresses the full PUSH timescale 2011-2036 and carries forward the under-delivery in the first five years of that period to derive the 2016-2036 local plan target of 14,576 dwellings (which equates to an annualised average figure of 729 dwellings).
19. Table 2a in the Appendices describes the trajectory by individual components of supply and by year. This year by year trajectory is of the undiscounted supply and shows the surplus of 326 dwellings before any contribution from the new greenfield allocations is counted. A full undiscounted trajectory including phasing of the new greenfield locations is contained in Table 17 of the Appendices
20. Table 2b is a discounted version of Table 2a. The discount takes the numerical value of the 5%, 10% and 20% discounts for the commitment, former plan allocations and resolutions components of supply respectively and applies these on a pro rata basis for each of the years those component of supply are anticipated to contribute to overall supply. In other words, a 5% discount to the commitment component of supply equates to 413 dwellings (5% of 8,268). Commitments are expected to contribute to supply for 14 years of the trajectory period from 2016/17 to 2029/30. $413 \div 14 = 29.5$ (rounded to 29) so each year is discounted by 29 dwellings in Table 2b compared to Table 2a. This also excludes the new greenfield allocations. A full discounted trajectory including phasing of the new greenfield allocations is contained in Table 18 of the Appendices.

Continuity of Supply

21. It is interesting to note from any of these year-by-year summary trajectories that they show a reasonable continuity of supply throughout the plan period. While there is a degree of front-end loading this reflects the extent to which the council has granted or resolved to grant planning permission for new housing development in recent years (largely on the back of the stalled draft 2011-29 local plan) and the excessive requirements of the 'Sedgefield + 20%' 5-year supply calculation regime. These sites which currently benefit from planning permission will come forward in the early years along with a continuous supply of small sites throughout the whole plan period. As these begin to dwindle the sites which are currently going through the process of securing permission and are in receipt of a council resolution to permit will come on stream. This will be most likely followed by the former local plan allocations on which active discussions are currently taking place with landowners, developers and site promoters and then the new sites allocated in this local plan. Eight years into the plan period (from 2016 i.e. by 2024/25) it

is anticipated that the North of Bishopstoke and North East of Fair Oak Strategic Growth Option (SGO) will come on stream and continue to deliver well beyond the plan period. And in year ten it is assumed that unidentified large windfalls will begin to come forward.

22. This continuity of supply point is also illustrated in Tables 21 and 22 of the Appendices which show cumulative surplus / deficit position year on year when comparing completions against the housing requirement. The top half of each table show the position with full housing trajectory. The bottom half of each table assumes that the SGO does not happen. Table 21 is an undiscounted version and Table 22 a discounted version of the same table. These tables show an initial shortfall in the first two years of the trajectory period as we jump to the new higher local plan target of 729 dwellings per year (compared to the current OAHN figure of 630 per year). However, this situation is quickly recovered with the trajectory being in surplus in the year 2018/19.
23. More importantly, however, these tables show that, even if it is assumed that the SGO does not happen, there is sufficient supply in the other components of the trajectory to keep the plan in surplus against the housing requirement for the bulk of the plan period. Without the SGO, the local plan remains in a surplus until the end of the 2031/2032 year based on the undiscounted assessment (Table 21). Even on the basis of a discounted assessment, and if there was no contribution from the SGO, there is sufficient supply in the other components to keep the plan in surplus until the end of the 2030/2031 year all other things being equal. The end of 2031 is 15 years from the start of the plan period (1st April 2016).
24. So, taken as a whole, the trajectory demonstrates that there will be a continuity of supply throughout the plan period and that there will be a variety of size, type and location of sites coming forward to provide choice and flexibility in the market.
25. The remaining sections of this paper go on to explain the individual components of the land supply requirement and trajectory in more detail and set out the sources of the data, the assumptions applied and the justification given for the approach to estimating each individual component of the calculation including the justification and rationale for the various discounts applied.

The Southampton Housing Market Area

26. The borough of Eastleigh sits fully within the Southampton Housing Market Area (HMA). The explanation of the definition of housing market geographies in the PUSH area is set out in [Strategic Housing Market Assessment](#) (SHMA) carried out for PUSH by the consultancy GL Hearn in January 2014.
27. In summary this SHMA took, as its starting point, a 2004 study commissioned from consultancy DTZ by the South East England Regional Assembly which identified a distinct South Hampshire housing market and, within that, two distinct clusters centred on the urban areas of Southampton and Portsmouth.

In undertaking the SHMA, GL Hearn supplemented this DTZ work with more up to date analyses of migration flows (from ONS Internal Migration Statistics 2006-2011), commuting dynamics (2001 Census Travel-To-Work-Area data supplemented by more recent information from the 2011 Annual Population Survey on commuting dynamics), house-types and prices (from 2013 Zoopla Zed-Index data) and socio-economic characteristics (from Experian's Mosaic Classification) to arrive at the final HMA boundaries for the Southampton and Portsmouth HMAs. This is explained in depth in paragraphs 3.12 (p25) to 3.61 (p35) of the 2014 PUSH SHMA.

28. There is no evidence of any significant factor which would necessitate a change to these HMA geographies having arisen in the time since the SHMA was produced. Certainly, there was not felt to be a need to reconsider these when the 2014 SHMA was updated in 2016 (see below).

The Housing Requirement 1 - PUSH

29. The housing requirement for the local plan is derived from the PUSH Position Statement to 2034 prepared by the Partnership for Urban South Hampshire (PUSH) and published on the PUSH website on 7th June 2016. Policy H1 of the Spatial Position Statement (SPS) allocates Eastleigh borough a figure of 14,950 dwellings for the period 2011-34. This equates to an annual requirement on 650 dwellings per year. It is acknowledged that the SPS is a non-statutory document. However, it is an important material consideration in the preparation of the local plan as it represents an agreed figure between the south Hampshire authorities and so is a manifestation of the duty to co-operate being successfully delivered by those south Hampshire authorities. The SPS also makes it clear that, while the housing targets in Policy H1 are to be treated as minima, they are not hard-and-fast requirements:

“Housing targets set out in Table H1 are intended to inform the review of local plans to meet longer-term development needs, particularly beyond 2026. a district’s housing requirement must be established through a more detailed (localised) consideration of environmental constraints, infrastructure requirements and the need for complementary land uses. “ (para 5.33)

30. The housing figures in Policy H1 of the SPS were derived from work done by the consultancy GL Hearn to inform the preparation of the Position Statement; namely a Strategic Housing Market Assessment (SHMA) for South Hampshire dated January 2014 supplemented by an [Objectively Assessed Housing Need \(OAHN\) Update](#) dated March 2016.
31. In deriving an OAHN figure for each district or part of district which makes up the Southampton HMA, GL Hearn were not starting from a blank sheet of paper. As well as national policy, a more local steer was provided by the PUSH [South Hampshire Strategy 2012-2026](#) which pre-dated the SPS. A summary of the housing provisions of the Strategy is provided at Table 5 on page 44 of the 2014 PUSH SHMA. It was also influenced by the suite of local plan documents which were either adopted or in preparation for those districts comprising the Southampton HMA. That high level background was then

modified to take on board up to date information on a variety of demographic and market data sources.

32. These data sources started with the 2012-based population and household projections with amendments to reflect the implications of the 2013 and 2014 Mid-Year Population Estimates which, in turn, capture changes to internal and international migration. Uplifts are applied to reflect levels of affordable housing need, economic-led housing needs (based on econometric forecasts commissioned by the Solent Local Enterprise Partnership from Oxford Economics which forecast 2.7% pa GVA growth across the PUSH sub-region in the period 2011-2030) and market signals (house prices, rents and overcrowding). The result of all of this analysis was that the SHMA update identified an OAHN for Eastleigh borough of 580 dwellings per year (see Table 62 on page 115 of the March 2016 OAHN Update). The March 2016 OAHN update report concludes for Eastleigh in paragraphs 6.42 to 6.44 as follows:

“Eastleigh

6.42 Trend-based demographic projections using the latest data indicate a need for 546 dwellings per annum. The economic evidence does not provide an upside to this, showing a need for 527 homes per annum.

6.43 The affordable housing evidence points to a need for between 360-453 affordable homes per year, representing 66-83% of the demographic-led need. Market signals provide evidence of moderate affordability pressures.

6.44 Taking account of the market signals, and the need to boost affordable housing provision, we consider that the full OAN would represent 580 homes per annum. A higher upward adjustment is made relative to other areas in order to support improvements to affordability.”

33. As noted above, Eastleigh sits within the Southampton HMA and the Eastleigh OAHN figure of 580 dwellings per year sits within a Southampton HMA OAHN of need of 2,280 dwellings.
34. This is split between the districts / part districts which make up the Southampton HMA as follows:

Housing Need and Supply – PUSH Southampton HMA (average dwellings per year)

District / Part-District	PUSH OAHN 2011-2036	PUSH SPS Target 2011-2034	Surplus / Deficit	Local Plan Target	Standard Methodology	Net completions 2011-2016
Eastleigh	580	650	+70	729e	715	335
Fareham (p)	115	89	-26			265
New Forest (p)	210	157	-53			83
Southampton	1,115	846	-269	815a	942	796
Test Valley (p)	185	202	+17	194a		195
Winchester (p)	75	233	+158			146
HMA Total	2,280	2,177	-103			1,820

Notes:

- *The PUSH SPS deliberately does not express the housing requirement in the form of an average annual target. The figures in the table are derived from the total requirement figures for comparison purposes only*
- *Totals may not tally exactly due to rounding*
- *a = adopted*
- *e = emerging*
- *p = part of district within PUSH area*
- *With the exception of Test Valley, the other part district local plans do not express a housing target specifically for that part of their district within PUSH*
- *The standard methodology figures are only available for whole districts*
- *Net completions data provided by HCC LAMS.*

35. It is clear from the table above that, although Eastleigh is allocated a housing target in the PUSH SPS (650) which is higher than its OAHN (580), across the HMA as a whole there is a shortfall in planned development, compared to the OAHN figure, of 103 dwellings per year. This equates to 4.5% of identified need in the HMA. Multiplied by the 23 years of the PUSH SPS period (2011-2034) this equates to a total HMA shortfall of 2,369 dwellings (103x23). This shortfall is discussed in paragraphs 5.13 to 5.17 of the [Report to the PUSH Joint Committee dated 7th June 2016](#) at which the SPS was presented. Paragraph 5.16 in particular notes:

“.....the options for meeting this major need are constrained by a wide range of factors: the capacity of the cities and urban areas; the Solent /

Southampton Water to the south; the two National Parks to the west and north; significant international and national nature conservation designations within and adjoining the area, and the adverse impact of increased visitor pressures on these areas; the Isle of Wight Area of Outstanding Natural Beauty; the importance of maintaining distinct countryside gaps between cities and towns; other local environmental designations; and the rural / unconnected nature of northern PUSH.”

36. In the process of preparing the SPS the PUSH authorities were asked to revisit their initial assessments of capacity in their areas in order to try to close the gap between OAHN and supply. This resulted in slight increases in capacity in some areas but, despite ‘leaving no stone unturned’ in the search for additional capacity it was not possible to fully close the gap.
37. Most of the other authorities in the Southampton HMA are ahead of Eastleigh in terms of local plan preparation. All authorities have NPPF compliant local plans adopted as set out below. New Forest and Fareham are currently in the process of reviewing their local plans. Whilst no housing supply paper is in the public domain in respect of New Forest, in the emerging Fareham local plan, the borough council is proposing to meet its PUSH OAHN target.
38. It is the council’s view that any future apportionment of the Southampton HMA shortfall is a matter for PUSH to address through a review of the PUSH SPS based on evidence arising out of an updated SHMA. Of the three HMA authorities identified in the SPS as making a net positive contribution above their OAHN to supply in the HMA, only Eastleigh is currently in the process of preparing a local plan. Test Valley and Winchester both adopted NPPF compliant plans or part plans relatively recently and neither authority has currently commenced a review. The borough council is firmly of the view that it should not become wholly liable for the Southampton HMA shortfall solely by virtue of being ‘last-man standing’.

District	Most Recent Local Plan Adoption Date	Emerging Local Plan to 2036
Eastleigh	25 May 2006	Reg 19 consultation June/July 2018
Fareham	8 June 2015	Reg 18 consultation October – December 2017
New Forest	14 April 2014	Reg 19 consultation June/July 2018
Southampton	18 March 2015	-
Test Valley	27 January 2016	-
Winchester	5 April 2017	-

The Housing Requirement 2 – EBC Update of OAHN

39. Since the production of the PUSH Position Statement the borough council resolved, at a meeting of its [Cabinet on the 14th July 2016](#), to use a new interim target for the purposes of monitoring 5 year land supply of 630 dwellings per year. This figure arose after consideration of the then current assessment of five year land supply, produced for the borough council by GL Hearn as considered by a Planning Inspector who considered a s78 appeal in respect of land at Bubb Lane, West End dated 24th May 2016. The Inspector determined that, “for the time being” on the basis of the evidence available to him, the OAHN figure for Eastleigh borough should be 630 dwellings per annum (see para 42 of Appeal Decision APP/W1715/W/15/3063753). Despite this, the appeal was dismissed.
40. At a subsequent appeal on the same site (APP/W1715/W/16/3153928) (planning application reference O/15/77112 for up to 200 dwellings) the council submitted evidence (produced by GL Hearn) dated June 2017 which comprised a full update of the evidence behind the 630 dwellings per annum figure. The relevant information has been extracted from that statement (section 5 “Reviewing the OAN”, pages 36-62) and has been set out in a separate local plan OAHN background paper (May 2018).
41. In summary, that OAHN update took as its starting point, the following:
 - CLG’s (as was) 2014-based population and household projections issued in May and July 2016 respectively;
 - ONS’s 2015 Mid-Year Population Estimates;
 - Updated migration profiles to reflect the sub-national population projections;
 - Updated economic participation rates and GVA growth forecasts based on estimates from the Office for Budget Responsibility, Oxford Econometrics and Experian;
 - Various uplifts for future affordable housing need which reflected forecasts of newly-forming households, those in temporary accommodation, concealed households and homelessness;
 - Uplifts for market signals in terms of land values and house prices; and
 - Past under-delivery of housing in the borough.
42. The update concluded that the evidence supported a figure of 630 and this was accepted by that appeal Inspector. That appeal was also dismissed on 13th September 2017. This figure of 630 dwellings per year has been used as the basis for calculating 5-year supply in subsequent appeals and this has been accepted by a number of appeal Inspectors in subsequent appeals.
43. While a new OAHN figure of 630 dwellings per year, on the face of it, reduces the contribution made by Eastleigh borough to the wider Southampton HMA

shortfall, it is still less than 650 dwellings per year meaning that the local plan still comfortably exceeds its OAHN figure. It will not be possible for the borough council to further address any shortfall in the wider Southampton HMA as a revised OAHN for the wider market area has not been calculated. This will be a matter for the PUSH authorities to consider through an update of the sub-regional SHMA and a review of the spatial strategy and the distribution of housing across the PUSH area.

a). Past Completions

44. Table 3 of the Appendices summarises the total net completions achieved in the period 1st April 2011 to 31st March 2016. It is derived from data kindly supplied by Hampshire County Council from its LAMS. The figures are net figures meaning that they take into account losses to the dwelling stock. Such losses often come about through the demolition of existing dwellings, the conversion of a dwelling into separate units or flats or the change of use of dwellings to other uses.
45. The County Council, in its monitoring of housing land supply, distinguishes between large and small sites. Large sites are those accommodating a net gain of 10 or more dwellings. Small sites are those accommodating a net gain of 9 or fewer dwellings. So, a site proposed for 12 dwellings which involved the demolition of 2 existing properties would be classed as a large site with a net gain of 10 dwellings. A site of 12 dwellings which involved the loss of 3 existing dwellings would be classed as a small site with a net gain of 9 dwellings. All of the monitoring undertaken in HCC's LAMS follows the same protocol ensuring that there is no double count or overlap between the different components of supply whether this be allocations and permissions or the allowances made for small site and large site windfall development based on past completion rates.
46. Table 3 shows that completions totalled 1,674 dwellings in the first five years of the plan period; an average of 335 dwellings per year. There was not a single year in the five year period when the annualised figure of 650 dwellings per year was met. The highest annual level of completions was achieved in the most recent year (2015-16) when 458 were achieved.
47. More recent monitoring is now available for the updated trajectory for the period 1st April 2016 to 31st March 2017 show that 515 net completions were completed that year. Also that 834 starts were achieved that year. However, it shows that delivery is are moving in the right direction with completions increasing from 458 in 2015/16 to 515 in 2016/17. Provisional monitoring results for the 2017/18 year indicate that 893 net completions were achieved. The year also saw 946 starts indicating that there is the potential for these rates to be sustained. This is to be expected in view of the large stock of permissions now in place.
48. It is also worth noting that, while the achievement of 515 net completions in 2016/2017 is less than the figure of 567 (undiscounted or 538 discounted) anticipated in the trajectory for 2016/2017, it does not fall far short. Furthermore, the provisional completions figure of 893 for 2017/2018

significantly exceeds the figure of 655 (discounted or 626 discounted) anticipated in the trajectory.

49. Also, assuming the 893 figure proves to be correct once finalised, it would represent the highest annual completion rate achieved in the borough for many years. Based on [published information on the HCC LAMS website](#), the next highest rate achieved was 742 in 2006/7. The last and only time 893 or more net completions were achieved in a single year in the borough was in 2004/05 when 906 were achieved (see Table 4 in the Appendices).
50. However, the council considers that the level of completions which need to be achieved going forward is not unachievable if longer term past delivery rates are considered (pre-dating the plan period). Looking at Table 4 in the Appendices the average annual net completion rate achieved in the 20 year period 1991 to 2011 was 483 dwellings per year. Completion rates in individual years reached 730 dwellings in 1993/94, 742 in 2006/07 and 906 in 2004/05.
51. There is data available from HCC which shows that annual rates of well over 1,000 dwellings were achieved during the 1970's and 80's on large sites alone. However, as this is very historic data it cannot be guaranteed to be directly comparable with post-1990 data so is to be treated with a degree of caution.
52. Returning to the 2011-2016 period, it is interesting to note that, in a time when 1,674 completions were achieved, the council actually granted planning permission for 5,700 dwellings (see Table 5 in the Appendices). Clearly there is a lag time between permissions being granted and development commencing. It also has to be acknowledged that figure includes all planning permissions (outline and full). However, in broad terms it illustrates that the availability of housing permissions is only one element of the housing delivery equation. There needs to be effective market demand and a willingness of the development industry to get on and build sites for houses to be built. It is not simply a function of the availability of planning permissions at any particular point in time.
53. Tables 6 and 7 in the Appendices to this paper provide more detail of the completions achieved in the period 1st April 2011 to 31st March 2016. In the case of the large site completions these are listed by site and by year in Table 6. Table 7 provides a summary of small site completions by year albeit that Table 11 provides the data by site and year going back to 2001. Table 7 also includes data on completions on garden land which is relevant to the matter of small site allowances which are considered in section e) of this paper.

b). Commitment

54. The commitment table (Table 8 in the Appendices) lists all the large sites (10 or more dwellings) which benefit from a current valid planning permission at 1st April 2016 and sets out their expected delivery trajectory by year until they are complete. It includes sites with both outline and full/reserved matters permission and sites granted on appeal by a planning inspector or the

Secretary of State. The numbers included in the table are net and so take into account any losses associated with the proposed development. This data is also sourced from the HCC LAMS albeit that it is updated with a commentary on the current state of play on each site, sourced from the borough council's five year supply report which is updated quarterly by GL Hearn consultancy.

55. In addition to the commitment at 1st April the commitment figure also includes a large number of sites which were granted planning permission post-1st April 2016. In the previous version of this trajectory there were three such sites totalling 35 dwellings. In this revised trajectory there are now 21 sites totalling 3,051 dwellings; all granted permission in an approximately 24-month period post-1st April 2016. Previously, most of these sites appeared in the 'resolutions' category. Progress on the negotiation of s106 agreements and suchlike have seen these resolutions turned into planning permissions. Clearly these recent permissions form a significant component of supply and it would be unreasonable not to include them in this trajectory. These 'new' (post April 2016) permissions are highlighted red in Table 8 of the Appendices.
56. In terms of the annual phasing of permissions, as a five year supply study, the most recent GL Hearn paper only phases the delivery of sites up to 31st December 2022 (five years from the 1st January 2018 base date). For the purposes of this trajectory, which covers the longer plan period, it is assumed that, where sites are expected to be built over longer than the five year period, delivery will continue at the same rate beyond the five year period until they are complete. Given that the phasing within the five years is updated by GL Hearn based on contact with the developers and promoters of the sites in the commitment list this is considered to be a reasonable and robust approach albeit that, the larger the site and the longer the period over which it is built, the larger the degree of uncertainty there is over the accuracy of the estimate.
57. Table 8 of the Appendices highlights how much development has been permitted in the borough in recent years in that, at 1st April 2016 (and including more recent permissions) there is currently a stock of permitted dwellings totalling 8,268 dwellings which is well over half of total supply and the local plan requirement.
58. Taken together, if completions (discussed above) are added to the stock of planning permissions they total over two-thirds (68.2%) of supply required to deliver the 16,250 PUSH figure. This is considered to be a robust starting point for housing delivery going forward.
59. Even though there is a large stock of committed dwellings it is occasionally the case that some planning permissions are never taken forward and implemented on the ground. This can be for a number of reasons including a change in ownership or owners changing their minds or because the application for development was never a serious development proposition in the first place and was only submitted for valuation or other reasons. Whatever the reason, it is standard practice to make an allowance for this uncertainty. If it is known that a site will definitely not be implemented then it would not be counted as a genuine commitment on the basis that the National Planning Policy Framework (NPPF) requires authorities to be identifying the

supply of developable and deliverable sites (see para 47 and footnotes 11 & 12 of the NPPF) and such sites would not be considered developable or deliverable.

60. Because this is an allowance for uncertainty it is not possible to simply discount certain sites. Rather it is usual to apply a percentage discount to the total commitment figure. A 10% discount is widely used though some authorities use a smaller percentage if they have a greater degree of confidence (based on robust evidence) that more of their commitments will definitely be implemented. Authorities rarely use greater than 10% as that is tantamount to an acknowledgement that there are probably some sites included in the commitment which should not be counted at the outset.

61. The borough council publication “Five Year Housing Land Supply Position: Housing Implementation Strategy for the Borough of Eastleigh” dated 30th June 2015 noted, at paragraph 4.2.5 that:

“4.2.5 In order to provide a robust estimate of how many of the dwellings that are the subject of outstanding planning permissions are likely to be delivered, an analysis of lapse rates has been undertaken. This compared the net number of previously permitted dwellings where permission was allowed to expire against the total number of dwellings with outstanding planning permission. This analysis looked at the annual rate of lapses each year between 2001 and 2014. The findings indicate that outstanding permissions should be discounted by 1% to allow for lapses.”

62. On this basis, and given the circumstances as they pertain to Eastleigh borough, it is considered that a 10% discount of the commitment would be overly cautious would excessively reduce the estimate of potential supply meaning more greenfield sites may need to be allocated than are necessary to meet the housing requirement. Looking at the individual sites which comprise the commitment in Table 8 of the Appendices, a large number of the sites committed at 1st April 2016 are already under-construction meaning they will definitely deliver their anticipated dwelling supply. Of the 36 committed sites (in black in Table 8 of the Appendices), 26 were under construction as at the 1st April 2016 base date or are currently known to be under-construction, leaving only 9 sites on which work has not yet started. Of these, only 3 are phased beyond year three of the trajectory. Two are small sites totalling 12 and 10 dwellings (sites 0329 and 0336 in the trajectory respectively). The largest is the Draper Tools site in Chandlers Ford (site 0309) for 140 dwellings where there are understood to be personal circumstances which will affect when that site can be delivered. Even then, a reserved matters permission has recently (31st January 2018) been issued for the site on the same basis as the original outline and which suggests there can be reasonable confidence that the site will be delivered well within the plan period. Even some of the more recent permissions granted post-1st April 2016 (red in Table 8 of the Appendices) are currently on site or under construction.

63. In spite of this large degree of certainty about the majority of supply it is considered that a 1% discount is probably unduly cautious. Accordingly a

discount of 5% is applied to the large site commitment in this trajectory to account for potential non-implementation. While it is acknowledged this could be argued to be a somewhat arbitrary figure, it is derived, to a degree, from known uncertainties about the specific sites identified above this trajectory meaning that there is some specific evidence behind it rather than it being a wholly random figure. A 5% discount of 8,268 equates to 413 dwellings which is far more than the total of the 3 sites identified above. So 5% is still considered to be a generous discount given the circumstances surrounding the sites which make up the total commitment. However, the borough council wishes to ensure that the overall assessment is robust and that the local plan's approach to housing supply is reasonable and realistic.

c). Resolutions

64. Resolutions refer to those planning applications which have been taken to the relevant local area planning committee and received a resolution to grant planning permission subject to certain outstanding matters being addressed before the permission is issued. The authority to resolve those matters is usually delegated to officers and the formal decision notice can be issued once officers are happy the matters have been resolved. This normally involves the need to negotiate s106 agreements for the provision of infrastructure or services associated with the proposed development or a requirement for the developer to provide further information and assurances to the borough council that certain matters can be adequately addressed.
65. A resolution does not have the same degree of weight or status as a formal commitment as a development could not be implemented on the back of a committee resolution. For this reason resolutions are treated separately to formal commitments in this trajectory. It is also the reason why a greater discount is applied to the resolutions category than the formal commitment as there may be reasons why some sites are not taken forward. More usually it is a case that there may be a long delay while these negotiations take place rather than a site not be implemented at all. However, a resolution is still a formal decision of the borough council that permission will be granted provided those outstanding matters can be overcome and so it is reasonable for this element of supply to be included in the housing trajectory.
66. Compared to the previous version of this housing trajectory, resolutions now form a relatively small component of overall supply. As noted in paragraph 55 above, the vast majority of what were then 'resolutions' have now been granted planning permission and so appear in the 'commitment' category. There are now only three sites under the resolution heading and the larger of the three is counted separately in this trajectory as part of the SGO leaving only two sites totalling 40 dwellings under the resolution heading. Both of these are not wholly new sites in their own right. As is explained in the comments column of Table 9 both of these sites are allocated sites in the local plan. All that is captured under this 'resolutions' heading is the difference between the capacity of the sites estimated at allocation and what has actually come forward and been approved in principle through the planning application process.

67. In terms of the discount, as with the commitment figure above, it should be noted that the document “Five Year Housing Land Supply Position: Housing Implementation Strategy for the Borough of Eastleigh” dated 30th June 2015 states, at paragraph 4.2.6 that:

“4.2.6 These sites are the subject of committee resolutions to grant planning permission but are awaiting the completion of legal agreements. They are also included in the schedule in appendix 2. As with outstanding permissions this total has been discounted by 1% to allow for lapses.”

68. As with the commitment figure, it is considered that applying only a 1% lapse discount does not fully reflect the degree of uncertainty and does not provide sufficient flexibility in the supply of land for housing. Given that a resolution to grant planning permission is of a lesser status than the formal issuing of a decision notice it is reasonable to assume that, in principle, there is somewhat less of a guarantee that a site with a resolution will be implemented than one with the benefit of an actual planning permission. This is the approach adopted in this trajectory though it is acknowledged that there is a degree of subjectivity as to what level of discount it is reasonable to apply. If it is reasonable to discount the commitment by 5% then it is proposed that the resolutions figure should be discounted by 10% to reflect the fact that some resolutions may fall by the wayside and lapse and some may never be implemented. Applying a 10% discount to the 40 dwellings in this category reduces the resolutions figure by 4 dwellings leaving a net discounted resolutions figure of 36 dwellings (see Table 9 of the Appendices).

d). Former Local Plan Allocations

69. The draft 2011-29 local plan, which was found unsound by the local plan examination Inspector, was never formally withdrawn by the borough council. This was a deliberate decision by the borough council as it wished to provide a context, albeit a non-statutory one, to guide future housing development in the borough. This has proven particularly prescient as the vast majority of sites allocated in that draft local plan now feature in the commitment or resolutions component of this housing trajectory.
70. The draft 2011-29 local plan made housing allocations for a total of 6,811 – 6,841 dwellings (two sites expressed a capacity by way of ranges totalling 30 dwellings between them). Of those dwellings there is no concrete progress in respect of only 293 dwellings. These 293 comprise only approximately only 4% of the total amount of new housing provision made in that local plan. This means there is development progress on 96% of the new housing provision identified in that draft plan. These dwellings are either complete, are under construction, have been granted planning permission or are in receipt of a council resolution to permit subject to various conditions and agreements.
71. To delve a little further, 3,096 of the 6,706 dwellings are either complete (admittedly only 221) or are under-construction (2,875). A further 2,373 have either been permitted or are in receipt of a resolution to permit leaving only 1,263 which are only at the planning application or pre-application stage. This

demonstrates real progress and a significant commitment on the borough council's part to ensuring future housing delivery. This is also evident in the fact that the number of dwellings subsequently permitted on these sites totalled 6,951 compared to the allocation of 6,811-6,841 suggesting that the council's initial local plan estimate of the dwelling capacity of allocated sites was fairly accurate and by no means over-optimistic.

72. The current assessment of the capacity of the residual local plan allocations which are not counted elsewhere in the trajectory is 1,384 dwellings as identified in Table 10 of the Appendices. The majority of this is made up of two sites owned by Hampshire County Council; Uplands Farm, Winchester Street, Botley and West of Woodhouse Lane, Hedge End. In the previous version of this trajectory these two sites were identified as having a capacity of 1,100 dwellings (300 and 800 respectively). The County Council is working to deliver a new secondary school in the Hedge End area in the next 2-3 years and has commenced pre-application discussions with the borough council and the local community with a view to submitting a planning application for the development of the Woodhouse Lane site by the end of 2018. As a result of needing to accommodate a new secondary school on the site the capacities of these sites has changed. The capacity of Woodhouse Lane (where the school will be accommodated) has been reduced from 800 to 650 dwellings whereas Uplands Farm is increased from 300 to up to 375 dwellings. Overall this is a net reduction of 75 dwellings over the 1,100 originally estimated. This reduction in capacity is captured in this revised trajectory.
73. The other change to the previous version of the trajectory under the 'allocations' heading is the removal of what was formerly 50 dwellings on the Policy HE2 site – Foord Road / Dodwell Lane, Hedge End. This is now counted as part of the development at Waylands Place / Peewit Hill Close, Hedge End in the commitment as planning permission has now been granted. The loss of these 125 dwellings results in the revised 'allocations' total of 1,384 dwellings compared to 1,509 in the previous version of the trajectory.
74. It is fair to acknowledge that there is considerably more uncertainty over the other sites in this component of supply. CF1 (The Precinct, Chandlers Ford) is a long-standing policy aspiration which dates back to plans prepared in the 1980s and 1990s. CF2 (Common Road Industrial Estate, Chandlers Ford) is more certain and is tied in to the development of the Draper Tools site referred to above as it is largely in the same ownership. E4 (Land at Toynbee Road, Eastleigh) has been mainly developed with only a site currently in use as a builders merchants and various vehicle sales and rental uses still to be developed. FO2 (Land North of Mortimers Lane, Fair Oak) has previously been subject to a planning application for a larger site which was withdrawn but there is still current developer interest in this site. FO3 (Land at Scotland Close, Fair Oak) may not be developable in its entirety due to serious contamination concerns though a smaller part of the site is thought to be developable. HE3 (Shamblehurst Household Waste Recycling Centre, Hedge End) was anticipated to become available for housing development once the County Council relocated the existing Household Waste Recycling Centre (HWRC). However, subsequent reviews of HWRC provision by HCC mean

this is now unlikely such that this site will not be redeveloped. In the long term, however, this site is within the urban edge and surrounded by residential development so the borough council's aspiration to seek the HWRC's relocation remains. But, at present, it is considered that this site may not come forward for housing.

75. Finally, in West End, site WE4 (Coach Depot, Moorgreen Road, West End) is another long-standing allocation. The existing use is not entirely compatible with its largely residential location. It would only come forward for housing if a suitable alternative site was found for the current occupiers. Site WE12 is currently subject to a pre-application enquiry.
76. Of the 1,384 dwellings, therefore, there is some doubt about the delivery of 293 dwellings on 5 sites described above (CF1 – 85 dwellings, the residue of E4 – 64 dwellings, FO3 – 54 dwellings, HE3 – 10 dwellings and WE4 – 80 dwellings). Rather than fully exclude these 293 dwellings (because it remains a long-term policy aspiration of the borough council to seek redevelopment of these sites) it is proposed to discount the allocations figure by 20% which equates to 277 dwellings which is broadly comparable to the capacity of these uncertain sites. On that basis it is considered a reasonable and robust approach and it leaves a discounted allocations figure of 1,107 dwellings.

e). Small Site Allowance

77. Paragraph 48 of the NPPF states that:

“Local planning authorities may make an allowance for windfall sites in the five-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.”

78. If it is reasonable to make an allowance for windfall sites based on compelling evidence for the five year supply calculation it must logically be reasonable to make an allowance for the plan period if there is compelling evidence of past delivery.
79. As noted in previous sections of this trajectory report, the County Council's LAMS is a comprehensive database of past and future housing land supply. HCC has provided information on net small site completion rates in Eastleigh borough going back to the year 2001. This data is summarised in Table 11 of the Appendices to this report. It shows that small sites (of 9 or fewer dwellings net gain) have made a fairly constant and continuous contribution to the delivery of housing in Eastleigh borough. As small sites they were never allocated in local plans and so have come forward outwith the local planning process. The current local plan will only allocate sites which are capable of accommodating 10 or more dwellings net meaning that, if no allowance was made in the trajectory, it would significantly under-estimate the likely level of housing delivery over the plan period.

80. The data in Table 11 of the Appendices show that 1,127 dwellings (net of losses) were delivered in the 15 year period 1st April 2001 to 31st March 2016. This equates to a net gain of 75 dwellings per year on average.
81. In 2012 the NPPF introduced the requirement that garden land should be excluded from windfall allowance calculations. HCC's LAMS did not previously record whether or not a development was on garden land until the NPPF introduced this requirement (it actually started monitoring this when the draft NPPF was published in 2011). For that reason there is only data on completions on garden land from 2011 onwards. Given the large number of small sites in LAMS (see the hundreds of sites listed in Table 11 of the Appendices for Eastleigh borough alone) the County Council has, understandably, never sought to retrofit the NPPF's garden-land requirement to historic completions data going back to 2001.
82. What monitoring of completions on garden land has taken place since 2011 shows that a total of 66 net completions were thought to have been delivered on garden land. This equates to a figure of 13 dwellings per year on average. If this 13 dwellings per year average is deducted from the average total net small site completion rate of 75 dwellings per year, this leaves 62 dwellings per year which can reasonably be assumed to comply with the NPPF requirements based on the best evidence available.
83. The borough council is confident in this data and in the principle that small site development will continue to come forward in the borough. If anything, with the current Government policy emphasis on housing delivery, it might be reasonable to assume windfall development will come forward at a higher rate in the future than in the past. However, to err on the side of caution in view of the previous local plan Inspector's assessment of land supply in the draft 2011-29 local plan, the borough council proposes to apply a considerable discount to the past rates figure of 62 dwellings per year.
84. There can be no science behind this as uncertainty is, by definition, uncertain. A 10% discount would equate to an allowance of 56 dwellings per year. However, the borough council is proposing to apply a 20% discount resulting in a small site windfall allowance of 50 dwellings per year or a total of 1,000 dwellings over the remaining 20 years of the plan period. This equates to only 7% of the total local plan requirement of 14,576 dwellings and so is considered a realistic, reasonable and proportionate approach. Not least since, at the base date of 1st April 2016 there were extant planning permissions for a total of 214 net dwelling completions (252 gross dwellings minus 38 losses) on small sites in the borough (see Table 12 in the Appendices to this trajectory). This means that over 4 years' worth of supply is already in place.

f). Windfall Allowance

85. The NPPF defines windfall sites in its Glossary (Annex 2) as follows:

“Windfall sites: 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.”

86. As noted above, paragraph 48 of the NPPF allows local authorities to:
- “.....make an allowance for windfall sites in the five-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.”*
87. There is no restriction placed in the NPPF on the size of site which can be classed as a windfall. The defining characteristic of a windfall site is that it is a site which has not been allocated or identified through the local plan process. The HCC LAMS identifies sites which were allocated through local plans as well as those which arise outwith the local plan process. This makes it possible to investigate the extent to which large windfall sites (of 10 or more dwellings as opposed to small sites of 9 or fewer dwellings dealt with in the small site allowance above) have contributed to land supply in the past.
88. Data has been provided by HCC from LAMS covering large windfall sites which have delivered completions in the period 1st April 2010 to 31st March 2016. The relevant extract from LAMS is summarised in Table 13 of the Appendices to this paper. It is worth stressing that Table 13 deals with net completions; not simply sites which have been granted planning permission.
89. It may be argued by some that there would have been an unusually high level of large windfall development in recent years in Eastleigh given that the local plan was found unsound and because of the introduction of the 5-year supply requirement in the NPPF in 2012. However, the borough council would argue that this is not the case for a number of reasons.
90. Firstly, looking at the data in Table 13 there is no discernible trend in large net windfall completions which would point to a NPPF/5-year supply effect. Secondly, even though the draft 2011-29 local plan was found unsound, it was not formally withdrawn and, as noted above, the vast majority of the sites allocated in that local plan have, in any event, come forward for development. The sites listed in Table 13 do not include any site allocated in the non-statutory draft 2011-29 local plan. Thirdly, if there was an NPPF/5-year supply effect there is no reason to think that that effect will not continue for the remainder of the plan period. Finally, and in any event, the borough council is proposing a significant discounting of the past windfall rate as discussed below.
91. The borough council is comfortable, therefore, that the NPPF permits a large site windfall allowance being included in the housing trajectory and that there is compelling evidence that such development has made an important contribution to land supply in the borough in the past.
92. The data in Table 13 shows that there were a total of 1,047 gross completions on large windfall sites in the borough in the 6 year period 1st April 2010 to 31st

March 2016. Taking into account losses of 396 dwellings gives a net yield of 651 dwellings which equates to an annual average of 108 dwellings per year.

93. The NPPF requires that local planning authorities submit to Government what they consider to be a “sound” local plan. One of the requirements of a sound local plan, as clarified in the National Planning Practice Guidance (NPPG), is that the plan is able to demonstrate a 5-year supply of housing land which accords with the definitions given at paragraph 47 of the NPPF and at footnotes 11 & 12.
94. If it is assumed that the current local plan is able to demonstrate a 5-year supply of housing land (and this is covered in a separate background paper) it is logical to assume that the potential for windfall sites to come forward in the first five years of the plan period (in this case, the residual plan period 2016-2026) is limited. In demonstrating it has a 5-year supply of housing land the borough council and the local plan should have identified those sites which will contribute to housing delivery in that five year period. For that reason, the borough council is not proposing to include a large site windfall allowance for this first five years of the plan period (2016-2021).
95. Indeed, in order to err on the side of caution, the borough council does not propose to include a large site windfall allowance for the period for the second five year period (2021-2026). Rather, it is only proposed to include an allowance for the final half of the plan period (2026-2036).
96. In addition, instead of allowing for 10 years of development at the average past net completion rate of 108 dwellings per year, it is proposed to discount this by 20% (admittedly an arbitrary figure as with the small site allowance discount) to reflect future uncertainties and unknowns. This results in annual average figure of 86 dwellings per year and in an overall allowance of 860 dwellings over the remaining 20 years of the plan period.
97. It is clear from the [Strategic Land Availability Assessment \(SLAA\)](#) that there are plenty of sites which have been put forward by developers, land owners and site promoters as candidates for residential development, which are not accounted for elsewhere in this trajectory in one form or another, which might be capable of delivering 860 dwellings many times over by 2036. The windfall allowance of 860 dwellings, therefore, is considered to be justified, realistic and fair.

g). Strategic Growth Option

98. A key feature of the local plan is the proposal for a Strategic Growth Option (SGO). The emerging preferred option for that SGO is on land north of Bishopstoke and north and east of Fair Oak. This SGO is thought capable of accommodating approximately 5,200 dwellings. However, given the lead-in times for such large scale development and the need for the upfront provision of significant elements of new infrastructure (mainly a new link road), the council considers that there is little likelihood of the full 5,200 dwellings being completed within the plan period.

99. The borough council has produced a separate background paper which discusses the factors which might influence the delivery of the SGO. That paper concludes that, weighing all the factors in the balance, a figure of 3,350 is a reasonable estimate of the SGO's contribution to the overall supply of housing land within the plan period. This includes 250 dwellings identified (but not counted) in the resolutions category at Pembers Hill Farm and then an annual rate of delivery of 258 dwellings per year for the last 12 years of the plan period (2024 to 2036)

h). New Allocations

100. Taking all of the above components of housing land supply and all of the above factors into account it is considered that there remains a shortfall against the residual EBLP housing target of 14,576 dwellings of -368 dwellings (see Table 1 of the Appendices). This is the number of dwellings which needs to be provided in the form of new allocations in the plan.
101. The EBLP actually identifies and allocates new sites capable of accommodating 824 dwellings which are not identified anywhere in the housing trajectory. The 21 sites allocated to make up this shortfall are listed in Tables 14 and 15 of the Appendices. The process of how these new greenfield site allocations were selected is explained in a separate EBLP background paper. Table 14 lists the new greenfield allocations and Table 15 the sites lying within the urban edge identified in the SLAA which are proposed to be allocated in the local plan. Table 16 shows a projected phasing for the delivery of these sites. This is also captured in updated versions of the two summary trajectories at Tables 2a and 2b including the new allocations summarised in Tables 17 (undiscounted – alternative version of Table 2a) and 18 (discounted – alternative version of Table 2b).
102. Allocating sites capable of accommodating 824 dwellings against a local plan shortfall of -368 dwellings would result in an overall plan surplus of 456 dwellings. However, to continue the theme of 'caution' adopted throughout this trajectory, it is considered sensible to factor in the possibility that some of the newly allocated sites might not, despite the borough council's best intentions and based on the best information available at the time the plan is submitted, actually be delivered. This scenario could well arise if the experience of the draft 2011-29 local plan is anything to go by. It can be seen from section d) of this paper that not every allocated site was delivered as anticipated. While the Council has full confidence that the majority of the previous allocations will be delivered in the next 20 years, there might be some sites which simply do not come forward.
103. If 293 dwellings allocated in the draft 2011-29 plan never come forward (sites CF1, the residue of E4, FO3, HE3 and WE4 in Table 8 of the Appendices to this paper) this would equate to 4% of the dwellings allocated on sites in that draft 2011-29 plan.
104. In order to allow for the possibility that some of the newly allocated sites in this EBLP might not come forward, and in order to err on the side of caution and continue with the theme of building in flexibility to the trajectory in this plan, it

is proposed to discount the new allocations figure of 824 dwellings by 10% (so reducing the contribution to supply from new allocations from 824 to 742 dwellings). Again, it is acknowledged that 10% is an arbitrary figure. But is considered a fair and reasonable allowance in the circumstances and is in accordance with the principle of caution which underpins this trajectory.

105. The effect of this discount is to turn a shortfall of -368 dwellings into a surplus of +374 which equates to a surplus of 2.6% against the residual requirement (see Table 1 of the Appendices).

Discounts

106. Whilst it has already been touched on a number of times in this report it is considered worth commenting further on the approach taken to discounting. As noted in paragraphs 13 and 14, if there was no discounting applied to the various components of supply the council would be able to demonstrate a surplus against the residual housing requirement without needing to allocate any new greenfield sites for development. The size of that surplus reflects which categories of supply were discounted (or not discounted) and the extent of any discount. Whilst there can be little science behind the precise discounts selected there is a degree of evidence under-pinning them – particularly for the identified sites. The principle under-pinning the approach is one of logic and reflects the degree of uncertainty surrounding the different components of supply. The greater the degree of uncertainty, the greater the discount.
107. The least uncertainty surrounds the commitment figure. Here, an applicant has worked up a comprehensive proposal for a site supported by a robust (and often extensive) suite of evidence produced at considerable expense which has been subject to public consultation and deliberated over by a local planning authority. Often this is decided in public through a planning committee and sometimes by a planning inspector at appeal. It is a very exceptional circumstance which sees someone commit to the time and expense of going through this process of securing planning permission and then not implement it. There may be uncertainty over the precise timing of implementation but the vast majority of planning applications are implemented as permitted at some point. So there is considerable confidence over the fact a site is likely to be delivered and the number of dwellings it will deliver. A modest, yet in all likelihood generous in view of the size of the commitment figure, 5% discount is applied to the commitment to reflect that exceptional circumstance.
108. By the same logic, a site which only has a resolution to permit rather than an implementable planning permission has still been through that costly and extensive planning application process. While the decision-maker may accept the principle of development on a site there may be some issues which still need to be resolved before planning permission can be issued. This creates greater uncertainty over timing of a schemes implementation and the resolution of outstanding matters may impact on the nature, scale or extent of the final scheme. It may also be that, despite the principle of development being accepted, it simply proves impossible to overcome detailed site specific issues meaning there is slightly less guarantee of delivery. So, in terms of an

underlying methodology to discounting, it would be sensible to apply a greater discount to the 'resolution' category of supply than to the 'commitment'.

109. That said, as evident in the differences between this revised trajectory and the previous July 2017 version, all of the sites previously subject to a resolution to permit have subsequently obtained planning permission. This might suggest it is reasonable to apply a comparable discount to resolutions than to the commitment. But that approach is not adopted here. As a 5% discount is applied to the commitment, a larger discount of 10% is applied to resolutions.
110. Following the same logic, a long-standing allocation which has not yet been implemented despite the passage of time is even less certain than either a resolution or a commitment. So this should attract a greater discount than either the commitment or resolutions; hence a discount of 20% being applied to the former allocations. 15% may have been reasonable, but in order to provide the necessary flexibility to be able to guarantee delivery of the housing requirement, 20% is applied in this trajectory. And in this case the size of the discount is derived from evidence about known uncertainties surrounding specific sites which fall under this heading (see section d – para 69 above).
111. The same is not true of newly allocated sites as these have not yet actually been allocated; rather they are proposed for allocations in a draft local plan which has yet to be scrutinised or tested. However, the new greenfield allocations were all derived from sites put forward by landowners and developers through the SLAA process. That process required that those submitting sites for consideration give an indication of the likely deliverability and timescale for delivery of their sites and identify potential constraints which might affect or delay their implementation. On that basis there is no logical reason they should be discounted to the same extent as long-standing unimplemented allocations. Some may argue there is no need to discount them at all. But as stated at the outset the council has taken the view that this local plan must not suffer the same fate as the previous 2011-2029 local plan and this means building in more flexibility to the trajectory than was previously the case.
112. Finally turning to the small and large site windfall allowances, while the evidence shows that these sites tend to come forward at a fairly steady rate over time, given the particular circumstance of Eastleigh's previous local plan being found unsound and the council not being able to demonstrate 5-years of housing supply for a number of years, it is considered sensible to adopt a cautious approach. This may be countered by the fact that the council is now able to demonstrate 5-years of supply and with the positive and proactive context set by the new local plan. But, again, in order to be as certain as it is possible to be of securing a sound local plan, a degree of discounting is considered appropriate.
113. That is the approach adopted in this trajectory. There may be debate and disagreement over the precise level of discount to be applied to a particular component of supply (or even whether it is needed at all – see below). But the general principle is considered to be logical, reasonable and, as far as it is possible, is founded on evidence of past housing delivery in Eastleigh

borough. The discounted approach results in a surplus of 374 dwellings against the residual housing requirement of 14,576 which equates to 2.6%. The undiscounted surplus of 1,150 equates to a surplus of 7.9% against the residual requirement.

114. It should be noted that the discounting applied here is not something specifically advocated in the NPPF or NPPG albeit that the NPPF does recommend the use of 5% and 20% buffers for the purposes of five-year land supply calculations in order to provide a realistic prospect of achieving planned supply and to ensure choice and variety in the housing market. It also requires authorities to identify a deliverable and developable supply of sites for growth (paragraph 47). Both terms are defined in footnotes 11 & 12 of the NPPF.
115. At an informal PINS visit on the 25th April 2018 it was suggested that the council should remove all discounts from the land supply calculation as they are not required by Government policy. Having given the matter much consideration, the council has decided not to remove discounts at this stage for a number of reasons.
116. Firstly, the council considers that there is good reason for a cautious approach to be taken at this stage in view of the failure of the previous draft local plan on housing land supply grounds.
117. Secondly is the need for a balanced portfolio of housing sites required in the plan to provide choice and variety in the housing market and the flexibility to respond to changing circumstances (see paragraph 16).
118. Thirdly, in 16th November 2017 the Secretary of State for Communities & Local Government (as was) identified Eastleigh Borough Council as one of 15 authorities about whom Government was concerned about the failure to meet previously advertised plan timetables.
119. The letter threatened that Government would consider intervention if the council was unable to demonstrate significant progress on plan-making in the near future. The council was given until 31st January to respond. On the 23rd March the Minister for Housing, Communities & Local Government wrote again to the borough council noting its 31st January response and the progress made on the local plan in the intervening period. The Minister advised that he would not be intervening in the preparation of the EBLP at this stage but that he would be carefully monitoring progress against the published timetable in the [Local Development Scheme](#) (LDS). Accordingly, it is absolutely imperative that the council sticks to its LDS timetable which commits to publication of a draft local plan in June 2018 and submission by the end of October.
120. On the 11th December 2017 a [report](#) to the council's Cabinet and Council committed to the above LDS and also to the publication of a draft plan for public consultation (and subsequently, submission to Government). An [emerging draft local plan document](#) formed one of the appendices to that report.

121. The main element of the recommendation of that report was:

“It is recommended that Cabinet recommends to Council:

1. (1) To approve in principle (subject to the caveats hereafter set out in (a) and (b) below) the ‘pre-submission’ Local Plan and update to the policies map (Appendices 1 and 2) and gives delegated authority to the Chief Executive in consultation with the Leader of the Council to:

(a) finalise the wording and content of the Eastleigh Borough Local Plan 2016 - 2036 (including updating the maps in Appendix 2), following the completion of technical studies (subject to the results of these not significantly changing the content of the Eastleigh Borough Local Plan);

(b) to complete and update the evidence base prior to submission provided this does not lead to a significantly different approach needing to be taken in the Local Plan;

(c) upon completion of (a) undertake a Regulation 19 consultation on the final Eastleigh Borough Local Plan (2016 - 2036); and

(d) following (a), (b) and (c) above, submit the final Eastleigh Borough Local Plan (2016 – 2036) to the Secretary of State in accordance with Regulation 20.” (emphasis added)

122. The key commitments are those in a) and b) (underlined) which refer to their being no significant changes to the approach or content of the appended draft plan document. If any of the technical studies were still underway at the time of the report did create a need for a ‘significant’ change of approach or content this would have to be reported to Cabinet in order to seek their authorisation for the change. This would clearly compromise the council’s ability to meet its published LDS timetable; something the council can ill-afford in the circumstances described above.

123. The council has considered the effect and implications of removing the discounts as described below. It is shown in Table 1 of the Appendices in the ‘undiscounted column’. As proposed above there is already over 1,000 dwellings worth of discounting built into the housing trajectory (1,150) based on the application of percentage discounts to the identified components of supply, the discounting of windfall allowances and the application of a large site windfall allowance for only half of the remaining plan period. In the wider context of the Southampton HMA this undiscounted surplus equates to almost half (48.5%) of the 2,369 dwelling shortfall in the HMA.

124. Further to this, Table 19 in the Appendices shows the additional effect of removing the windfall allowance discounts of 20%. This increases the undiscounted surplus to 1,610 dwellings or 11% of the residual requirement.

125. Further to this, Table 20 of the Appendices shows the effect of removing all discounts and also including a large site windfall allowance for 15 of the 20 remaining years of the plan period rather than 10 years as in the other summaries. This results in an undiscounted surplus of 2,150 dwellings or 14.7% of the residual requirement. It is also worth pointing out if this most optimistic, undiscounted approach to assessing supply was adopted, it would mean Eastleigh on its own would be able to meet 90% of the unmet need on the Southampton HMA (2,369 dwellings).
126. The council is not relying on such a position in support of the local plan. However, it illustrates the cautious approach taken in preparing the local plan to ensure it makes adequate provision for housing and does not suffer the same fate as the previous draft local plan and is sufficiently flexible both to deal with unforeseen circumstances and from a plan strategy perspective (as addressed at paragraph 16).
127. Accordingly the council considers the extent of the change in approach and content of the plan by removing the discounts as advised by PINS to be 'significant' in the context of the delegated authority handed down by the 11th December Cabinet and Council decisions. In view of the implications of a 'significant' change arising as described above, the council has decided not to remove the discounts from the land supply calculation and housing trajectory at this stage.
128. If, during the course of examining the local plan, the Inspector considers that the discounts are not necessary or appropriate, the fact that they exist provides a considerable buffer to help meet the shortfall in housing need across the Southampton HMA or to remedy any other deficiency in approach which the Inspector may identify without needing to recommend the allocation of additional greenfield sites in this local plan.

National Planning Policy Framework – 15-year time frame

129. Paragraph 157 of the NPPF requires that local plans should:
- “... Be drawn up over an appropriate time scale, preferably a 15-year time horizon, take account of longer term requirements and be kept up to date.”*
130. With an anticipated adoption date of 2019 this means that the plan should cover at least the period to 2034. For that reason it is considered helpful to set out the housing supply situation at 2034.
131. Looking first at the housing requirement at 31st March 2034 this would be the full 2016 to 2036 local plan target of 14,576 dwellings minus 2 years at 729 dwellings per year. This gives a requirement to be met by 2034 of 13,118 dwellings.
132. Turning to supply, the discounted housing trajectory by year (Table 2b in the Appendices to this report) shows that, by 31st March 2034 the council expects to see the delivery of 15,035 completions. Excluding those delivered in the

period 2011-2016 (1,674 dwellings) results in a 2016 – 2034 supply of 13,361. This demonstrates that, at 2034, 15 years from the anticipated date of adoption of the local plan, the council is able to meet and exceed the pro rata 15-year target by 243 dwellings (13,361 – 13,118 = 243).

133. It is important to note that this excludes any contribution from newly allocated greenfield sites (742 dwellings (discounted)). These sites are not currently included in the discounted year by year summary in Table 2b. However, they are shown in Table 18. All of these new allocations are expected to be complete by 31st March 2034 meaning that the surplus at 2034 would increase to 985 dwellings (243 + 742). Or, using Table 18, completions by 31st March 2034 (15,777) minus completions 2011 to 2016 (1,674) equals 14,103, minus the requirement at 2034 of 13,118 equals 985.

Conclusion

134. This revised trajectory report sets out in detail how the council expects the local plan housing target to be met. The target is sufficient to more than meet Eastleigh borough's objectively assessed housing need. It shows that, on the basis of the council's preferred approach, which is a cautious approach, the council can exceed the local plan housing requirement by 374 dwellings (2.56%). On the basis of the most optimistic, undiscounted assessment of supply (which is not the council's preferred approach) it can exceed the requirement by 2,150 dwellings (14.75%). The council considers a cautious approach is necessary and appropriate in view of the circumstances pertaining to the preparation of this local plan (and the failure of the previous plan). The council is confident that its approach, set out in detail in this trajectory report and its appendices, is founded on robust and credible evidence and complies with the requirements of Government planning policy.

APPENDICES: (published separately)

Table 1	Trajectory Summary
Table 2a	Undiscounted trajectory summary by year and component of supply excluding new EBLP allocations
Table 2b	Discounted trajectory summary by year and component of supply excluding new EBLP allocations
Table 3	Total net housing completions 1 st April 2011 to 31 st March 2016
Table 4	Total net housing completions 1 st April 1991 to 31 st March 2011
Table 5	Planning permissions granted 1 st April 2011 to 31 st March 2016
Table 6	Large site housing completions 1 st April 2011 to 31 st March 2016
Table 7	Small site housing completions (summary) 1 st April 2011 to 31 st March 2016
Table 8	Large site housing commitment (permissions) at 1 st April 2016 and granted subsequently phased by year with commentary
Table 9	Resolutions to grant planning permission on large sites at 1 st April 2016 and issued subsequently, phased by year with commentary
Table 10	Carried forward large site allocations from the 2011-2029 local plan which are not counted elsewhere in the trajectory, phased by year with commentary
Table 11	Small site housing completions 1 st April 2001 to 31 st March 2016 by site and year, gross, losses and net
Table 12	Small site housing commitment at 1 st April 2016, gross, losses and net
Table 13	Large site windfall completions 1 st April 2010 to 31 st March 2016
Table 14	New greenfield allocations identified in the EBLP not counted elsewhere in the trajectory
Table 15	New urban allocations identified in the EBLP not counted elsewhere in the trajectory
Table 16	Phasing of new EBLP allocations by year
Table 17	As Table 2a but including new EBLP allocations – undiscounted summary trajectory by component of supply and by year
Table 18	As Table 2b but including new EBLP allocations – discounted summary trajectory by component of supply and by year
Table 19	Summary trajectory (as Table 1) showing effect of removing discounts to the small and large site windfall allowances
Table 20	Summary trajectory (as Table 1) showing effect of removing discounts to the small and large site windfall allowances (as Table 19) and counting a windfall allowance for 15 years rather than 10 years
Table 21	Undiscounted cumulative summary trajectory by year showing housing delivery with and without the SGO
Table 22	Discounted cumulative summary trajectory by year showing housing delivery with and without the SGO

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