



Test Valley Local Plan 2040- Regulation 18 Consultation

Representations by Persimmon Homes (South Coast)

7th April 2022

1 INTRODUCTION

- 1.1 This response is submitted by Persimmon Homes South Coast in response to the Test Valley Borough Council's (TVBC) Local Plan, Regulation 18 Consultation Document.
- 1.2 This Consultation Document contains the vision, challenges, objectives for the area, and the spatial strategy and strategic policy framework for the Council's new Local Plan. The last chapter refers to the housing need and supply.

2 SPATIAL STRATEGY

- 2.1.1 The proposed spatial strategy focusses development in Romsey and Andover as they are the two largest settlements within the Borough with the greatest concentration and variety of services and facilities. The Council is also proposing to distribute housing widely across the borough. The proposed strategy will see development outside the two main settlements situated in the largest remaining settlements where key services are available. This approach is supported, as it will direct growth to the most sustainable settlements in the Borough.
- 2.1.2 Persimmon recognises that the Council has focussed on a strategy that will meet its own needs in full. However, as set out in further detail later in these representations, the Company is concerned that no account has been taken into consideration on the spatial strategy as to the significant level of unmet need identified by the Partnership for South Hampshire (PFSH), and other Local Planning Authority (LPA) areas.
- 2.1.3 TVBC proposes to split the delivery of this housing requirement between the northern and southern areas of Test Valley based on relative levels of population growth. Persimmon considers this to be an appropriate means of distributing growth between the two market areas.

3 STRATEGIC POLICY 1 – COUNTERING CLIMATE CHANGE

3.1 Reducing carbon emissions from development

- 3.1.1 Persimmon supports the Council’s ambition for development to be zero carbon. The Company also supports the Council’s fabric first approach to achieving energy efficiency goals. Building Regulations and Future Homes Standards should be sufficient to achieve this aim. However, should the Council wish to introduce additional energy efficiency policies, it will be necessary for these additional policy costs to be appropriately considered through its Local Plan Viability evidence (alongside all other development costs).

3.2 Biodiversity Net Gain

- 3.2.1 Paragraph 4.39 outlines the requirement for development to deliver a minimum 10% net gain in biodiversity. The Council will need to ensure the percentage sought is considered in its Local Plan viability assessment. The ability of a development to deliver a 10% net gain on-site significantly depends on the characteristics of individual sites and the proposed land uses proposed as part of a development expected on that site. TVBC will need to appreciate that on some sites delivering a 10% net gain (along with other environmental demands on land budgets) will reduce the developable area and therefore the capacity of the site. As a result, that the number of sites needed to meet housing requirement is likely to increase.

3.3 Local Gaps

- 3.3.1 Regarding the use of local gaps as mentioned in paragraph 4.41, we support the Council’s recognition that gaps are not supported by national policy. However, should the Council seek to retain local gaps in the new Plan, this will need to be fully justified. The Council will be aware of the PFSH Gap Framework, which sets out criteria for the designation of gaps. It will be important that TVBC clearly defined role of gaps and, in line with the PFSH

guidance, ensure that extent of a gaps include no more land than is necessary. A proportionate approach to gaps must be taken, given that the Plan will include other policies to manage development in countryside locations (i.e. countryside / settlement boundary policies).

4 **STRATEGIC POLICY 6 – HOUSING PROVISION**

4.1 Housing Needs

4.1.1 The Plan proposes using the Standardised Methodology to establish its Local Housing needs. This approach is currently strongly supported by Persimmon Homes.

4.1.2 At the time of writing the Plan, the local housing need for the Borough was 541 dpa and 10,820 homes over the proposed plan period of 2020 to 2040. The Council will be aware of the new affordability ratio data that was recently published. The LPDF's latest version of '*The standard method of assessing housing need*' (March 2022) indicates that TVBC's current Local Housing Need is 553 dpa and not the 541 dpa as mentioned in table 5.1 of the Consultation Document. Therefore, there is a deficit of 12 dpa and 240 dwellings over the plan period (2020-2040). The next iteration of the Plan will need to take into account the new affordability data, together with any other new relevant data that is published in the interim.

4.1.3 The consultation document and supporting evidence show that Test Valley Borough Council is aware this housing need figure is a minimum and that they must consider whether any circumstances would suggest that housing needs are likely to exceed past trends. The latest Strategic Housing Market Assessment (SHMA) shows there are no growth strategies or strategic infrastructure in place to provide for additional growth above the 10,820 homes.

4.1.4 Persimmon is concerned about the consideration which has been given to the potential unmet needs of neighbouring areas. As noted in the PFSH Joint Committee¹ on the, between 2021 and 2036 there is be a shortfall of nearly 13,000 homes across South Hampshire. Of the 13,000 homes shortfall, 7,000 are due to under-provision emanating from Southampton City Council. Significant levels of unmet need are also evident in the New Forest District Council (NFDC) area, which also borders Test Valley Borough. Therefore, it is considered likely that the Plan will need to make provision to address some of these unmet from within the sub-region.

4.1.5 For the Council to comply with its obligations under the Duty to Cooperate, a Statement of Common Ground should be produced with Southampton and NFDC (as immediate LPA neighbours) to demonstrate how effective cooperation on key strategic matters has been undertaken, particularly in respect of housing. A Common Ground Statement should also be prepared with PFSH given the extent of unmet need in the sub-region. Given the importance of ensuring that supply is boosted in line with the NPPF, and the scale of the housing challenge in the sub-region, candid discussions with neighbouring authorities regarding the extensive unmet housing needs must be undertaken at the earliest opportunity.

¹ 25th of October in Table 4 of Appendix 1 of item 11

4.1.6 Paragraph 3.19 of the SHMA highlights the requirement in Planning Practice Guidance (PPG) to consider whether the number of homes included in the local plan should be increased to better meet the need for affordable housing. The Council notes that they have been exceeding their target in the current Local Plan. However, the SHMA indicates that affordable housing need is increasing to 437 dpa; this is circa 237 homes over the current target, which suggests that delivery of affordable homes delivered through the current plan may have been insufficient. It is noted that affordable need equates to around 80% of the minimum number of homes TVBC is currently planning to deliver in the new Plan. Given that the primary means of bring forward new affordable homes is through the delivery of market housing, it may be appropriate for the Council to increase the overall supply of housing in its new Local Plan to address affordable housing need.

4.2 Housing Supply

4.2.1 As set out in Paragraph 66 of the NPPF, once a Council has determined its Local Housing Need it must then establish a housing requirement figure for the whole area. When establishing a housing requirement, Council should take into account the extent to which their identified housing need (and any needs that cannot be met within neighbouring areas) can be met over the plan period. This exercise should consider the availability of sites for development taking into account local constraints and circumstances.

4.2.2 Table 5.3 (extracted below) of the consultation document, shows the potential supply of housing in the borough. The Table shows that there are sites to potentially deliver up to 6,367 houses by 2040. When housing supply is considered against the housing requirement (10,820 dwellings), currently there is an evident shortfall of 4,453.

	Borough wide	Southern Test Valley	Northern Test Valley
	2020 to 2040	2020 to 2040	2020 to 2040
Housing Requirement	10,820	4,653	6,167
Total Housing Supply	6,367	3,705	2,662
Residual Requirement	4,453	948	3,505

4.2.3 The SHELAA (2021) highlights that TVBC has identified eleven sites that can deliver circa 560 units. Only these eleven sites are seen to be deliverable where a change in policy is not required. Paragraph 6.2 of the Housing Topic Paper states that the 6,367 housing supply figure consists of existing outstanding permissions, adopted allocations, and prior approvals. However, it is unclear at this stage where the remaining supply (5,807) is coming from. It may be that some supply sites highlighted in the above Table may prove to be undeliverable.

4.2.4 We have also identified a possible error in the Council's calculation of its supply. We refer to sites Land to the rear of Down House (ref 76 – 85 units) and Land at London Road (ref 203 – 95 units) in the SHELAA (i.e. sites identified within revised local plan allocations) where we suspect double counting may have taken place as there is an overlap between the site boundaries. Therefore the supply may have been overestimated by 80 units, which indicates the residual requirement is also greater than what Table 5.3 suggests. We have

not, at this stage, reviewed all sites highlighted in the SHELAA so doubled counting between other sites may occur elsewhere.

- 4.2.5 In paragraph 5.25 the Council states that they need to consider whether to allocate land to deliver more homes to provide greater flexibility in their housing supply. Many variables on sites can lead to delays, such as the delivery of housing being slower and fewer houses per annum being built out. Persimmon is supportive of a positively prepared plan that allocates sites over and above the minimum housing requirement. This would create a more effective and sound planning strategy.

4.3 Affordable Housing Viability

- 4.3.1 The Council will be aware that the primary policy cost imposed on housebuilders is the affordable housing requirements that are implemented through local plans. Other notable costs that influence viability are Biodiversity Net Gain (BNG), Habitats Regulation Assessment (HRA) costs and energy efficiency/carbon reduction measures. These increasing fixed costs will mean TVBC will need to carefully consider the level of affordable housing to be provided and the tenure mix. The approach viability testing needs to recognise that land will not come forward if land values are too low taking into account abnormal and policy costs. There is a range of reasons why a landowner is looking sell land and it should not be assumed that they will absorb significant reductions in land values to meet policy costs. Land is a long-term investment and the returns being offered must take account of this. Persimmon welcomes the opportunity to comment on the Local Plan Viability Assessment once this has been published. We would recommend that the Council involved the development industry in the development of this critical evidence work.

4.4 Housing Mix

- 4.4.1 The Council proposes that a mix of all housing types and sizes is needed across the Borough. It is noted that housing mix will be considered in detail at stage 2 of the Regulation 18 consultation later in the year. Persimmon welcomes to opportunity to comment on mix policies in due course. Persimmon supports the broad proposition in the Plan that all households should have access to different types of dwellings to meet their housing needs. However, Persimmon suggests that the approach taken in the Plan (particularly with regards to market housing) should be flexible in order to take into account market demands and local character (not just needs).

4.5 Specialist Housing

- 4.5.1 Persimmon believes it is important that local plans allocate specific sites to meet the needs of older people. It is mentioned that this will be taken into account in the next stage of consultation. We recommend that TVBC look to allocate those sites submitted for older people's accommodation that is in the most sustainable locations with nearby services. However, we suggest having older person's accommodation located on brownfield sites in urban and suburban areas.

4.6 Self and Custom Build Housing

- 4.6.1 With regards to Self-Build and Custom Build Homes, the NPPG sets out ways in which the LPA should consider supporting self and custom build by "engaging" with developers and landowners and "encouraging" them to consider self and custom build "where they are

interested". It is not considered appropriate to insist that all sites (particularly smaller sites) should deliver self-build and custom-build plots.

- 4.6.2 Having to provide custom self-build plots on large strategic housing sites adds to the complexity and logistics of development. As well as on-site impracticalities, the provision of custom self-build housing plots will have a bearing on the development economics of large strategic housing sites. Recently tested on a site Persimmon has found that custom and self-build plots are often 15-20% lower than the market value. With these plots delays often occur Persimmon would rely on a third party for completion. Further to this custom and self-build plots can lead to a mix of elevations across the site which might not relate to the rest of the development. These impacts should be tested in an updated Viability Assessment.

5 DEVELOPMENT SITE OPPORTUNITIES

5.1.1 TVBC has identified a residual need of 4,453 across the Borough. To further meet this need Persimmon control a number of sites in the Borough (some of which are assessed in the SHELAA) that could assist in meeting this need.

5.2 Land Rear of Down House, Andover (and Land at London Road)

5.2.1 This site forms part of the Picket Twenty strategic allocation site, where the principle of development is accepted. Persimmon agrees with the conclusions of the SHELAA that Land to the Rear of Down House (SHELAA refs 76 and 203) is capable of delivering 80 dwellings (and around 95 if the additional land is included). The site is suitable for housing development and can deliver housing within years 1-5. However, Persimmon disagrees with the SHELAA suggestion that the site could provide self-build plots, and that land ownership is a constraint.

5.2.2 Former Poultry Sheds, Picket Twenty, Andover

The Former Poultry Sheds site forms part of the original Picket Twenty Major Development Area allocation. Being part of the original Picket Twenty allocation the site is now included within the settlement boundary. As such, the principle of development is considered acceptable. This site was not included within the SHELAA but Persimmon did submit this as part of the Call for Sites period and the Issues and Options consultation. As seen in the Promotion Letter in Appendix 1. Persimmon concludes this site has the capacity to deliver circa 113 new homes. As this the site forms a logical direction of growth following the Picket Twenty allocation, this site should be allocated within the next plan for housing development to avoid any confusion regarding its future use. To note, this site has no constraints which would restrict development of the site.

5.3 Land South of Forest Lane, Andover

5.3.1 This site forms part of the Middleton and Portway Estate. It measures approximately 18ha and is located immediately to the south of the Picket Twenty strategic development site. The site is considered in the 2021 SHELAA (site ref: 338). The SHELAA concludes that the site is available for development and is capable of accommodating 360 new homes. Persimmon supports the conclusions of the SHELAA insofar as the site is developable. However, based on our initial capacity estimates, it is the site is capable of delivering around 400 new homes, with some of these homes contributing to the 0-5 year supply, should the site be allocated in the emerging Plan. The SHELAA also makes reference to a number of potential site constraints, but as demonstrated in previous representations to the Council (see Appendix 2), these constraints are not insurmountable and/or they have been accounted for in the initial Concept Masterplan. The SHELAA also indicates that the site is capable of delivering self-build plots. At this stage, Persimmon are of the view that self-build plots at the site would not be appropriate. That said, the Company would be open to discussing such provision should the Council provide the necessary justification for this type of housing

5.4 Land East of the Middleway, Andover

5.4.1 The Land East of the Middleway is located immediately to the east of the Picket Twenty strategic development site. Development at this site would form a logical extension to the

existing built form and could be easily integrated with the Picket Twenty. This site will be served by the footpath connection that will run from the north of the Picket Twenty strategic development site to the south of the Andover road sites.

5.4.2 The site is considered in the 2021 SHELAA (site ref: 340). The SHELAA concludes that the site is available for development and is capable of accommodating 280 new homes. Persimmon supports the conclusions of the SHELAA insofar as the site is developable. However, the Company is of the view that some of these homes are capable of contributing to the 0-5 year supply, should the site be allocated in the emerging Plan.

5.4.3 The SHELAA indicates that the site is relatively free of any constraints. Reference is made to issues relating to the site's countryside location and the nearby ecology (SINC) and woodland designations (Ancient Woodland and TPOs). However, as demonstrated in the attached Deliverability Statement (see Appendix 3), these constraints are not insurmountable and have been accounted for in the Concept Masterplan.

5.5 Packridge Farm, North Baddesley

5.5.1 Persimmon agrees with the conclusions of the SHELAA that Packridge Farm, North Baddesley (SHELAA ref 19) is capable of delivering 350-400 dwellings and is a suitable site for housing development. The SHELAA highlights a number of constraints on the site, but the Deliverability Document (see Appendix 4) which includes a Concept Masterplan has taken these into account and therefore has influenced the layout. Alongside this, we have also carried out various technical work which can further prove that this site is deliverable.

6 CONCLUSION

6.1.1 Persimmon is of the view that TVBC Local Housing Need and housing requirement will need to be increased, most notably to address unmet housing needs from neighbouring LPAs in the PfSH area (particularly those from Southampton and New Forest). There is also a concern that due to double counting of sites, the Council may also have overestimated its housing supply.

6.1.2 As seen above the following sites can be seen as deliverable and should be allocated within the Test Valley 2040 Local Plan which will further assist your housing supply:

- Land Rear of Downhouse, Andover – circa 80 dwellings
- Rice Land, Picket Twenty, Andover – circa 113 dwellings
- Land South of Forest Lane, Andover – circa 360 dwellings
- Land East of the Middleway, Andover – circa 280 dwellings
- Packridge Farm, North Baddesley – circa 350-400 dwellings