Housing Topic Paper

Draft Local Plan 2040 – Regulation 18 Stage 2

February 2024

1 Introduction

- 1.1 The purpose of this topic paper is to present a coordinated view of the process that has led to the preparation of local plan policies relating to housing.
- 1.2 The process of preparing housing policies has given consideration to national and local policy, relevant evidence studies and responses received to previous local plan consultation stages. It also sets out housing policy options that have been considered and assessed in establishing our proposed preferred approach.
- 1.3 This topic paper will be revised and updated as appropriate at each stage in preparation of the Local Plan. Topic papers and evidence prepared to support this consultation stage are available to view and access from the council website: www.testvalley.gov.uk/localplan2040
- 1.4 This topic paper supports the statutory stage of preparing the draft Local Plan 2040 which is known as Regulation 18. This is Stage 2 which includes proposed development site allocations and development management policies. Following the public consultation for Stage 2, we will take account of any feedback to refine the draft Local Plan.

Overview of Topic

- 1.5 Meeting future housing needs is a key challenge for the Local Plan. The plan must seek to provide for the delivery of an appropriate number of homes, of the right size, tenure and type, and in appropriate locations, to meet identified housing needs. The NPPF requires that a local housing need assessment (LHN) is conducted using the standard method in national planning guidance. The outcome of the standard method is an advisory starting-point for establishing a housing requirement for the local plan area. As part of the assessment of local housing needs, the specific needs of different household groups must also be met, including for affordable housing and for those with specialist needs. The local housing needs assessment informs the 'housing requirement' for the Borough to be delivered over the plan period 2020 2040.
- 1.6 Increasing overall housing delivery is one of the Government's key priorities for the planning system in England, and the target has been set to raise housing completions to deliver 300,000 homes per annum each year by the mid-2020s. Test Valley has made a significant contribution towards this by consistently exceeded our current local housing target.
- 1.7 The following local plan policies and associated issues are addressed in this topic paper:
 - Spatial Strategy Policy 3(SS3): Housing Requirement:

- The Test Valley local housing needs assessment (LHN) and defining the Local Plan housing requirement.
- Defining the Test Valley housing market areas (HMAs) and the housing requirement split between the HMAs.
- Existing housing supply and the residual local plan housing requirement.

Spatial Strategy Policy 6 (SS6): Meeting the Housing Requirement:

- Overview of local plan approach to allocating sufficient sites for housing to address the residual housing requirement in accordance with the spatial strategy¹.
- Strategy Policy 5 (SS5): Neighbourhood Development Plan Housing Requirements
 - The approach to establishing housing requirements for designated Neighbourhood Plan areas and proposed housing figures.
- HOU8: Meeting the needs of Gypsies, Travellers and Travelling Showpeople
 - The identification of accommodation needs for Gypsy and Travellers and Travelling Showpeople and the emerging spatial strategy to address these needs over the plan period to 2040;
- Other Housing Needs including Policy HOU1: Affordable Housing, HOU5: Provision of Housing to Meet our Needs, HOU6: Residential Space Standards, and Policy HOU7: Self Build and Custom Housing:
 - This section identifies other housing needs and the local plan response in relation to affordable housing, accessible and adaptable housing and the needs for specific groups including older people, students, disabled people, service families and people who rent their homes and people wishing to commission or build their own homes.

2 Policy Context

National Policy Context

2.1 Local planning authorities are required to address the requirements set out in national planning policy and guidance in preparing their local plans, namely the National Planning Policy Framework (NPPF, December 2023) and supporting National Planning Practice Guidance (PPG).

National Planning Policy Framework (December 2023)

2.2 At the heart of the NPPF is a presumption in favour of sustainable development, which should be seen as being at the heart of the framework covering both plan making and decision-taking. Paragraph 9 in the NPPF sets

¹ The process for defining the Local plan Spatial Strategy is set out in the Spatial Strategy topic paper and the Interim SA Report.

out that planning policies and decisions should play an active role in guiding development towards sustainable locations, but in doing so should take local circumstances into account, to reflect the character, needs and opportunities of each area.

- 2.3 The development plan must include strategic policies to address the local planning authority's priorities for development and use of land in its area. Plans should apply a presumption in favour of sustainable development and positively seek opportunities to meet development needs, whilst being sufficiently flexible to adapt to rapid change.
- 2.4 Paragraph 11 covers the presumption in favour of sustainable development. For plan making this means that:
 - a) All plans should promote a sustainable pattern of development that seeks to: meet the development needs of their area; align growth and infrastructure; improve the environment; mitigate climate change (including by making effective use of land in urban areas) and adapt to its effects;
 - b) Strategic policies should as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring areas (as established through statements of common ground), unless
 - The application of policies in the framework that protect areas or assets of particular importance provides a strong reason for restricting the overall scale, type or distribution in the plan area, or
 - ii. Any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in the framework taken as a whole.
- 2.5 Paragraph 20 states that strategic policies should set out an overall strategy for the pattern, scale and design quality of places (to ensure outcomes support beauty and placemaking), and make sufficient provision for housing (including affordable housing).
- 2.6 Paragraph 22 states that strategic policies should look ahead over a minimum 15-year period from adoption, to anticipate and respond to long-term requirements and opportunities, such as those arising from major improvements in infrastructure. Where larger scale developments such as new settlements or significant extensions to existing villages and towns form part of the strategy for the area, policies should be set within a vision that looks further ahead (at least 30 years), to take into account the likely timescale for delivery.
- 2.7 Paragraph 23 requires that broad locations for development should be indicated on a key diagram, and land-use designations identified on a proposals map. Strategic policies should provide a clear strategy for bringing sufficient land forward, and at a sufficient rate, to address objectively assessed needs over the plan period, in line with the presumption in favour of

- sustainable development. This should include planning for and allocating sufficient sites to deliver the strategic priorities of the area (except insofar as these needs can be demonstrated to be met more appropriately through other mechanisms, such as brownfield registers or non-strategic polices).
- 2.8 In order to support the Government's objective of significantly boosting the supply of homes, paragraph 60 in the NPPF states it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay.
- 2.9 Paragraph 61 sets out that in order to determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance. The outcome of the standard method is an advisory starting-point for establishing a housing requirement for the area. There may be exceptional circumstances, including relating to the particular demographic characteristics of an area which justify an alternative approach to assessing housing need; in which case the alternative approach should also reflect current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for.
- 2.10 Paragraph 63 states that the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies. These groups should include, (but not limited to) those who require affordable housing, families with children, older people (including those who require retirement housing, housing with care and care homes), students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes.
- 2.11 Paragraphs 64 to 66 address affordable housing provision and set out that where a need is identified, planning policies should specify the type of affordable housing required and expect it to be met on-site, unless:
 - a) off-site provision or a financial contribution in lieu can be robustly justified, and
 - b) the agreed approach contributes to the objectives of creating mixed and balanced communities.
- 2.12 Paragraphs 67 and 68 concern the provision of a housing requirement figure. A housing requirement figure should be established for the whole area, which shows the extent to which identified housing need (and any needs that cannot be met within neighbouring areas) can be met over the plan period. Within this overall requirement, strategic policies should also set out a housing requirement for designated neighbourhood areas which reflects the overall strategy for the pattern and scale of development and any relevant allocations. Once the strategic policies have been adopted, these figures should not need re-testing at the neighbourhood plan examination, unless there has been a significant change in circumstances that affects the requirement. Where such a figure cannot be provided for a neighbourhood

- area, an indicative figure should be provided if requested, which takes account of factors such as the latest evidence of local housing need, local population and the most recently available planning strategy.
- 2.13 Paragraphs 69 and 70 concern the provision of supply to meet the housing requirement. From a strategic housing land availability assessment, planning policies should identify a sufficient supply and mix of sites, taking into account their availability, suitability and likely economic viability. Planning policies should identify a supply of:
 - a) Specific, deliverable sites for years 1-5 of the plan period; and
 - b) Specific, developable sites or broad locations for growth, for years 6-10 and where possible, for years 11-15 of the plan.
- 2.14 Small and medium sized sites can make an important contribution to meeting the housing requirement of an area, and are often built-out relatively quickly. To promote the development of a good mix of sites local planning authorities should:
 - a) Identify through the development plan and brownfield registers, land to accommodate at least 10% of the housing requirement on sites no larger than 1 hectare; unless it can be shown, through the preparation of relevant plan policies, that there are strong reasons why this 10% target cannot be achieved;
 - b) Use tools such as area-wide design assessments and Local Development Orders to help bring small and medium sites forward;
 - Support the development of windfall sites through policies and decisions giving great weight to the benefits of using suitable sites within existing settlements for homes; and
 - d) Work with developers to encourage the sub-division of large sites where this could help to speed up the delivery of homes.
- 2.15 Paragraph 72 states where an allowance is to be made for windfall sites as part of the anticipated supply. In such cases there should be compelling evidence that they will provide a reliable source of supply. Any allowance should be realistic having regard to the strategic housing land availability assessment (SHELAA), historic windfall delivery rates and expected future trends.

Planning Practice Guidance

2.16 The Guidance sets out that housing need² is "an unconstrained assessment of the number of homes needed in an area" and should be undertaken separately from assessing land availability, establishing a housing requirement figure and preparing policies to address this such as site allocations.

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² Housing and Economic Needs Assessment (Paragraph 001).

- 2.17 Paragraph 010 states that the standard method for assessing local housing need provides the minimum starting point in determining the number of homes needed in an area. There may be circumstances to consider whether actual housing need is higher than the standard method indicates. The PPG identifies circumstances where this may be appropriate (bit not limited to) which include:
 - Growth strategies for the area that are likely to be deliverable;
 - Strategic infrastructure improvements that are likely to drive an increase in the homes needed locally; or
 - An authority agreeing to take on unmet need from neighbouring authorities, as set out in a statement of common ground.
- 2.18 The Guidance makes clear that the housing needs of individual groups may well exceed, or be proportionally high in relation to, the overall housing need figure calculated using the standard method, as these will often be calculated having consideration to the whole population as opposed to new households.
- 2.19 Local Planning Authorities will need to take into account these needs including the need for affordable housing having regard to the overall housing need identified, the extent to which this can be translated into a housing requirement figure over the plan period, and the anticipated deliverability of different forms of provision, having regard to viability.
- 2.20 The Guidance section³ for Housing for older and disabled people sets out that the need to provide housing for older people is critical, as people are living longer and the older population is increasing. It sets out that the health, lifestyle and housing needs of older people will differ greatly with housing needs ranging from accessible and adaptable general needs housing to specialist housing with high levels of care and support.
- 2.21 It provides guidance on how the housing needs of older and disabled people can be assessed, and that this should inform clear policies within plans, which may include specific site allocations, to provide greater certainty to developers. Separate guidance is provided on optional technical standards including for accessible and adaptable housing, use of national space standards and wheelchair-accessible housing.
- 2.22 The Planning Practice Guidance has not been amended since the NPPF (December 2023) was published.

Local Policy Context and Evidence

Adopted Local Plan

2.23 The Council adopted a Local Plan in 2016, with policies covering the period from 2011 to 2029. The key policies in the adopted Local Plan with particular significance include:

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³ Housing for older and disabled people, paragraph 001.

- Policy COM1 Housing Provision 2011-29;
- Policy COM7 Affordable Housing;
- 2.24 Policy COM1 sets out the overall housing requirement for the Local Plan for the period 2011 to 2029 and how this would be delivered across the two identified Housing Market Areas in the Borough (i.e. in Northern and Southern Test Valley). It sets out how the Local Plan will deliver a mix in size, type and tenure of housing to meet the housing needs as evidenced in the Strategic Housing Market Assessment (SHMA) (2014), to deliver 588 dwellings per annum (dpa) across the Borough. This includes provision for older people, people with disabilities, households with children, and young people, through strategic allocations identified in the Local Plan, existing commitments and through other windfall or unplanned sites.
- 2.25 Policy COM7 seeks to secure affordable housing provision, through negotiation, with the proportion of provision linked to the size of the development and its location.

Strategic Housing Market Assessment (2022) and Housing Market Area Study (2022)

- 2.26 A key element of the evidence base for the Local Plan is the Borough's Strategic Housing Market Assessment (SHMA) (2022). This was commissioned by the Council and completed by Justin Gardner Consulting (JGC). The SHMA (2022) sets out overall housing need as well as looking at affordable housing need, in the context of changing Government policy (including in relation to First Homes). The study also looks at the needs from a range of specific groups in the population, including older persons.
- 2.27 A Housing Market Area Study (HMAS) (2022) has also been undertaken. The HMAS provides evidence regarding the 'Housing Market Areas' that exist in the Borough and will inform our housing requirement.
- 2.28 The affordable housing needs assessment within the SHMA shows a need for social/affordable rented housing across the Borough. There is also evidence of a need for affordable home ownership products, and this could be impacted by the NPPF requirement for First Homes.
- 2.29 The SHMA analysis also identifies a need for all sizes of housing within all tenure groups. For market housing, there is a focus on smaller (2- and 3-bedroom) family units, but also some larger (4+-bedroom) homes. For affordable home ownership the need is more for 2-bedroom homes (along with some 3-bedroom accommodation) whilst for social/affordable rented housing the need is particularly for 1 and 2 bedroom homes.
- 2.30 The SHMA also identifies a large and growing older person population in the Borough, which is likely to drive the need for additional specialist accommodation in both the rented (affordable) and leasehold (market) sectors, as well as a need for additional care home bedspaces.

- 2.31 The updated Strategic Housing and Economic Land Availability Assessment (SHELAA) (2024) identifies land that has been promoted as being available for future housing, economic or mixed use development.
- 2.32 In addition to strategic factors such as settlement hierarchy, consideration of sites in the SHELAA and sites submitted through previous local plan stages is the starting point to address the residual local plan housing requirement. However, sites included in the SHELAA may not be appropriate for development or potential allocation in the local plan. These sites have been subject to further assessment including in relation to the evidence base, Sustainability Appraisal (SA) and ongoing stakeholder engagement to determine potential suitability for allocation. The interim SA Report and Site Selection Topic Paper set out further detail of this process.

3 Housing Need

- 3.1 Our current housing requirement set out in the Adopted Local Plan, is Policy COM1, which states 588 homes are required per year. This was based on an economic scenario of forecast jobs growth and providing sufficient housing to maintain the working age population sufficient to enable a local labour supply for the jobs forecast to be generated.
- 3.2 Since the Local Plan was adopted in 2016, the Government have amended national policy to introduce the 'standard method' to calculate our local housing need which provides the starting point for establishing our housing requirement. The standard method takes account of the number of new homes that are needed to meet demographic changes and then applies an affordability adjustment to take account of prices signals and to boost housing numbers. Alternative approaches can be used if exceptional circumstances justify it, including circumstances where a higher housing need may be appropriate.
- 3.3 As set out above, to justify our housing requirement, we have commissioned two key pieces of evidence; a Strategic Housing Market Assessment (SHMA) and a Housing Market Area Study. The former (SHMA) provides evidence regarding our overall housing need, affordable housing needs and specialist housing needs. The latter (HMAS) provides evidence regarding the housing market areas that exist in the Borough and its findings are covered in the Housing Market Areas section
- 3.4 The SHMA sets out the then local housing need assessment as 541 homes per year at that time⁵. This figure was set out in the Regulation 18 Stage 1 document. The latest standard method calculation⁶ is included at Appendix 1 to this Topic Paper. This results in the calculation that our local housing need figure is currently 550 homes per year which would apply over the plan period 2020-2040.

⁴ https://www.gov.uk/quidance/housing-and-economic-development-needs-assessments

⁵ Based on 2014 household projections and 2020 affordability ratio.

⁶ Based on 2014 household projections and 2022 affordability ratio.

Whether Exceptional Circumstances Exist to Justify Alternative Approach

- 3.5 Paragraph 61 of the NPPF advises that the standard method should be the starting point for establishing the local plan housing requirement. The NPPF states that there may be exceptional circumstances which justify an alternative approach to assessing housing need including the demographic characteristics of an area. This may result in a housing requirement that is lower than the standard method. Alternative approaches to assessing housing need should reflect current and future demographic trends and market signals. The NPPF also states that any housing needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for.
- 3.6 The Planning Practice Guidance on Housing and Economic Needs
 Assessments sets out the scenarios (para 10.) whereby there may be
 justification for setting the housing requirement above LHN which include
 where:
 - growth strategies for the area that are likely to be deliverable, for example where funding is in place to promote and facilitate additional growth (e.g. Housing Deals);
 - strategic infrastructure improvements that are likely to drive an increase in the homes needed locally; or
 - an authority agreeing to take on unmet need from neighbouring authorities, as set out in a statement of common ground.
- 3.7 The PPG also identifies that affordable housing needs can be a consideration in potentially setting a housing requirement over LHN where the PPG states that, 'An increase in the total housing figures included in the plan may need to be considered where it could help to deliver the required number of affordable homes'. The potential scenarios for considering a housing requirement above LHN (as identified in the PPG) are set out below.

Is there a growth strategy justifying a housing requirement above LHN?

- 3.8 The Council's emerging economic and employment land strategy does not require housing delivery over and above LHN derived from the standard method. The latest employment land study (2023) prepared by DLP on behalf of the Council recommends a 'Growth Forecast' which has been established through analysis of projection figures from Experian, Cambridge Econometrics and Oxford Econometrics. This recommended scenario also factors in growth in key employment sectors identified in the Partnership for South Hampshire (PfSH) strategy work. The DLP assessment concludes that this growth scenario does not require housing delivery above LHN derived from the standard method.
- 3.9 The Council continues to work in partnership with neighbouring authorities including as part of the PfSH. There is no growth strategy agreed with neighbouring authorities or as part of the PfSH that would require the Local Plan housing requirement to exceed LHN.

Are there planned infrastructure improvements justifying a housing requirement above LHN?

3.10 There are currently no strategic infrastructure improvements planned within the Borough which would provide justification for a Local Plan housing requirement above LHN.

Are affordable housing needs a justification for a housing requirement above LHN?

- 3.11 It is important to consider local affordable housing needs and whether this is a factor (to be weighed in the balance) for setting the housing requirement above LHN. The PPG states that, "An increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes".
- 3.12 This issue has been considered within the Strategic Housing Market Assessment (2022) and specifically paragraphs 36 and 37 which does not support a housing requirement figure derived from meeting 'absolute' affordable housing needs.
- 3.13 The SHMA (para 36) states that caution should be exercised in trying to make a link between affordable need and planned delivery. This is because many households identified as having a need will already be living in housing so providing an affordable option does not lead to an overall net increase in housing. It is also important to note the substantial contribution of the private rented sector towards meeting need for subsidised housing for rent. The private sector role in provision of subsidised housing for rent contributes to addressing the need and it is not necessary for the Plan to address absolute affordable need.
- 3.14 The SHMA also states at paragraph 37 that although there is a notable need for affordable housing the SHMA report does not identify an affordable housing target. This is because the amount of affordable housing that can be delivered is limited by the amount that can be viably provided.
- 3.15 Setting a housing requirement above LHN to address absolute affordable housing need carries a significant risk of the local plan housing requirement not being provided for. In Test Valley Borough absolute affordable housing need is 120% of the standard method derived LHN (550 dpa) and this would lead to a housing requirement of 1222 dpa. The SHMA does not identify a demand for this level of market housing. Limitations in demand for market housing would likely result in the both the housing requirement and absolute affordable housing need not being provided for. This would result in the application of the punitive measures set out in NPPF Paragraph 11.
- 3.16 A whole plan viability assessment⁷ has been undertaken by BNP Paribas Real Estate on behalf of the Council to support this consultation stage. The

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⁷ Test Valley Local Plan Viability final 090124.pdf

- study has appraised residential schemes with a range of affordable housing percentages up to 50%. The viability study concludes that a policy approach of 40% affordable housing should be retained and applied on a 'maximum reasonable proportion basis' taking site specific circumstances into account.
- 3.17 Therefore, due to limitations in market demand for housing, affordable housing viability and evidence from the latest SHMA it is not appropriate to identify a housing requirement above LHN on the basis of affordable housing need.

Should the housing requirement be set below LHN?

- 3.18 Test Valley is not affected by strategic constraints that would affect the ability to meet LHN (derived from the standard method). Furthermore, in view of the available housing supply options it is not considered reasonable to explore a growth scenario below LHN leading to unmet need. This position is unchanged since this issue was considered through SA at Regulation 18 Stage 1 (2022).
- 3.19 The matter of unmet housing need from neighbouring authorities and how this has been considered in relation to LHN is set out further below.

Are there Unmet Housing Need from Neighbouring Authorities?

- 3.20 Unmet housing need from neighbouring areas (which cannot be met within those areas) is one of the issues to be considered in setting the housing requirement.
- 3.21 Prior to public consultation on the Regulation 18 Stage 1 document, we did not have any requests to accommodate unmet housing need from our neighbouring authorities. Although there had been discussions regarding levels of existing housing supply through PfSH, there had been no agreement through PfSH regarding the identification of unmet housing needs.
- 3.22 NPPF paragraphs 11, 26 and 27 require local planning authorities to provide for any housing needs that cannot be met within neighbouring authorities which should be agreed through a SOCG. This is reflected in the 'soundness' test which are the tests local plans are assessed against to determine whether a local plan can be adopted. This states for local plans to be considered positively prepare, they need to provide a strategy that is informed by agreements with other authorities showing that unmet needs from neighbouring areas can be accommodated where it is practical to do so and is consistent with achieving sustainable development (NPPF paragraph 35).
- 3.23 The NPPF states strategic policy makers should prepare and maintain statements of common ground documenting the cross-boundary matters being addressed and progress of cooperation to address these. SOCG should be produced using the approach set out in Planning Practice Guidance (PPG), and be made publicly available throughout the plan making process to

- provide transparency (NPPF paragraph 27). The PPG advises the SOCG should be published in time for the Regulation 19 stage.
- 3.24 Through the consultation on the Regulation 18 Stage 1 document, the Council received representations from some of our neighbouring authorities. A summary of the key comments made relating to unmet housing needs is set out in Table 1.

Table 1: Summary of Neighbouring Authorities Comments on Regulation 18

Stage 1 document

Neighbouring	Summary
Authority	Through the Frenciscation on their level along the
Havant Borough Council	Through the Examination on their local plan, the Inspector identified they were 2,000 homes short of
Couricii	providing their needs. Havant have subsequently
	withdrawn their local plan. They are formally
	seeking a commitment from Test Valley to
	accommodate their unmet need.
New Forest District	Recommend need to ensure housing requirement is
Council	wholly consistent with the final agreed outcomes in
	the PfSH SOCG. If agreement cannot be met
	through PfSH and SOCG, and under applying the
	Government's standard method for New Forest
	District, there will be the potential for unmet housing
0 11 1 011	need arising from New Forest District.
Southampton City	Strongly welcome engagement from Test Valley
Council and	through PfSH regarding emerging SOCG. The SOCG identified the need to address the issue of
Eastleigh Borough Council	unmet housing needs through a Joint Strategy.
Courien	They recommend we monitor the emerging
	evidence by taking a positive approach.
	Recommend our Sustainability Appraisal test a
	higher amount of housing.
Winchester City	Welcome ongoing collaboration. Recognise
Council	discussions ongoing as part of PfSH and no
	decisions have been agreed regarding unmet
	housing needs. Recommend we consider how the
	local plan can respond to this issue under the Duty
	to Co-Operate.

- 3.25 The representations from neighbouring authorities demonstrate the position on unmet housing needs is changing. The representations either include a formal request or an indication has been made that there is potential for our neighbouring authorities to have unmet need in the future.
- 3.26 The process of evidencing, co-operating and agreeing on accommodating unmet housing need is not specifically identified in national policy. PPG recommends what should be set out in a SOCG which is the housing needs, capacity, and extent of unmet housing needs relating to the relevant areas. The onus if on the local authority who has identified unmet housing needs to

undertake the evidence and justify this. For neighbouring authorities, they are required to co-operate where this is identified and work together to establish how the unmet need will be apportioned between neighbouring authorities who can accommodate this.

3.27 An updated SOCG for PfSH was approved in July 2023 and an updated SPS in December 2023⁸. Table 1 of the SPS sets out the housing need and supply position as at 2023, for the period to 2036. The identifies a shortfall/surplus which is based upon the amount of housing with is currently identified and thus there is some supply which is yet to be identified through local plans. There is not therefore yet a quantified unmet housing need, rather some housing need yet to be identified, which may or may not result in an unmet need in due course. We will continue to participate in the work of PfSH, however potential unmet need is a challenge, when we don't have certainty or evidence over whether there is unmet housing needs.

Table 2: Comparison of housing need and supply for PfSH authorities 2023 – 36

Local Authority	Annual Housing Need using Standard Method (dpa)	Total housing need 2023 – 2036	Identified Supply = Commitments, local plan allocations + windfall estimate	Shortfall/ surplus
East Hants (part)	113	1,469	1,275	-194
Eastleigh	667	8,671	6,160	-2,511
Fareham	541	7,033	9,356	+9009
Gosport	353	4,589	2,518	-2,071
Havant	516	6,708	4,105	-2,603
New Forest	1,056	13,278	8,076	-5,652
Portsmouth	899	11,687	11,304	-383

⁸ https://www.push.gov.uk/work/planning-and-infrastructure/push-position-statement/

⁹ The Fareham Local Plan 2037 Policy H1 housing requirement includes a standard method based housing need, and a commitment of 800 dwellings as a contribution towards Portsmouth's unmet need as well as a further 100 dwelling contribution to the wider PfSH unmet need as identified in the surplus. The adopted housing supply incorporates a number of dwellings to meet the unmet need contribution and a 7.5% contingency to offset where delivery on some sites does not match expectations, as per government policy.

Southampton	1,475	19,175	15,951	010
Test Valley (part)	182	2,366	3,109	+743
Winchester (part)	235	3,055	3,05511	0
Total	6,037	78,481	64,909	-11,771 ¹²

Potential Unmet Housing Need from Havant

- 3.28 The Inspector at the Examination into the Draft Havant Local Plan 2036, found a 2,000 home shortfall in the supply which was deemed not possible to accommodate together with unmet need arising within the South East Hampshire HMA. Havant has committed to working through PfSH to maximise opportunities to accommodate unmet need in the South East Hampshire HMA, but this is unlikely to be sufficient to meet housing need. Havant Borough Council responded to the Test Valley Local Plan 2040 Regulation 18 Stage 1 public consultation seeking a commitment from Test Valley to accommodate unmet need from Havant in our Local Plan.
- 3.29 The Draft Havant Local Plan 2036 was withdrawn on 16 March 2022 and work has started on a new local plan, the Building a Better Future Local Plan with a plan period to 2040. A Regulation 18 consultation was undertaken in October and November 2022 alongside a 'call for sites', this proposed an increase in the housing requirement from 315 to 516 homes per year. The next stage of consultation is scheduled for Quarter 4 2024.
- 3.30 How any unmet need for Havant might be appropriately accommodated in neighbouring authorities is a matter to be considered through the Duty to Co-Operate. Havant's request was based upon the outcome of the local plan examination, for a plan which has now been withdrawn with evidence being updated for the new draft plan. Also, given the geography and HMAs in South Hampshire and the relative distance, we consider it is unlikely that this should reasonably be met in Test Valley.
- 3.31 The issue of any arising unmet need from neighbouring authorities will be considered as the position evolves and the local plan preparation process progresses, both Test Valley's local plans and the local plans or our neighbouring authorities. If matter regarding unmet housing need from our neighbouring authorities is not identified during the preparation of this Local Plan 2040, the next Local Plan will consider this.

¹⁰ Whilst Southampton's shortfall on the housing target is 3,224, this is only due to the Government's 35% urban centres uplift, without it there would be a surplus of 1,755 dwellings. However, this shortfall should be expressed as 0 in the assessment of the PfSH-wide shortfall/surplus as it would not be appropriate to apportion to other authorities.

¹¹ The actual supply within the PfSH part of the district is higher than 3,055. Winchester does not have a split in its adopted Local Plan between PfSH and the rest of the district, meaning that the figures for need and supply are estimated to be the same in this table.

¹² This figure is calculated as the sum of each authority's shortfall/surplus rather than subtracting the total sub-regional supply from total sub-regional need to establish the shortfall.

Main Issues from Consultation on Previous Local Plan Stages

- 3.32 Two previous stages in the preparation of the Local Plan 2040 have been undertaken and the responses to consultation on them has helped inform our approach. These comprise an Issues and Options consultation in 2018 and a Refined Issues and Options consultation in 2020.
- 3.33 At the Issues and Options stage, we asked about matters including the use of the standard method for assessing local housing need, whether a higher level of housing growth may need to be accommodated, and the approach to Housing Market Areas.
- 3.34 Within the Refined Issues and Options stage we set out an expectation that the Council would use the standard method for assessing local housing need. It was also recognised that we would take account of existing housing supply when considering how much additional housing would need to be provided for to meet the identified need. In terms of Housing Market Areas, it was noted that the majority of responses to the earlier Issues and Options stage had supported separate Housing Market Areas being maintained but that they should be reviewed, including in terms of their boundaries. Within the consultation document questions were raised in relation to the identification of Housing Market Areas.
- 3.35 The key issues identified from the Refined Issues and Options stage included:
 - Support for meeting the local housing need in full;
 - General support for using the standard method to determine the housing requirement;
 - A need to take account of cross-boundary issues and consider any unmet housing need from neighbouring authorities and the South Hampshire subregion;
 - Meeting need for affordable housing including providing for needs by type and affordability across the Borough;
 - Overall support for maintaining Housing Market Areas, with support for maintaining two Housing Market Areas based on parish boundaries; and
 - Mixed comments on the boundary division between the Housing Market Areas.
 - Support for a specific local plan policy on self-build and custom housing
- 3.36 The key issues identified from Regulation 18 Stage 1 included:
 - Support for using the standard method to determine the housing requirement, but some comments that consideration should be given to higher housing requirement figure;
 - Support for meeting the local need in full;
 - Consideration to be given to setting a housing requirement above LHN;
 - Need to take account of cross-boundary issues and consider any unmet housing need from neighbouring authorities, in particular from the South Hampshire sub-region and arising from the planning work being undertaken by the Partnership for South Hampshire (PfSH), including the

- Statement of Common Ground (SOCG) and the Spatial Position Statement (SPS).
- Support for maintaining two housing market areas and a proportional housing split between the HMAs;
- Housing need and provision in the rural area to be considered;
- The role of Neighbourhood Plans in housing delivery;
- Importance of meeting the need for affordable housing and taking into account viability in establishing policy approach;
- The delivery of First Homes to be included in affordable housing policy and a policy on First Homes Exception Sites;
- Include policy on self build and custom build homes

Recommended Approach on Housing Need

3.37 Table 3 sets out the overall housing requirement for the plan period 2020-2040 based on our Local Housing Need figure as explained above.

Table 3: Proposed Borough wide Housing Requirement

	Per Year	2020 to 2040
Housing Requirement	550	11,000

3.38 It should be noted that there are variables used in calculating the standard method that could change over the course of preparing the Plan which we would need to respond to¹³. Therefore, the current figure of 550 homes per year is likely to change over the course of preparing the Local Plan 2040, for example as updated data sets on future household growth projections and/or the affordability ratio of average earnings to average house prices are published.

4 Housing Market Areas

- 4.1 A key strategic decision for the Local Plan 2040 is how the provision of new housing will be distributed within the Borough. This includes how it should be broadly divided across the different Housing Market Areas (HMAs) in Test Valley. This also concerns the balance between the scale of development in Andover, Romsey and the other settlements, as informed by the Settlement Hierarchy.
- 4.2 Planning Practice Guidance (PPG) describes a HMA as 'a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live a work'. One way to think about an HMA is therefore the area in which you would look to consider if looking to move home, whilst maintaining your existing place of employment, or the area in which you would seek employment, if you were not looking to move home.

¹³ Planning Practice Guidance states local housing need calculated using the standard method may be relied upon for a period of 2 years from the time that a plan is submitted to the Planning Inspectorate for examination.

- 4.3 In Test Valley, there is a strong distinction between Andover and the northern part of the Borough, and Romsey and the southern part of the Borough, which has a closer relationship with South Hampshire, in meeting housing needs. It has therefore been appropriate to consider the two areas separately.
- 4.4 The Council has therefore had a long-standing split regarding housing needs, recognising the distinct geography of Test Valley, reflecting two distinct housing market areas. Reflecting this, the Adopted Local Plan identifies two separate housing market areas (HMA): Southern Test Valley (STV) covering seven parishes¹⁴ and Northern Test Valley (NTV) covering the remainder of the Borough. These two HMAs are also used for the calculation of five-year housing land supply, with the current 588 homes per annum split between STV (194 homes per annum) and NTV (394 homes per annum) which is based on the amount of population in each area.

Options for Policy Approach

- 4.5 The issue of HMAs within Test Valley has been reassessed for the draft Local Plan 2040, taking account of the findings of the HMAS. Consideration has been given to whether provision should be on the basis of a single Boroughwide HMA, or two or more HMAs and if so what the boundary split between these should be and how it should be drawn.
- 4.6 The HMAS 2022 has reviewed our approach set out in the Adopted Local Plan and recommends a continued split with two separate HMAs for Northern Test Valley (NTV) and Southern Test Valley (STV), but with a revised boundary rather than the existing division. The various data sources have taken account of the wider extent of the HMAs on a regional and sub-regional basis which cover much larger areas that the Borough¹⁵, internal migration flows between local authorities and the relationship with larger surrounding settlements and Travel to Work Areas (TTWA).
- 4.7 The proposed boundary split is broadly following the route of the A30 across the centre of the Borough, east to west. This split reflects the wider regional context, functionality, commuting patterns and geography of the different parts of the Borough. The boundary split between NTV and STV would align with parish boundaries, with the parishes north of Stockbridge now within NTV and parishes from Stockbridge southwards are within STV. The map at Appendix 2 shows this.
- 4.8 The 'interim' Sustainability Appraisal Report published alongside this consultation also examines how the Test Valley housing market areas have been defined and whether reasonable alternative options exist. The SA concludes that the northern and southern Test valley HMAs should be defined in accordance with the recommendations of the Housing Market Areas Study (HMAS) (2022). It is recognised that this was done as a technical exercise

¹⁵ Northern Test Valley corresponds to the area which lies within the wider Andover and Salisbury HMA and Southern Test Valley corresponds to the wider Southampton HMA.

¹⁴ Ampfield, Chilworth, North Baddesley, Nursling and Rownhams, Romsey, Romsey Extra and Valley Park

based on the most recent evidence and the approach set out in national planning guidance. This represents a robust approach and there are no reasonable alternative options to consider through SA. The interim SA Report also supports the recommendation of the SHMA and HMAS to split the housing requirement (derived from the standard method) between the northern and southern housing market areas on the basis of demography and population. This is consistent with the approach set out in the NPPF in identifying local housing needs based on demographic data.

Recommended Approach

- 4.9 The Plan proposes to split the housing requirement according to the amount of population within each HMA. This would be consistent with the Government's standard method for calculating local housing need which is derived from a demographic basis which looks at expected growth from the existing household baseline. As such, 57% of the housing requirement would be met in Northern Test Valley and 43% would be met in Southern Test Valley, reflecting the demographics of the two housing market areas and revised HMA boundary. This is also consistent with the approach to apportionment in the Adopted Local Plan 2016. This 57:43 split is a change from the 67:33 split in the current Adopted Local Plan 2016, as it takes account of the change in HMA boundary as STV now covers a larger geographical area (and therefore with an increased population within this) and due to difference is population growth in different parts of the Borough in recent years.
- 4.10 The housing requirement figure of 550 homes per year and its split 57:43 between the NTV and STV HMAs has been assessed within the Sustainability Appraisal (SA). Table 4 below sets out the split for the housing requirement, which would be used to determine the housing provision. Each HMA will have a separate housing provision requirement figure.

Table 4: Proposed Housing Market Area (HMA) Housing Requirements (rounded figures)

3 /			
	Percentage	Homes per	Homes for
	Split	Annum	2020 to 2040
Borough wide	100%	550	11,000
Southern Test Valley	43%	237	4,730
Northern Test Valley	57%	313	6,270

4.11 It is proposed that the HMAs would be used as distinct areas for the purpose of calculating and apportioning the five year housing land supply (HLS) in Test Valley, continuing the long-standing approach which is used in the adopted Local Plan 2016. As the Local Plan 2040 progresses through its plan preparations stages, we will determine at what point HLS should appropriately be monitored on this basis, with regard to the base date, housing need figure, and housing market areas. For the time being, HLS continues to be monitored according to adopted Local Plan Policy COM1.

- 4.12 The Council has participated in work to prepare an updated Statement of Common Ground (SOCG) for South Hampshire through PfSH, including a joint evidence base to replace the Spatial Position Statement (SPS) 2016, with a new SPS 2023. The SOCG deals with strategic cross-boundary matters at a sub-regional level. The work on the SOCG and its evidence base inform the non-statutory PfSH SPS which can inform local plans and assist local authorities in South Hampshire in meeting the Duty to Co-Operate. The work of PfSH is therefore intended to feed into the preparation process for the Local Plan 2040, including consideration of the issue of housing need as relevant.
- 4.13 The review of HMAs within Test Valley for the draft Local Plan 2040, does not in itself change the area of the Borough that sits within the South Hampshire sub-region and the outcome of work on the updated SOCG and new SPS which will be taken into account as relevant, as it applies to the area. The HMAS acknowledges that the current STV HMA in the Adopted Local Plan 2016 is part of the wider Southampton HMA which is covered by PfSH.
- 4.14 The report to the PfSH Joint Committee (25 October 2021)¹⁶ on progress in preparing the SOCG (at that time) stated:
 - "3.5 The evidence base collated over recent years supports the definition of the South Hampshire sub-region for strategic planning purposes, whether it relates to the two closely related housing markets around Portsmouth and Southampton, the functional economic market area across the whole sub-region or the physical geography of an area between the South Downs and New Forest National Parks and the coast with islands and peninsulas interspersed with harbours and river."
 - "3.6 There is common agreement amongst partner authorities that the PfSH area is an appropriate geography upon which to prepare a Joint Strategy to deal with cross boundary strategic planning matters and support the production of local plans. An extensive evidence base has identified the housing market areas and the need to plan at the South Hampshire scale has previously been considered. Significant information is included within the 2014 GL Hearn Strategic Housing Market Assessment and previous evidence base work related to the physical environment has demonstrated the synergies for collaborative planning in South Hampshire. It is not intended to revisit the definition of the sub-region as part of the work identified in this SoCG. However, it is acknowledged that there will be some strategic issues that need to be considered in the context of a wider geographical area than that within the PfSH boundary."
- 4.15 The issue of the relationship between South Hampshire area and HMA was assessed in the South Hampshire SHMA 2014¹⁷ which forms part of the evidence base for the previous PfSH SPS 2016. This found that within the South Hampshire sub region there are two overlapping housing markets,

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¹⁶ See Item 11, Page 55 (available: https://www.push.gov.uk/wp-content/uploads/2021/10/Full-Agenda.pdf)

¹⁷ Available: https://www.push.gov.uk/wp-content/uploads/2018/06/SHMA-2014-1.pdf

based upon Portsmouth and Southampton respectively, of which the STV HMA in the Adopted Local Plan 2016, lies within the Southampton HMA. Whilst the South Hampshire sub-region boundary used by PfSH was considered as a sensible functional geography, previous CLG Research had concluded that these HMAs extended further inland to the north (beyond the defined South Hampshire sub-region boundary) and this principle was accepted, though with a difference over the potential extent northwards.

5 Housing Supply

- 5.1 To meet the proposed housing requirement of 11,000 homes we have assessed how much housing supply is needed to meet this need, over the plan period to 2040. This has been undertaken by assessing how much existing housing supply we have committed already within the Borough, as of 1 April 2023, against the proposed housing requirement. This helps to identify the 'residual' amount of housing that is needed to be allocated for in the draft Local Plan 2040.
- 5.2 We are proposing to make provision for a minimum of 10% supply in housing above our housing requirements. This will help to make sure we provide a sufficient supply of homes otherwise there is an increased risk that homes could be permitted on sites not preferred by the Council and our residents.
- 5.3 The assessment of the current housing supply (as at 1 April 2023) includes past completions (2020/21-2022/23) plus future supply comprising: existing commitments from outstanding permissions, adopted site allocations, prior approvals and Use Class C2 self-contained units; identified capacity from sites on the Brownfield Register and from the Andover and Romsey town centre masterplans; and an allowance for future windfalls (sites currently unidentified but assumed future capacity expected to come forward). The current housing supply represents a deliverable pool of housing land and sites at a point in time.
- 5.4 The current supply figures provide the total existing Borough-wide supply and is set out individually for each respective HMA. There will be variables within these figures which will be considered periodically, to ensure a sufficient number of homes is planned for, and to maintain a resilient housing land position.
- 5.5 Table 3 demonstrates the approximate Borough wide residual housing supply will be a total of 4,019 homes, to 2040. This shows that our existing housing supply will deliver over 50% of our housing requirement to 2040. This means we will need to allocate, as a starting point, new sufficient sites to meet the residual housing supply figure.
- 5.6 The distribution of future housing is addressed through policy SS6 which identifies the proposed site allocations for housing development. The approach taken to distribution is summarised in the Spatial Strategy Topic Paper.

- 5.7 The consideration of draft site allocations has also considered the potential role of Neighbourhood Plans (and other community development) in meeting the residual requirement figures, and particularly to meet the housing needs of individual local communities. We have considered the provision of specific housing requirement figures for designated neighbourhood areas through Policy SS5.
- 5.8 Table 5 sets out the housing requirement and housing supply borough wide and for Southern and Northern Test Valley.

Table 5: Housing requirement and Supply

rable 5: Housing requiremen	Borough wide	Southern	Northern TV
	(100%) 2020- 40	TV (43%) 2020-40	(57%) 2020-40
Minimum Housing requirement	11000	4730	6270
Housing Requirement plus 10% Supply Buffer	12100	5203	6897
Existing Completions, Housing Commitments at Andover, Romsey and Tier 2 Settlements	5563	3168	2395
Rural Area Requirement	542	282	260
Existing Completions, Housing Commitments in Rural Area	492	253	239
Total Neighbourhood Plan Housing Requirements (as set out in Policy SS5)	110	70 ¹⁸	40
Total windfall allowance	816	352	464
Residual based on meeting our minimum housing requirement	4,019	887	3,132
Residual based on meeting our minimum housing requirement plus 10% supply buffer	5,119	1,360	3,759
Total of Proposed Site Allocations in draft Local Plan 2040	5,434	1,644	3,790

¹⁸ There is permission for 18 dwellings for one site that forms part of the Neighbourhood Plan housing requirement for King's Somborne that is accounted for within this total.

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- 5.9 The housing supply presented in Table 5 is informed by the Council's latest Housing Implementation Strategy (data is as of 1st April 2023). All assumptions and phasing are explained in this document. A Housing Trajectory has been published separately setting out the proposed phasing of the draft site allocations alongside the total housing supply.
- 5.10 Paragraph 72 of the NPPF recognises that an allowance for windfall sites can be made assuming that evidence is available to demonstrate this is likely to be a reliable source. The glossary of the NPPF provides a definition of windfall sites.
- 5.11 In reviewing the scale of windfall allowance, the Council has focused on sites that fall below a net gain of 5 dwellings; this is so as to avoid potential double counting of sites that might otherwise be classified as identified capacity. It is recognised that larger windfall sites may come forward that are not promoted through the SHELAA these usually become part of the supply at the point they gained planning permission or have a resolution for permission.
- 5.12 The allowance is based on observed trends and analysis of whether such trends are likely to continue in the future. The Borough has historically benefitted from a supply of windfall sites. Table 5a sets out the last 10 years of housing completions on sites under 5 (net gain) dwellings to support the proposed level of windfall allowance for the draft Local Plan 2040

Table 5a: Housing Completions on Sites less than 5 (net gain) dwellings

Year	Total net gain in	North TV	South TV
	dwellings for small		
	sites (under 5		
	dwellings)		
2013/14	43	20	23
2014/15	82	38	44
2015/16	73	37	36
2016/17	80	35	45
2017/18	76	28	48
2018/19	81	38	43
2019/20	88	41	47
2020/21	64	30	34
2021/22	47	25	22
2022/23	44	10	34
TOTAL	678	302	376
Average	67.8	30.2	37.6

- 5.13 The Council will continue to monitor the housing land supply position as the preparation of the Local Plan 2040 progresses, including how this affect the residual requirement to be accommodated.
- 5.14 There are potential risks to the delivery of the Local Plan, including housing. We will need to consider contingency mechanisms, where monitoring

indicates that delivery is falling short. Alongside this, we will need to ensure the Local Plan 2040 has sufficient flexibility and resilience to respond to delivery risks and contingency measures will be set out in the next stage.

6 Neighbourhood Plan Housing Requirements

- 6.1 Neighbourhood Plans are one of the tools to deliver housing in rural areas.

 They provide a tool for communities to have their say in the future of the places where they live and work. Once made, they become part of the Development Plan and have legal weight in determining planning applications.
- 6.2 In accordance with national policy (NPPF paragraphs 66 and 68), the draft Local Plan will need to identify housing requirements for designed neighbourhood plan areas. The approach to establishing housing figures for neighbourhood plan areas aligns with emerging and active designated neighbourhood plan areas, enabling communities to shape the future of their area.
- 6.3 It is anticipated that new neighbourhood plan areas will be designated over the plan period to 2040 and requirements for these areas will be made once they are designated. Housing requirements will also be given on commencement of the review of a made plan.
- 6.4 The proposed methodology for establishing Neighbourhood Plan housing requirement figures is consistent with the guidance set out in the NPPF. However, national guidance does not provide a methodology for establishing Neighbourhood Plan housing requirements. The proposed local plan methodology considers the following:
 - The Local Plan 2040 spatial strategy
 - the role and function of the settlement,
 - the scale and population of the settlement,
 - provision of local facilities,
 - local constraints, including local character, environmental and infrastructure capacity.
- 6.5 In applying this methodology, planning judgement is applied to weigh up these factors as it is not possible or appropriate to apply a simple formula approach. This approach has the benefit of ensuring an appropriate scale of development taking into account constraints, settlement pattern, character and the overall strategy aim of sustaining rural settlements.
- 6.6 The current anticipated housing supply from neighbourhood plans is set out in Table 6 based on the proposed housing requirements for active designated neighbourhood plan areas.

Table 6: Neighbourhood Plan Housing Supply

Borough wide	Southern TV	Northern TV
2020-40	2020-40	2020-40

Total housing proposed	110	70	40
through Neighbourhood Plan			
Requirements			

6.7 The proposed housing requirement figures for current designated and active Neighbourhood Plan area is set out in Table 7.

Table 7 Neighbourhood Plan Area Housing Requirements

Northern Test Valley		Southern Test Valley		
Neighbourhood	Minimum Housing	Neighbourhood	Minimum Housing	
Development Plan	Requirement	Development Plan	Requirement	
Amport*	10	King's Somborne	40	
Grateley	10	Awbridge	10	
Longstock	10	Wellow	20	
Nether Wallop **	10			

^{*}includes Weyhill West and East Cholderton

6.8 Through this process some designated Neighbourhood Plan areas are not being provided with a housing requirement. This is because some Neighbourhood Plan areas have a limited range of facilities and or are subject to constraints. However, these areas can still assess their own housing needs and if this identifies a need, these can still be delivered through their Neighbourhood Plans. This outcome does not preclude this.

7 Gypsy, Travellers and Travelling Showpeople

- 7.1 Through the preparation of the Local Plan, we have a duty to meet the accommodation needs of Gypsies, Travellers and Travelling Showpeople over the plan period to 2040. This section gives consideration to accommodation needs and current supply options to address need for the plan area as a whole.
- 7.2 National policy for Gypsies, Travellers and Travelling Showpeople is set out in the Planning Policy for Traveller Sites 2015 (as amended). The draft Local Plan approach for assessing accommodation needs and emerging spatial strategy is consistent with national policy.
- 7.3 This topic paper should be read alongside the 'interim' SA Report (Appendix III) which provides further consideration of supply options and potential site allocation options to address the residual need for pitches and plots, as well as the Gypsy Traveller and Travelling Showpeople Accommodation Assessment (GTAA) and the Gypsy, Traveller and Travelling Showpeople Pitch Deliverability Assessment.

Needs

^{**}includes part of Middle Wallop

- 7.4 A Gypsy, Traveller and Travelling Showpeople Accommodation Assessment (GTAA) for the Borough was finalised in 2021 and provides evidence on gypsies, travellers and travelling showpeople pitch and plot needs for the period 2020 to 2036.
- 7.5 Tables 8 and 9 sets out the need for Gypsy and Travellers and Travelling Showpeople as identified in the GTAA.

Table 8 Pitches for Gypsy and Travellers

Years	0-5	6-10	11-15	16	Total
	2020-24	2025-29	2030-34	2035-36	
	34	4	5	1	44*

*In addition to the 44 pitches there are 3 pitches that are needed to meet undetermined need. The GTAA recommends the application of the criteria-based policy to determine applications to meet undetermined need.

Table 9 Plots for Travelling Showpeople

Years	0-5	6-10	11-15	16	Total
	2020-24	2025-29	2030-34	2035-36	
	20	2	2	1	25

- 7.6 The GTAA 2021 recommends needs could be met through a combination of additional or shared caravans being provided on existing sites as opposed to additional formal pitches, through intensification of providing additional pitches on site and for future need (post 6 years) a natural turnover of pitches will help to address some need.
- 7.7 Regarding Transit Sites, the GTAA states that due to low historic numbers of unauthorised encampments it is not recommended that there is a need for a formal public transit site in Test Valley.

Supply Options

- 7.8 A Pitch Deliverability Assessment (PDA) has been undertaken to assess the suitability, availability and achievability of existing gypsy, traveller and travelling showpeople sites to identify whether there is capacity within existing sites to meet the need identified in the GTAA 2021.
- 7.9 For Gypsy and Travellers, the PDA concluded that a total of 20 pitches could be met through intensification or expansion. For Travelling Showpeople, the PDA concluded that no need could be met on the existing sites assessed.
- 7.10 Following the outcomes of the PDA, there is a residual need for pitches and plots and consideration has been given to the allocation of new stand-alone sites to meet this need. The starting point for this is the consideration of sites promoted through the SHELAA for Gypsy and Travellers and Travelling

- Showpeople. Six sites have been promoted and the assessment of these sites is set out in Appendix III of the 'interim' SA Report.
- 7.11 Following consideration of the PDA and the appraisal of potential site allocation options, one site (of six) remains for further consideration through the Local Plan. Five sites have been discounted through SA due to site specific constraints. Therefore, at this stage in the plan making process consideration will need to be given to identifying further site options to address the shortfall in supply in relating to need identified in the GTAA. The current need and supply is set out in Table 10.

Table 10: Balance of Needs and Supply

	Gypsy and Traveller Pitches	Travelling showpeople Plots
Boroughwide Need	44	25
Need could be met through intensification/expansion/authorising of pitches	20	0
Need could be met through new sites	4	0
Total Residual Need	20	25
Total unauthorised need on sites not assessed	5	0

- 7.12 Overall, there is potential to contribute towards needs through intensification, expansion, regularisation of sites and the allocation of new sites. There is a residual need for 20 pitches for Gypsy and Travellers and 25 plots for travelling showpeople (subject to regularisation of sites).
- 7.13 At this stage in the plan making process a supply of approximately 24 Gypsy and Traveller pitches and 0 Travelling showpeople plots through intensification, and new allocations. An additional supply of 5 pitches for Gypsy and Travellers could be provided if existing unauthorised pitches were authorised.
- 7.14 Overall, there is currently insufficient supply to meet the need for Gypsy and Travellers and Travelling Showpeople in the first 5 years of the plan and over the plan period to 2040. Therefore, as part of the current consultation stage in the preparation of the Local Plan a call for sites is being undertaken to seek to address the shortfall in supply.
- 7.15 The draft Local Plan Policy HOU8 sets out the proposed approach to meeting the needs of Gypsies, Travellers and Travelling Showpeople including the land supply sources. Further site allocations will need to be identified at the next stage of the plan (Regulation 19) to fully address the residual need for pitches. Policy HOU9 forms part of the policy framework and provides a criteria-based policy for the determination of planning applications for Gypsy, Traveller and Travelling Showpeople pitches and plots.

8 Other Housing Needs

- 8.1 In delivering a sufficient supply of homes, paragraph 63 of the NPPF identifies the requirement for local plans to address the housing needs for specific groups. These groups include those who require affordable housing; families with children; older people including those who require retirement housing, housing with care and care homes); students; people with disabilities; service families; travellers; people who rent their homes and people wishing to commission or build their own homes.
- 8.2 This section examines the housing needs of these specific groups and sets out the draft local plan policy response to addressing these needs. Section 8 (above) deals with the accommodation needs of Gypsy and travellers and Travelling Showpeople.

Affordable Housing

- 8.3 A key consideration for the local plan is the delivery of affordable housing to meet local needs for those households within the local community unable to access market housing. The NPPF requires local plans to set out the level and types of affordable housing needed. The NPPF provides the definition of affordable housing and the different affordable tenures for both affordable rented housing and affordable home ownership which constitute it.
- 8.4 The Strategic Housing Market Assessment (SHMA, 2022) identifies need for affordable housing for both affordable rented and affordable home ownership over the plan period. The SHMA has assessed affordable housing need as 437 affordable homes for rent and 215 affordable home ownership homes per year. Taken together (652 dpa) this figure of affordable housing need is in excess of the housing requirement (550 dpa).
- 8.5 Local Plan Policy HOU1 proposes that affordable housing will be sought as a proportional percentage based on site size and the percentages applied are consistent with the outputs of the viability evidence. Whilst these thresholds do not provide for meeting the affordable housing need in full, affordable need is part of the overall total housing needs as calculated using the Government's standard method and this approach is also supported by the SHMA. The Council will seek to provide for the maximum affordable housing it can achieve utilising the planning and housing policy mechanisms available, and subject to viability and availability of funding.
- 8.6 The provision of affordable housing will also include both affordable rented and affordable home ownership. The NPPF is clear that First Homes also need to be provided as part of affordable housing provision. The Council will seek to achieve 25% First Homes on qualifying sites and the remaining balance of the affordable homes to be split 80% affordable or social rent, and 20% intermediate housing.

Housing for Older People and Those with Disabilities

- 8.7 The SHMA has considered the housing needs of the older person population and the population with some form of disability. The analysis responds to Planning Practice Guidance on Housing for Older and Disabled People published by Government in June 2019 and includes an assessment of the needs for specialist accommodation for older people and the potential requirements for housing to be built to M4(2) and M4(3) housing technical standards (accessibility and wheelchair standards).
- 8.8 The data shows in general that Test Valley has a slightly 'older' age structure and lower levels of disability compared with the national average. The older person population is projected to increase notably in the future and an ageing population means that the number of people with disabilities is likely to increase substantially.
- 8.9 The identified needs for specialist housing for older persons over the plan period is within the total housing need (as derived from the standard method) and not in addition to it.
- 8.10 In addressing the housing needs of older people the draft Local Plan Policy HOU5 supports the provision of specialist residential accommodation and facilities where appropriate. This may include the provision of extra care accommodation, assisted living or other forms of retirement housing to be let or sold on the open market.
- 8.11 The need identified in the SHMA for specialist housing for older persons also suggests there is a clear need to increase the supply of accessible and adaptable dwellings and wheelchair user dwellings as well as providing specific provision of older persons housing.
- 8.12 Local Plan Policy HOU6 'Residential Space Standards' seeks for all new housing to meet Part M4(2) standard (accessible and adaptable). The policy also requires 10% of the market housing on major residential sites to be provided to meet Part M4(3)A adaptable and 10% of the affordable/social rented housing provided to meet Part M4(3)B accessible homes standard. This policy approach has been appraised through the local plan viability study and is considered to be viable in combination with other policy requirements.

Self-Build and Custom Build Housing

- 8.13 The NPPF requires local plans to address the need for all types of housing, including people wishing to commission or build their own homes. Self-Build and Custom Build housing is defined as dwellings built or completed by (or commissioned by) an individual or association of individuals to be occupied as homes by those individuals.
- 8.14 The Self Build and Custom Housebuilding Act 2015 and Housing and Planning Act 2016 require Council's to permit development of sufficient serviced plots to meet demand. To help establish demand for Self-Build and Custom Build plots within Test Valley, the Council is required to keep a register of individuals and groups who are seeking to bring forward a self-build project for their sole or main residence. The total number of entries on the

- Councils Self-Build register, identified from the Council's monitoring data as of end of March 2023, is 259.
- 8.15 Based on the demand on the Self Build register and evidence in the Strategic Housing Market Assessment (SHMA) 2022, there is a need for Self-Build and Custom-Build serviced plots in the Borough. Based on the level of need Policy HOU7 of the local plan proposes that strategic scale sites of 100 or more dwellings provide Self-Build and Custom Build serviced plots.

Student Accommodation

8.16 Through consideration in the SHMA (2022), no need has been identified for the provision of new student accommodation in the Borough. There is unlikely to be any demand from students in the Borough as there are no higher education establishments. The nearest universities are in Southampton and Winchester. While these universities have ambition for growth, very few students at these universities reside in Test Valley.

Housing for Service Personnel

8.17 There is a strong military presence in the area which has grown in recent years. However, there has not been an increase in the housing register as a result. It is considered that this is due to the MOD delivering a large amount of military housing in nearby parts of Wiltshire. The MOD have not identified any accommodation need for their personnel within Test Valley.

9 Summary

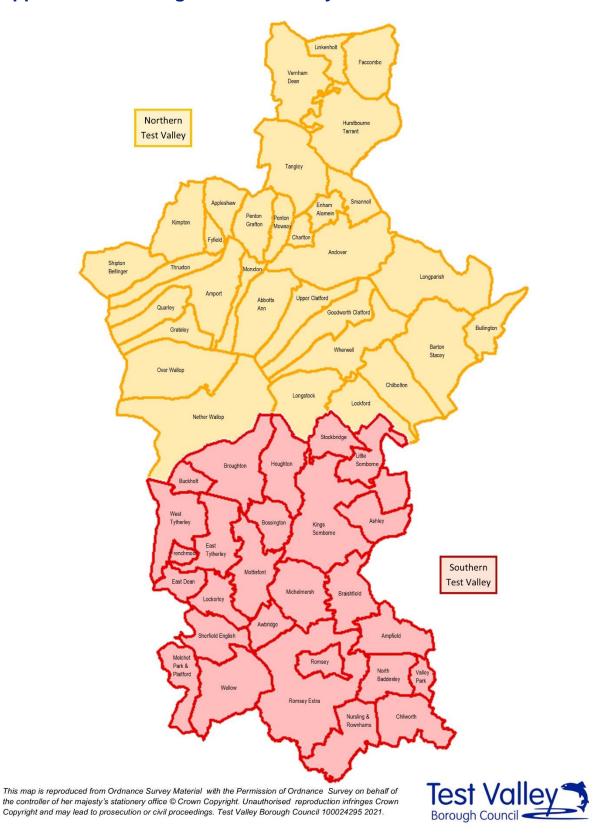
9.1 The proposed local plan policy approach to addressing local housing needs is consistent with national guidance as set out in the NPPF and PPG. The proposed housing policies have been informed by robust evidence base and Sustainability Appraisal. Policies have also been established in relation to responses received to previous local plan consultation stages. This topic paper will be updated and published alongside the proposed submission (Regulation 19) Local Plan.

Appendix 1: Local Housing Needs Assessment 2023

	Test Valley		
Setting the Baseline:			
Household Growth (per annum) over next 10 years, 2023-2033	384		
Affordability Adjustment:			
Median workplace-based affordability ratio, 2022	10.91		
Adjustment Factor	143.1875%		
Step 2 Housing Need Figure	550		
Cap:			
Date of plan adoption	January 2016		
Plan more than 5 years old	Yes		
Housing requirement in last adopted plan	588		
Cap at 40% above last Adopted Plan	823		
Minimum Local Housing Need (per annum)	550		

Source: Derived from ONS and DLUHC data sources

Appendix 2: Housing Market Areas by Parish



Appendix 3 Neighbourhood Plan Housing Methodology

- a. The draft Local Plan 2040 will need to identify housing requirements for designated neighbourhood plan areas. This is a national requirement as set out in the NPPF (para 66) and it is a strategic matter for the draft Local Plan to address. Our approach to establishing housing figures for NDP areas will support and align with emerging and active Neighbourhood plans, enabling communities to shape the future of their local area.
- In order to ensure consistency of approach across the plan area a
 methodology for identifying NDP housing figures has been drafted. The draft
 methodology for establishing Neighbourhood Plan housing figures is set out in
 Table 1 below.

Table 1: Neighbourhood Plan Housing Requirement Methodology

Part 1	
Local Plan Context	
Local Plan Strategy	Assessment of how the Neighbourhood Plan area relates to the overall Local Plan strategy.
Position in Settlement Hierarchy	A proportionate scale of housing commensurate with the position of the settlement in the hierarchy. Housing requirement may be zero for some settlements in the open countryside
Population of Neighbourhood Area	Population of Neighbourhood Area (latest ONS figures) will help to inform (not dictate) scale of housing provision.
Local Need and Aspirat	
Local Housing Needs	Local housing needs identified through a local housing needs assessment (undertaken by a qualifying body) identifying quantum of local housing need and needs of specific groups.
Other Issues and Local Information	Review of any relevant local aspirations, local issues or other factors that influence housing provision.
Constraints	
Review of Neighbourhood Area Constraints	Review of constraints affecting the Neighbourhood Plan Area and impact on the scale of housing provision. Constraints include consideration of ecology, flood risk, landscape, heritage, other designations and assets / infrastructure.
Infrastructure Capacity	Assessment of local infrastructure capacity and if this presents a constraint or absolute constraint on the scale of housing that can be delivered in the Neighbourhood Area e.g. water infrastructure capacity.
Completions	
Housing Commitments and Completions within the Parish (2020- 2022)	Take account of scale of housing commitments and completions in the Neighbourhood Area since the start of the plan period.
Conclusions	
Draft Housing Requirement Range	Based on overall assessment a housing range is identified as a requirement.

- c. The draft methodology for establishing NDP housing numbers is consistent with the guidance set out in the NPPF. The methodology considers the impact of the overall Local Plan spatial strategy, settlement role and function, scale / population, provision of local facilities and local constraints (including local character, environmental, infrastructure capacity). In applying this methodology, planning judgement is applied to weigh up these factors as a simple formula approach is not appropriate. This approach has the benefit of ensuring an appropriate scale of development taking into account constraints, settlement pattern, character and the overall strategy aim of sustaining rural settlements.
- d. The draft methodology has been applied to designated active neighbourhood plan areas to establish proposed housing requirement. We have assessed all parishes where there is a designated neighbourhood plan area who are actively progressing a neighbourhood plan. This includes those plans where they have already chosen to allocate housing and a consistency between the two. The identification of NDP housing figures in the Local Plan will take account of the work undertaken by NDP groups and does not seek to override it. The data that has been used to undertake the assessments and in relation to local facilities is the latest available and may be subject to change. Therefore, this will be kept under review to inform the next stage in the preparation of the draft Local Plan.
- e. The summary assessments undertaken for the Neighbourhood Plan areas to establish housing figures are set out in Appendix 4.

Appendix 4: Summary of Rural Housing Requirement Assessment for Designated and Active Neighbourhood Plan Areas*

Neighbourhood Plan Area	Population (2021)	NDP Status	Housing Market Area	Summary of Facilities	Summary of Settlement Character, Pattern and Constraints	Total Completions and Commitments (2020/21 to 2021/22)	Proposed Housing Requirement
Kings Somborne	1639	Plan Made on 9 th November 2023.	Southern	Range of facilities – primary school, shop, post office, village hall, public house, pre-school, church, and a daily bus service to Winchester and Stockbridge.	Kings Somborne is an historic rural village that follows a linear pattern with development along the A3057 Romsey Road and Furzedown Road. The main village is within the Conservation Area. There are also landscape sensitivity issues to consider for potential sites adjacent to the settlement edge. There are sensitive habitats in the surrounding area of the village including the River Test SSSI, SINC and Ancient Woodland. However, land adjoining the eastern settlement boundary are relatively unconstrained in ecological terms. There is a river tributary (Somborne Stream) which runs immediately to the west of the village and through the village centre along the A3057, Old Vicarage Lane and the Winchester Road.	6 Commitments (18 dwellings permitted in Oct 2022 on allotment site, also allocation in NDP) 3 Completions	Minimum of 40 dwellings The NDP proposes sites totalling 42 dwellings which this assessment supports. Neighbourhood Plan Allocations: NDP Site Allocation ALL1 'Land at Spencers Farm' (14 dwellings) NDP Site Allocation ALL2 'Land East of Eldon Road' (10 dwellings) NDP Site Allocation ALL3 'Allotments Site' (18 dwellings)
Amport (includes Weyhill West, Amport and East Cholderton)	1237	NDP Progressing	Northern	Weyhill West and East Cholderton have a limited range of facilities including a garden centre shop, post office and daily bus service to Andover. Amport and Monxton have a primary school, village hall and frequent bus service to Andover.	West Weyhill is relatively unconstrained in ecological terms. One of the main constraints in Weyhill West is road noise from the A303. To the south of the parish an ecological constraint directly affecting the settlements of Amport and East Cholderton is Priority Habitat. The settlements of Amport and East Cholderton have conservation areas and several of listed buildings. The Registered Park and Garden immediately south of Amport will be sensitive to the impact of new development. Amport and East Cholderton are affected by floodrisk from the Pillhill Brook and precludes development within the Brook corridor (land within flood zones 2 and 3), however this does not preclude development in parts of these settlements outside the floodzone. These settlements are both highly susceptible to groundwater flooding at the surface.	7 Completions (mainly in West Weyhill) 5 Commitments	Minimum of 10 dwellings
Awbridge	791	NDP Progressing	Southern	Facilities include - primary school, village hall, recreation ground and limited local employment.	A local housing needs survey has been prepared on behalf of the parish by action Hampshire in 2021. The village of Awbridge is has a SINC and Ancient Woodland adjacent to the settlement boundary, Upper and Lower Ratley are less constrained in this respect. Much of the adjoining land to the 3 settlements is identified as priority habitat. The Awbridge Danes Registered Park and Garden located to the south west of Upper and Lower Ratley will be sensitive. Landscape sensitivity is a consideration but small scale development is unlikely to have a visual	9 Completions 12 Commitments	Minimum of 10 dwellings

Neighbourhood Plan Area	Population (2021)	NDP Status	Housing Market Area	Summary of Facilities	Summary of Settlement Character, Pattern and Constraints	Total Completions and Commitments (2020/21 to 2021/22)	Proposed Housing Requirement
East Tytherley	188	NDP Progressing	Southern	Considered within the countryside with limited local facilities.	impact on the New Forest National Park to the south east. The village of Awbridge and adjoining land to Upper and Lower Ratley is within a minerals consultation zone whereby development proposals would require prior consultation with HCC. The parish is very rural. There is landscape sensitivity in this location and some ecological constraints in the parish, particularly to the south.	2 Completions 0 Commitments	0 dwellings
Grateley	666	NDP Progressing	Northern	Range of facilities - primary school, village hall, public open space, smaller scale employment and a public house (currently closed). The Parish has a mainline railway station, which provides good (connectivity to Andover, Salisbury. The village also benefits from a high frequency bus connection to Andover.	Most of the Parish of Grateley is rural and agricultural. The historic core of Grateley village lies to the east of the parish, including the church and village school. The village is more sensitive to development, due to the potential impact on designated and undesignated heritage assets within and around Grateley Conservation Area. There is separate cluster of development around the railway station to the west, at Grateley Station. The development here extends along the B3084 to the north of the station. To the south of the station, and just outside the parish boundary, is the rural settlement of Palestine. Relatively unconstrained in terms of flood risk and water quality. The western half of the parish is within the Salisbury Plan SAC/SPA recreation Zone and the SAC/SPA adjoins the south west tip of the area. The main railway line to London crosses the parish and noise is likely to be a constraint.	1 Completion 0 Commitment	Minimum of 10 dwellings
Longstock (extends to the western edge of Stockbridge)	485	NDP Progressing	Northern	Limited facilities at Longstock but benefits from facilities at Stockbridge. The village of Longstock has a pub, village hall, recreation ground, church and a daily bus service to Andover and Winchester.	The River Test SSSI, Priority Habitats and floodrisk to the east of Longstock village are a constraint but possibly not to the western edge (subject to mitigating groundwater flooding). The Conservation Areas of Longstock Village and Stockbridge will need to be taken into consideration.	2 Completions 0 Commitments	Minimum of 10 dwellings
Michelmersh and Timsbury	919	NDP Progressing	Southern	Considered within the countryside with limited local facilities including a recreation ground, pub, village hall, low frequency bus service.	To the west of Timsbury to is the River Test SSSI. There are some parcels of ancient woodland, SINC and Priority Habitat near the settlement boundaries that would need to be taken into consideration. The Michelmersh and Mottisfont Conservation Area and listed buildings within the settlements will also be sensitive.	3 Completions 16 Commitments (A number of small schemes).	0 dwellings

Neighbourhood Plan Area	Population (2021)	NDP Status	Housing Market Area	Summary of Facilities	Summary of Settlement Character, Pattern and Constraints	Total Completions and Commitments (2020/21 to 2021/22)	Proposed Housing Requirement
					The Hampshire and Minerals and Waste Plan allocations in the area will need to be considered and liaison with Hampshire County Council as minerals planning authority undertaken.		
					Land to the west of Timsbury is located within the River Test river corridor and within flood zones 2 and 3. There are large former landfill sites located to the immediate south of Timsbury and south East of Michelmersh which will be a consideration in terms of land contamination and restoration requirements.		
Nether Wallop (Including parts of Middle Wallop)	906	NDP being progressed	Northern	Nether Wallop is considered in relation to facilities in adjoining village of Middle Wallop. Range of facilities including primary school, convenience store, post office, pubs, recreation grounds / open space, village halls, churches, allotments and a daily bus service to Andover and Salisbury.	Land within and adjoining Nether Wallop is not significantly constrained by ecology with the exception of some areas of Priority Habitat. There are conservation areas designated across Nether Wallop will need to be taken into consideration. Flood risk and groundwater flooding susceptibility is a constraint in some areas along the corridor of the Wallop Brook through the village. The ability to mitigate groundwater flooding elsewhere will need to be explored further. The impact of noise from the A343 may be a constraint.	5 Completions 5 Commitments	Minimum of 10 dwellings
Over Wallop (including Palestine)	2457	Examiners report received. Consultation on 2 modifications not accepted from Examiners Report from 12 January until 23 February. Decision statement and referendum expected in Spring 24	Northern	Range of facilities - convenience shopping in both Over Wallop and Kentsboro settlements, with a post office in the Over Wallop village shop. The Parish has some public open space and sports provision and some smaller scale employment. There is a primary school and village hall just outside the parish boundary at Middle Wallop to the east. Over Wallop village is closely connected to the neighbouring villages of Middle Wallop and Nether Wallop.	The Parish includes the villages of Over Wallop (to the south), Palestine settlement (to the northern boundary), part of Middle Wallop village to the east and Kentsboro to the north east, adjoining the airfield. The A343 runs through the Parish. The parish includes a substantial amount of MOD land. The Parish is adjacent to the Porton Down SAC and SPA. There is also a priority habitat and a SSSI designation. Parts of Palestine are constrained by the relationship to Salisbury Plain SAC and SPA and sit within the recreational impact zone. Flood risk is significant within areas of Over Wallop village, associated with river flooding, the flood plain and ground water, particularly in the vicinity of Wallop Brook. There are a number of Heritage assets in the Parish including listed buildings in Anatomic Vallop	9 Completions 21 Commitments	O dwellings Given the advanced stage of the Neighbourhood Plan, it was not appropriate for the Local Plan to provide a housing figure for the plan. The requirement will be reassessed when the Plan is updated.
Sherfield English	703	NDP being progressed	Southern	Considered within the countryside with limited local facilities.	village and a Conservation Area. There are ecology constraints within the settlements of Sherfield English and Newtown. The parish is mainly rural with landscape sensitivity to consider. Land immediately to the east of Newtown is affected by surface water flooding.	0 Completions 8 Commitments	0 dwellings

Neighbourhood Plan Area	Population (2021)	NDP Status	Housing Market Area	Summary of Facilities	Summary of Settlement Character, Pattern and Constraints	Total Completions and Commitments (2020/21 to 2021/22)	Proposed Housing Requirement
Wellow	3456	Regulation 16 consultation concluded on 18 December 2023, and was submitted for examination on 18 January 2024. The plan allocates 2 sites for housing.	South	Range of facilities - primary school, local convenience store, sports facilities, village hall and relatively frequent bus service.	Wellow Housing Needs Assessment (February 2021) concludes that there is a requirement for 58 dwellings over the current adopted Local plan period 2011 - 2029. The HNS concludes that currently this equates to a net requirement of 22 dwellings to 2029 (with completions taken into account). This equates to a need of 3.2 dwellings per annum. No assessment has been undertaken in relation to the new Local Plan period to 2040. The settlements of West and East Wellow are located outside the New Forest National Park but new residential development would need to be located outside the 400m buffer zone of the New Forest SPA, SAC, Ramsar and will also need to consider cumulative impacts on this designated habitat. Consideration will also be required in terms of landscape sensitivity and potential impact on the setting of the National Park. There are land parcels of Priority Habitat adjoining the settlements of East and West Wellow. The River Blackwater and its tributaries creates areas of floodrisk to the north of East and West Wellow.	6 Completions 36 Commitments (comprising a number of small schemes)	Minimum of 20 dwelling The NDP proposes sites totalling 20 dwellings which this assessment supports Neighbourhood Plan Housing Allocations: Policy WPH6 Land Adjacent to Rowden Close: 6 – 8 dwellings Land north or the Romsey Road and West of Meadow Close: 10 Affordable and 2 open market dwellings. Total: 20 dwellings

^{*}Designated Areas as of end of September 2023 were considered to inform draft Local Plan 2040 Regulation 18 Stage 2. Any areas designated post this date will be assessed and will inform the Regulation 19 Local Plan (this applies to Braishfield which was approved on 23 October 2023).