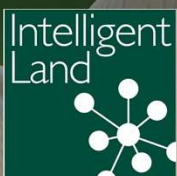


An Assessment of the Housing Land Supply Position in Eastleigh Borough Council

For Mulberry Investments Pension Scheme

November 2023



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Appendix 1: Supply Sites Trajectory Assessment

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1. Introduction

- 1.1 Intelligent Land have been commissioned by The Mulberry Investments Pension Scheme to provide an assessment of the five-year housing land supply position in Eastleigh Borough Council to support the client in the submission of a residential planning application.
- 1.2 The report assesses the Council's most recently published position on housing land supply investigating both the requirement and supply sides. It examines whether the Council has produced a robust assessment and whether the Council can produce a robust housing land supply position.
- 1.3 The Council's current position is that they can demonstrate a 5.15 year supply.



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2. Planning Policy Context

National Planning Policy Framework (NPPF)

- 2.1 The National Planning Policy Framework (NPPF) was introduced in 2012. It included the ambition, which presented a step change in Government policy, of seeking to significantly boost the supply of housing. On 24 July 2018 the Government published a revised NPPF which maintained the Government's drive for delivering more homes and which was updated and reissued on 19 February 2019 following a technical consultation on a small number of changes through autumn 2018. Minor changes have since been made to the NPPF the most recent being July 2021.
- 2.2 In the early part of 2023, the Government consulted on changes to the NPPF which included measures that would change the way housing land supply is addressed and measured. Since the close of the consultation in early March there has been no indication from Government of its response to the consultation or when, if any, changes are to be made. For now, the consultation document remains just that and carries no weight in the decision making process.
- 2.3 Currently the NPPF maintains the requirement for local planning authorities to demonstrate a five-year supply of housing land. Where this cannot be achieved then the tilted balance of paragraph 11d comes into play in decision making. This adds weight to the arguments in favour of approving applications when undertaking the planning balance.
- 2.4 The key test in the NPPF is determining whether a site is 'Deliverable' as set out in the Framework's Glossary. The definition reads:

"To be considered deliverable, sites for housing should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years. In particular:

a) sites which do not involve major development and have planning permission, and all sites with detailed planning permission, should be considered deliverable until permission expires, unless there is clear evidence that homes will not be delivered within five years (for example because they are no longer viable, there is no longer a demand for the type of units or sites have long term phasing plans).

b) where a site has outline planning permission for major development, has been allocated in a development plan, has a grant of permission in principle, or is identified on a brownfield register, it should only be considered deliverable where there is clear evidence that housing completions will begin on site within five years.

- 2.5 The sub section titled ‘Maintaining supply and delivery’ at paragraph 73 states that local planning authorities “should identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five years’ worth of housing against their housing requirements set out in adopted strategic policies³⁶, or against their local housing need where the strategic policies are more than five years old.”
- 2.6 National Planning Practice Guidance (PPG) provides more detail of what is expected in determining a five-year supply of housing and categorises types of housing supply and the evidence required.
- 2.7 In February each year the Government publishes the Housing Delivery Test (HDT) results for local authorities in England which determine the appropriate buffer to apply to the baseline housing figure i.e. either 5% or 20% brought forward from later in the plan period. The last publication was February 2022 for the year 2021.

Eastleigh Local Plan

- 2.8 The Eastleigh Local Plan was adopted on 25 April 2022 and covers the 20-year period 2016-2036. Policy S2 Approach to new development provides the housing requirement over the plan period. It sets a minimum requirement of 14,580 new dwellings. The pattern of delivery is split between completions on 31 March 2019, those with planning permission or a resolution to grant at 1 April 2019, a figure of 1,475 windfall allowance and 732 dwellings on new sites allocated in the plan.
- 2.9 It is noted that the delivery figures fall short of the housing requirement by 2,614 dwellings. This is mainly due to the deletion of one of the Council’s proposed strategic allocations. The Inspector’s Report (March 2022) concluded that the shortfall would occur towards the end of the plan period and was not inconsistent with the NPPF. The Inspector did though, with the Council’s agreement, conclude that an early review should commence within one year of adoption.

3. Eastleigh Housing Land Supply Position

- 3.1 The latest five-year housing land supply report for Eastleigh Borough Council was published in July 2022 and covers the five-year period 1 July 2022 to 30 June 2027.
- 3.2 The housing requirement is taken from the Local Plan which was adopted in April 2022. This provides for an average annual requirement of 729 dwellings. A buffer of 5% is allowed for determined by Housing Delivery (HDT) test results.
- 3.3 The Council forecast a supply of 3,943 dwellings to be delivered in the five-year period.
- 3.4 Overall, the Council forecast a five-year housing land supply of 5.1 years.



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4. Housing Requirement

- 4.1 The baseline requirement for Eastleigh is derived from the Local Plan housing requirement. This is 14,580 over the 20-year period 2016-2036. This averages out annually at 729 dwellings. Five years at 729 per year totals 3,645 dwellings to give the baseline five-year requirement.
- 4.2 The Council has oversupplied against its average annual requirement since the base date of the Local Plan and therefore there is no shortfall to be added to the baseline figure.
- 4.3 The Council has met the target established through the Housing Delivery Test. At the last publication date of February 2022, the Council had a delivery rate of 178%. Therefore, it is the 5% buffer that is added to the baseline requirement. This produces an additional 182 dwellings giving a five-year housing land supply requirement of 3,827 or 766 dwellings per annum.



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5. Housing Supply

- 5.1 At the 31 July 2022 the Council forecast a supply of 3,943. dwellings. The supply results in a surplus of 116 dwellings or 103% of the requirement. The Council's supply is made up of the following categories:
- Net outstanding permissions for small sites (1-9 units) discounted by 4% for lapses - 165 dwellings
 - Net outstanding planning permissions for large sites (10 or more units) - 2,565 dwellings
 - Sites with a resolution to grant planning permission - 863 dwellings
 - Housing for Older People (C2) applying NPPG ratio - 105 dwellings
 - Sites in the Adopted Local Plan - 35 dwellings
 - Sites in Eastleigh Borough Council's Housing Programme (Pre-Planning) – 48 dwellings
 - Windfall allowance for years 3, 4 and 5 - 162 dwellings
- 5.2 The NPPF categorises sites into Part A sites, those that are deemed deliverable by virtue of a detailed consent or permissions of less than 10 units. For these to be challenged clear evidence needs to be provided that these sites will not deliver within the five-year period. All other categories of sites included with the supply are Part B sites and it is for the local planning authority to demonstrate the clear evidence that these are deliverable as per the NPPF definition.
- 5.3 Clear evidence requires more than just being informed by landowners, agents or developers that sites will come forward, rather, that a realistic assessment of the factors concerning site delivery have been considered. This means that not only are the planning matters that need to be completed considered but also the technical, legal and commercial/financial aspects of delivery assessed. Appeal decisions have also confirmed that evidence produced post publication of a LPA's housing land supply report can be taken into account as this provides an up to date position of a site's progress in demonstrating whether it is deliverable.
- 5.4 **Small Sites.** The approach and methodology to the inclusion of small sites is not challenged. The application of a discount rate shows a robust assessment based on evidence. However, given that the publication date is a year old there is a net total of 21 dwellings whose expiry date has passed. However, it has not been possible to identity whether any have commenced. Therefore, potentially a maximum of 21

dwellings could be removed from the supply but these have not been discounted in this exercise.

- 5.5 **Large Site Commitments.** This category includes sites that fall within both parts A and B of the NPPF definition of deliverable and covers sites of 10 or more dwellings. There are 22 large sites included within the supply, of which 13 were under construction at the 30 June 2022.
- 5.6 The most notable factor influencing the number of dwellings being delivered is developer sales rates. During the Covid Pandemic 2020-22 there was a significant increase in delivery fuelled by housing demand and the availability of mortgage products available to first time buyers. Over the last 12 months and since the publication of the Council's housing land supply report there have been significant political and economic factors that have seriously eroded delivery rates e.g. higher fuel prices, the cost of living crisis, higher interest rates and the end of mortgage support products. Developers have cut their output, scaling back delivery to reflect market conditions. Whereas outlets were delivering 50-55 units per year this is now closer to 32 per year.
- 5.7 The knock on effect for housing land supply reports such as Eastleigh's, August 2022, is that the forecast delivery rates are out of date and do not reflect the new reality. Therefore, forecasts over-estimate supply for forthcoming years. This has been corroborated in a recent research report published by Savills for Richborough Estates and LPDF titled 'A New Normal for Housebuilding?' Looking specifically at Eastleigh's large site commitments, the following sites are challenged:
- Land northwest of Boorley Green, Winchester Road, Botley. This site is under construction with 125 recorded as commenced by the Council in July 2022. There are 680 dwellings with reserved matters approval. There are two developers, Miller Homes and Bellway and 35% of the dwellings will be affordable. Selling commenced in first quarter of 2023. The Council's forecast has 475 dwellings being delivered in the five-year period. At 100 dwellings per annum. National housebuilders are currently delivering 31 private dwellings per year, where there are two developers operating out of the same site then this figure falls to 25dpa. The inclusion of 35% affordable housing lifts the overall figure to 79dpa for two outlets. Adjusting the completion rates removes 80 dwellings from the supply.
 - Land to the north and east of Winchester Street, Botley. This site is owned by Hampshire County Council and is yet to be marketed for sale. The Council are currently selling another site within the supply, Land west of Woodhouse Lane, which itself still has some way to go before



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delivery commences. The site should be removed from the supply as evidence does not support delivery within the five-year period. Remove 63 dwellings.

- CWM, Corner of Mortimers Lane, Fair Oak. This site has been included within Eastleigh' supply for a number of years yet the site continues as an operational aggregate business. Albeit a Part A site with full planning permission, a discharge of condition application for several conditions was submitted in 2019 and remains undetermined. There is no indication that this site is coming forward within the five-year period and is therefore discounted removing 27 dwellings from the supply.
- Land west of Woodhouse Lane. A Part B site with outline permission. The site is owned by Hampshire County Council. Sale of Phase 1 to Taylor Wimpey has fallen through following a significant reduction in the offer price. The Council's expectation of a reserved matters application in October 2022 has passed. Reassessing the timeline for finding a new buyer, agreeing a price, developer preparation of a reserved matters application, design and tender for infrastructure and lead in times, at best, has first completions in 2026-27. A single developer operating a single outlet and delivering 35% affordable housing will complete 48 dwellings per year. Applying this rate and revised timeline removes 285 dwellings from the Council's supply.
- Land west and north of Waylands Place and Peevit Hill Close. The site received full planning permission in October 2017 and Foreman Homes is the prospective developer. Despite conditions having been discharged and works commenced, Foreman Homes are unable to say when the site will be built out. Foreman Homes still need to buy the site and cannot commit to development. Despite it being a Part A site, the evidence indicates that the site has stalled and that there is no current prospect of delivery. The site should be discounted from the supply removing 49 units.

5.8 Overall, from this category of large sites it is considered that 504 dwellings should be removed from the Council's supply.

5.9 **Sites with a resolution to grant planning.** Within this category one site is challenged, that is, Land West of Horton Heath. The site is owned by Eastleigh Borough Council. A large mixed use scheme with initial outline approval and a subsequent outline application undetermined, the first 381 units are subject to a full planning application where the s106 was completed in December 2022. However, due to viability issues the Council sought to vary the s106 at Committee in June 2023, removing the need to provide affordable housing. The Council's

housing land supply report anticipated delivery commencing in early 2023 with first completions in 2024. With the housing yet to start, a revised timeline has been put together that also reflects one developer delivering dwellings at 32 per annum, reflecting current rates of delivery. The adjustment removes 555 dwellings from the supply.

- 5.10 **Windfall Allowance.** The only other category that is challenged is the windfall category. Not the methodology which was accepted by the Local Plan Inspector but the inclusion of three years' worth of windfall dwellings. It is more commonly accepted that windfall allowance is only counted for years 4 and 5 to avoid double counting with planning permissions whose life is for three years. The Council has allowed a total of 162 dwellings within its supply, removing a third of these leaves 110 within the supply.

Table 1: Comparative Assessment of Supply Categories

Supply Category	Council's Position	Intelligent Land's Position	Difference
Small sites (1-9 units) with planning permission	165	165	0
Large sites commitments Part A and B sites	2,565	2,061	-504
Sites subject to a s106	863	308	-555
Specialist housing for older people (C2)	105	105	0
Local Plan allocations	35	35	0
Sites in Eastleigh Council's Housing programme	48	48	0
Windfall	162	110	52
Total	3,943	2,832	-1,111

- 5.11 Overall, it considered that 1,111 dwellings do not meet the NPPF requirement for inclusion within the five-year housing land supply which will have a significant effect on the five-year supply.



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6. Five-Year Housing Land Supply Calculation

- 6.1 The current and policy compliant approach to calculating the requirement is that within the NPPF and PPG. The Council has a recently adopted and up to date local plan and therefore the requirement is taken from that document. The average annual requirement is 729 multiplied by five giving a baseline requirement of 3,645. A buffer equivalent to 5% of the baseline is applied for meeting the requirements of the Housing Delivery Test. This adds 182 dwellings producing a five-year requirement of 3,827.
- 6.2 The Council forecast a supply of 3,943 dwellings which calculated against the requirement produces a housing land supply of **5.15 years**. Intelligent Land's assessment identifies the scope to discount the supply by 1,111 dwellings, reducing the supply to 2,832 dwellings. This produces a five-year supply of **3.7 years**, a shortfall of **995** dwellings.

Table 2: Comparison Housing Land Supply Positions

EASTLEIGH BOROUGH COUNCIL SUMMARY OF 5 YEAR HOUSING LAND SUPPLY FORECAST JULY 2023			
EASTLEIGH LOCAL PLAN 2016-2036 ADOPTED APRIL 2022		2022-2027	
		Local Housing need Requirement 729dpa	
		EDDC	IL
5% BUFFER	5yr HLS Requirement inc. appropriate shortfall/surplus	3,645	3,645
	Buffer Percentage	5%	5%
	Buffer	182	182
	Requirement including Buffer	3,827	3,827
	Assessment of Supply	3,943	2,832
	Surplus (Shortfall)	116	-995
	Surplus (Shortfall) Percentage of Requirement	3.02%	-26.00%
	Years Supply out of five	5.15	3.70
	Supply as a %age of Requirement	103%	74%
EBC Position			
IL Position			

7. Conclusion

- 7.1 The Council on its own assessment of the five-year housing land supply position can only demonstrate a precarious 5.15 years with a surplus of 116 dwellings.
- 7.2 It is Intelligent Land's contention that there are sites within the Council's forecast supply which have not been demonstrated to comply with the NPPF requirements for inclusion. Fundamentally, this is a result of the changed economic situation together with circumstances having changed on several sites within the Council's supply since their report was published in August 2022.
- 7.3 Allowing for these changes reduces the Council's housing land supply to 3.7 years with a shortfall of 995 dwellings, or 74% of the five-year requirement.



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APPENDIX 1



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APPENDIX 1: Supply Sites Trajectory Assessment

EBC 2022-27																							
Source	IL Ref. No.	SITE ADDRESS	Settlement	Planning Status	Proposed Dwellings (Net)	Net Outstanding Jul-22	Eastleigh								Intelligent land								
							Apr-22	Jul-22	2023	2024	2025	2026	Apr-27	2022	Apr-22	Jul-22	2023	2024	2025	2026	Apr-27	2022	Diff 22-27
							to	to	to	to	to	to	to	to	to	to	to	to	to	to	to		
							Jun-22	Mar-23	2024	2025	2026	2027	Jun-27	2027	Jun-22	Mar-23	2024	2025	2026	2027	Jun-27	2027	
Appendix B. Large Site Comitments	1	58-64 Stoke Common Road	Bishopsgate	Full	7	6	0	6	0	0	0	0	0	6	0	6	0	0	0	0	6	0	
	2	Land North and East of Boorley Green , Winchester Road	Botley	RM	1330	375	51	149	150	75	0	0	0	374	51	149	150	75	0	0	0	374	0
	3	Land North and East of Boorley Green , Winchester Road	Botley	Full	66	66	0	0	15	35	16	0	0	66	0	0	15	35	16	0	0	66	0
	4	Land at Crows Nest Lane	Botley	Full	50	44	0	35	9	0	0	0	0	44	0	35	9	0	0	0	0	44	0
	5	Land north west of Boorley Green, Winchester Road, Botley	Botley	RM	680	680	0	50	100	100	100	100	25	475	0	59	79	79	79	79	20	395	-80
	6	Land south of Maddoxford Lane, Boorley Green	Boorley Green	RM	72	72	0	0	0	20	35	17	0	72	0	0	0	20	35	17	0	72	0
	7	Land to the North and East of Winchester Street, Botley	Botley	Out	375	375	0	0	0	0	0	30	33	63	0	0	0	0	0	0	0	0	-63
	8	Land at Providence Hill, Bursledon	Bursledon	RM	62	1	11	1	0	0	0	0	0	1	11	1	0	0	0	0	0	1	0
	9	Land at Providence Hill, (rear of Oakeley Vale) Bursledon	Bursledon	RM	92	92	0	0	0	20	40	32	0	92	0	0	0	20	40	32	0	92	0
	10	Bursledon Hall, Blundell Lane, Bursledon	Bursledon	Prior Approval	16	16	0	0	0	16	0	0	0	16	0	0	0	16	0	0	0	16	0
	11	Bampton House, Bampton Court, Hursley Road, Chandlers Ford	Chandlers Ford	Prior Approval	13	13	0	0	13	0	0	0	0	13	0	0	13	0	0	0	0	13	0
	12	North Stoneham Park, Chestnut Avenue, Eastleigh	Eastleigh	RM	1074	429	8	110	84	100	100	35	0	429	8	110	79	79	79	79	3	429	0
	13	10-20 Romsey Road, Eastleigh	Eastleigh	Full	49	49	0	49	0	0	0	0	0	49	0	49	0	0	0	0	0	49	0
	14	CWM, Corner of Mortimers Lane and Knowle Lane, Fair Oak	Fair Oak	Full	27	27	0	0	0	0	27	0	0	27	0	0	0	0	0	0	0	0	-27
	15	Pembers Hill Farm, Mortimers Lane, Fair Oak	Fair Oak	RM	242	99	23	35	50	14	0	0	0	99	23	35	50	14	0	0	0	99	0
	16	Land west of Woodhouse Lane	Botley	Out	605	605	0	0	15	60	105	115	50	345	0	0	0	0	0	48	12	60	-285
	17	Land west and north of Waylands Place and Peewit Hill Close	Hedge End	Full	106	106	0	0	0	0	10	30	9	49	0	0	0	0	0	0	0	0	-49
	18	Serenity, Heath House Lane, Hedge End	Hedge End	Full	122	122	0	10	40	40	32	0	0	122	0	10	40	40	32	0	0	122	0
	19	Land North of Grange Road, Netley Abbey	Netley Abbey	RM	89	89	0	0	27	62	0	0	0	89	0	0	27	62	0	0	0	89	0
	20	Abbey Fruit Farm, Grange Road, Netley Abbey	Netley Abbey	RM	93	55	12	35	20	0	0	0	0	55	12	35	20	0	0	0	0	55	0
	21	Land off Botley Road, West End	West End	RM	100	50	12	35	15	0	0	0	0	50	12	35	15	0	0	0	0	50	0
	22	Land at Botley Road, West End (Phase 2)	West End	Full	29	29	0	0	0	10	19	0	0	29	0	0	0	10	19	0	0	29	0
SECTION TOTAL							117	515	538	552	484	359	117	2,565	117	524	497	450	300	255	35	2,061	-504
Appendix C Subject to Resolution to Grant Planning Permission	23	Land West of Allbrook Way, Knowle Hill	Bursledon	RTG	52			0	0	0	20	32	0	52		0	0	0	20	32	0	52	0
	24	Land West of Horton Heath	Horton Heath	Out 2500 RTG Full 381	2500			0	0	108	170	270	95	643		0	0	16	32	32	8	88	-555
	25	Treetops, Allington Lane, Fair Oak	Fair Oak	RTG Full	35			0	15	20	0	0	0	35		0	15	20	0	0	0	35	0
	26	land at Toynbee Road	Eastleigh	RTG Full	105			0	0	15	35	35	20	105		0	0	15	35	35	20	105	0
	27	Former Eastleigh Post Office, 14 High Street, Eastleigh	Eastleigh	RTG Full	28			0	0	28	0	0	0	28		0	0	28	0	0	0	28	0
SECTION TOTAL							0	0	15	171	225	337	115	863	0	0	15	79	87	99	28	308	-555