

<b>Title of meeting:</b>	<b>Planning Policy and City Development Portfolio Decision Meeting</b>
<b>Date of meeting:</b>	21 February 2023
<b>Subject:</b>	Housing numbers and the Portsmouth Local Plan
<b>Report by:</b>	Ian Maguire, Assistant Director of Planning & Economic Development
<b>Author:</b>	Lucy Howard, Head of Planning Policy
<b>Wards affected:</b>	All
<b>Key decision:</b>	No
<b>Full Council decision:</b>	No

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## **1. Purpose of report**

- 1.1 The purpose of this report is to explain the role of housing numbers in plan making for Portsmouth and how it has changed over the years.

## **2. Recommendations**

- 2.1 To note the importance of housing numbers in the emerging Portsmouth Local Plan and its implications for having it found sound and legally compliant at examination.

## **3. Background**

- 3.1 This report traces the history of housing numbers in the preparation of development plans that cover the City.

## **4. Reasons for recommendations**

- 4.1 We all need a decent home to live in. However, the provision of new homes is one of the most contentious issues in plan making with people concerned about the loss of open space and overcrowding. There have always been people who are concerned about new buildings. There is an intergenerational perspective to the housing issue with many of the objectors to housing development living in homes that they purchased many years ago at a price well below current market value. In contrast younger people struggle to find affordable homes to rent or to get on the housing ladder and own their own homes. Therefore there can be a

tension between younger and older generations over house building. The average age for a first-time homebuyer in the UK outside London is now 32.

- 4.2 In the past, the housing targets for local plan areas such as the City of Portsmouth were set in higher level strategic plans and the role of the local plan was to allocate sufficient land to meet that target. This made Local Plans much simpler to prepare and examinations were much shorter as the housing target was not up for debate. The Hampshire Structure Plan Review (1996-2011) set a housing figure for the whole county of Hampshire including the two cities of 80,290 new homes, which included a figure of 9,000 new homes for Portsmouth. Annualised this is 600 new homes each year. The Structure Plan for Hampshire was replaced by the South East Plan, which was the Regional Spatial Strategy for the South East of England. This set a regional housing provision figure for the period 2006 to 2026 for South Hampshire of 80,000, which included a figure of 14,700 new homes in Portsmouth. Annualised this is 735 new homes each year.
- 4.3 With the abolition of higher-level strategic plans, the housing target for the number of new homes to be built in an area is set in a local plan. This is inevitably contentious and time consuming both in the preparation and examination of local plans. The Portsmouth Plan was adopted in 2012 after the abolition of both the Hampshire Structure Plan and the South East Plan. It states that there is a supply of 12,254 new homes in the City subject to infrastructure provision. Annualised this is 584 new homes each year.
- 4.4 The Coalition Government introduced the National Planning Policy Framework (NPPF) in 2012, which required local planning authorities to meet objectively assessed need as well as any needs that cannot be met within neighbouring areas. The current NPPF caveats the requirement to meet need, by stating that need does not need to be met if certain policy constraints exist including protected nature conservation designations, designated heritage assets and areas at risk of flooding.
- 4.6 There were a number of issues arising with how objectively assessed need was calculated and so in 2018 the Government introduced the Standard Methodology for calculating housing need. This has been contentious not least because it uses the rather dated 2014 based household projections as a baseline. The housing need for Portsmouth based on the Standard Methodology is 855 new homes per year.
- 4.6 The Government has a national target of building 300,000 new homes in England this year. This is a hugely challenging target that has never been met. The highest rate of completions was 243,000 new homes prior to the Pandemic in 20219-20. In order to increase the rate of house building the Government introduced the Housing Delivery Test in 2018. This measures whether a Council's housing requirement has been met on average over the last three years. Housing delivery in the City in the last few years has been less than the number set in the Portsmouth Plan and our standard Methodology number. A total of 270, 300 and 291 new homes were built in the last three years. We have

therefore had to publish a Housing Delivery Test Action Plan to explain the reasons for under delivery and set out ways in which we will address it.

- 4.7 The City Council is working hard to put an up-to-date Local Plan in place in order to strengthen our position on refusing unsuitable applications for housing development. In the meantime, our position is weaker meaning that we need to prepare a Housing Delivery Test Action Plan every year.
- 4.8 The Government recently clarified its emerging position on housing with a consultation on a revised NPPF. This clarifies that the housing need number generated by the Standard Methodology is an advisory starting point for establishing a housing requirement for the area. The local planning authority should then consider whether certain constraints limit the number of new homes that can be built. This is clearly the case in Portsmouth with a highly constricted land supply with much of the land that is available to build on at risk or flooding, close to international nature designations and includes heritage assets. We will clearly have to robustly demonstrate that we have left no stone unturned when looking for housing sites, but we have a strong case for setting a capacity based housing figure that is less than our housing need. This is what Worthing Borough Council did with its Local Plan, which has just passed examination. The town is similarly constrained to Portsmouth located as it is between the South Downs National Park and the sea. The Worthing Local Plan sets a housing target that meets only 24% of its need. The following paragraph from the Inspector's report is particularly relevant to Portsmouth:

*There is no evidence to suggest that the Council has failed to understand the importance of housing delivery or the need to maximise capacity and delivery. A local plan must find a balance between providing land for housing and other uses. A local plan must also strive to meet the NPPF's objectives in relation to the quality of the built environment, the recognition of the intrinsic beauty of the countryside, protection of the natural environment and ensuring the residents of the Borough live in well-designed, beautiful and safe places with accessible services and open spaces. Housing delivery is important, but it is not the be-all and end-all of a Plan's role.*

- 4.5 The Government has also expressed an intention to relax its approach to calculating need. In the revised NPPF, currently being consulted on, there is now clear guidance on what local circumstances could justify the use of alternative methods to the standard method for assessing housing need, for example, a university town with an above average proportion of students. This is something that we will look into further.
- 4.6 The Government is introducing a number of measures in the current NPPF consultation to encourage local authorities to speed up with the preparation of their local plans. This includes not having to prove that there is a five year housing land supply for the first five years after a local plan is adopted. Local authorities have until June 2025 to submit their local plans under the current system of plan making before a new and as yet untested system of plan making

comes in. If we miss this deadline we would need to go back to the beginning of plan making rather than continue with our current draft plan.

- 4.7 In conclusion, planning for housing is both complex and contentious. Housing need in Portsmouth is high and the amount of land available for development is extremely limited. There will be a new capacity based housing target in the Pre-Submission Local Plans that we will provide for Members to consider in the autumn. We must leave no stone unturned in looking for housing sites, but it is clear that we will not meet need. The question is how big the gap will be between our need and our target. We will at the same time work with our partners in the Partnership for South Hampshire (PfSH) who are less constrained in the amount of land they have available for development. Once our Local Plan is adopted with an achievable housing target we will be in a strong position to reject unsuitable housing schemes.

## **5. Equality impact assessment**

- 5.1 An equality impact assessment is not required as the recommendations do not have a disproportionate negative impact on any of the specific protected characteristics as described in the Equality Act 2010.

## **6. Legal implications**

- 6.1 There are no direct legal implications as result of approving the recommendations within this report.

## **7. Director of Finance's comments**

- 7.1 There are no direct financial implications as result of approving the recommendations within this report.
- 7.2 The final production of the Local Plan will be met from the existing cash limited budget.

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Signed by: Ian Maguire, Assistant Director of Planning & Economic Growth

### **Background list of documents:**

[Current consultation on reforms to national planning policy](#)

[Portsmouth Housing Delivery Test Action Plan](#)

The recommendation(s) set out above were approved/ approved as amended/ deferred/  
rejected by ..... on .....

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Signed by: