WEALDEN DISTRICT CORE STRATEGY
EXAMINATION

FURTHER EVIDENCE RELATING TO MATTERS ISSUES AND QUESTIONS

Consultee ID: 332748 (Millwood Designer Homes Ltd)

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a) Does the overall scale and distribution of housing accord with the arrangements of the South East Plan (SEP) having regard to policies relating to infrastructure and the environment as well as those for housing? Is the Core Strategy in general conformity with the SEP in this regard?

1. The Localism Bill received Royal Assent on 15th November 2011. In that context, provisions are in place to revoke RSS in due course. Orders are currently required to achieve that and there is an obligation on the Government to consult on Environmental Assessments for each of the RSS's before they can be revoked. Decisions on revocation cannot be made therefore until this process has occurred, and consequently, the SEP remains the development plan and could do so for an undefined period of time. On this basis the SEP remains relevant to the discussion. Furthermore, the advice at paragraph 33 of PPS3 is that the level of housing provision must be determined in the context of the evidence base including population and household projections and local housing market assessments. It is presumed that in the first instance, general conformity with the SEP is required. Secondly, if during the course of the Examination the RSS is revoked, then the fall back position is the local evidence base.

2. Turning first to matter 3a): Table H1b of Policy H1 in the SEP sets out a requirement for 11,000 dwellings or 550 per annum between 2006 and 2026. To be in general conformity with the SEP, the Submission Core Strategy (SCS) needs to at least meet these housing land supply requirements. It should be taken into account that paragraph 7.6 of the SEP notes that the housing land supply requirement is below forecast growth and paragraph 7.7 of the SEP indicates that a higher level could be tested by local authorities. Policy WCS1 of the SCS explains that the scale of housing to be provided in the District is 9,600 dwellings between 2006 and 2030, which is an annualised average of 400 dwellings per annum. If linked to the SEP period then it is only 400 x 20 years or 8,000 dwellings for the period 2006 to 2026. 2030 is chosen by the Council for the end of the Plan period and it is noted

that PPS12 supports 15 years as a minimum time period. What this demonstrates is that the Council is extending the plan period whilst promoting a much lower annualised average provision than the SEP.

3. As a matter of fact the SCS is not in general conformity with the SEP and moreover the SCS has no regard whatsoever to the SEP. Even if RSS were to be revoked during the course of the Examination – and this is by no means certain if the Environmental Assessment reveals that the housing land supply is fundamental to sustainable levels of growth - the issue is one of implementing paragraph 33 of PPS3. This means having full regard to the evidence base. Policy WCS1 of the SCS should, at the very least, make provision for an annualised average of 550 dwellings per annum – which for the period 2006 to 2030 is a total of 13,200 dwellings. The alternative is to redefine the plan period to 2026 and plan on the basis of 11,000 dwellings for the period to 2026. The Policy should be amended accordingly in order to make the Policy and strategy sound. If the SEP is set aside then the local evidence base should be the guiding framework and, as noted with respect to Matter 3b) below, this also means an increase in the housing land supply requirement.

<u>The Distribution Strategy</u>

4. The distribution strategy for housing in Wealden District is partly governed by the Sussex Coast Sub regional Strategy at Policy SCT1 of the SEP. The diagram in the SEP identifies an arc within which growth points, regional hubs, primary regional centres and secondary regional centres are identified within the coastal area. The Sussex Coast and Towns is a Priority Area for Economic Regeneration. SEP Policy SCT1 (iii) sets out the approach to growth in this coastal arc and indicates that sustainable urban extensions should be planned for. If this is not possible then criterion (iii) suggests that other locations in the district should be considered. SEP Policy SCT5 sets out the distribution strategy for this coastal arc, which is 7,000 dwellings or 350 dwellings per annum. This means that 4,000 dwellings should be

identified outside of this arc, which is roughly a split of 64% to the coast and 36% towards the north of the District.

5. Wealden DC, through the publication of the SCS, has effectively sought to implement a north/south split in distribution strategy, however, the quantum of housing proposed is less than the SEP. As a consequence, Policy WCS2 needs to be reconsidered in the light of the evidence at the Examination that would suggest more housing is targeted towards the north of the District. Rates of new housing delivery are slow in the south of the District simply because there are fewer households wanting to live there than in the north of the District. One of the reasons for this is that the good employment opportunities (Tunbridge Wells / Gatwick / London) necessary to sustain the cost of new housing acquisition are much more accessible from the North of the District. The process of simply allocating sites in the South of the District, as has occurred in the past, has not led to significant housing delivery in the South with much of it remaining undeveloped even throughout the bouyant market period. If this approach is continued the majority of new housing for the South of the District, then it is almost certain the LDF will fail to deliver the housing numbers needed because market forces will not be sufficient to take up the numbers proposed at the rate necessary to meet the overall housing target number. As currently drafted it is not clear from WCS2 whether the SEP split is followed but in any event the distribution strategy cannot be said to be in conformity with the SEP or the evidence base because the overall quantum of housing spread across the District is at odds with the SEP/evidence base.

6. Furthermore, it is important to note that the SEP distribution strategy was never intended to be a rigid framework as the footnote to Policy SCT5 of the SEP enabled flexibility in the distribution strategy where this is necessary to meet the overall district provision and to achieve a more sustainable pattern of development without compromising the development of the coastal towns. As such, and setting aside the environmental constraints identified by the Council, further housing should be targeted at the northern part of the District.

7. Representations we have submitted maintain that the northern part of the District and in particular the town of Heathfield is a highly suitable settlement on which to focus additional housing development. The council has incorrectly defined the town as a 'Service Centre', however it is actually a 'District Centre'. It has a good range of employment opportunities, schools and other services and facilities. Additional housing should be targeted on Heathfield, which currently has an unduly low level of provision under the current distribution strategy.

8. Our client, which is a local housebuilder, and others that we represent, are concerned that the local housing market and demand for housing in the northern part of the District justifies a more generous apportionment to this geographic area. In contrast, we note that houses towards the coast are located in a more difficult housing market where the market demand for housing is not as strong. Developers will only be able to build properties they feel they can sell and as a consequence there is clear evidence that the current distribution strategy is unlikely to be met.

9. We urge amendments to WCS2 so as to re-apportion the amount of housing land required in the northern half of the District, and to secure an increase in housing provision for Heathfield. Policy WCS2 would therefore be amended so that the shortfall is targeted towards the northern part of the District. The extra housing to be a minimum because there must be doubts that the number of committed dwellings via planning permissions will actually come forward.

Infrastructure and Environmental Issues

10. Wealden DC is seeking to make the case that the environmental and infrastructure constraints that affect the District are such that a lower level of housing development should be accepted. In practice however, the constraints that the Council has identified as affecting other parts of the District have much less or no impact on Heathfield.

11. As regards the Ashdown Forest SPA and SAC, this does not represent a constraint on development at Heathfield. The town is too far away from the sensitive area to generate any material increase in visits by car or on foot. There is land on the periphery of Heathfield that can be developed without having a detrimental impact on the wider landscape. There is also land on the edge of the town that does not fall within the AONB at all.

12. As regards the issue of waste water treatment capacity, there are no overriding constraints affecting the Heathfield area, and any additional capacity that may be required for individual sites can be delivered with funding from developer contributions.

13. Taking all of these factors into account there are no overriding constraints that would prevent more housing being provided at Heathfield so as to make a significant contribution towards achieving the levels of development set out in the SEP.

b) Is there evidence since the SEP was adopted that would support a different level of housing provision in the Core Strategy from that in the SEP?

14. Paragraph 7.2 of the SEP explains that PPS3 expects an evidence based approach in setting out the level of housing provision and paragraph 33 of PPS3 is the origin of that statement. This advice is reflected in PPS12. It is important to take into account that Paragraph 3.10 of the SCS accepts that the evidence base that the Council is using demonstrates a population increase consistent with a demand for 16,800 further households over the period 2006-2030. Furthermore, East Sussex County Council shows an increase of 20,000 people or 13,500 households/13,000 dwellings between 2006 and 2031. This is higher than the SEP housing land supply requirement. Paragraph 7.6 of the SEP accepts that the SEP "is still significantly below the forecast growth." CLG household projections published in 2010 demonstrate that between 2006 and 2026 Wealden is expected to experience an increase in household formation of 12,000 households (growth from 61,000 in 2006 to 73,000 in 2026). By 2028 this increases to 13,000 dwellings and by 2030 it is likely to be in the region of 15,500 dwellings (based on a mid point between the figures provided for 2028 and 2033). This projection post-dates both the SEP and the SCS and must be considered the most relevant and up to date evidence available in circumstances where the SEP is to be revoked.

15. Whether the SEP Housing Land Supply Requirement of Policy H1 is taken for the period to 2026, a period to 2030 is extrapolated or the household projection evidence is considered, Wealden DC has failed to plan for enough homes over its plan period. We are recommending that WCS1 is altered to refer to a quantum of 13,200 dwellings being required between 2006 and 2030 with much more housing targeted towards the northern towns where need exists.

16. PPS12, paragraph 4.14, expects Core Strategies to be sufficiently flexible to be able to deal with changing circumstances such as changes to the RSS housing land supply requirement. Indeed this advice is relevant to situations where RSS is revoked/abolished and where Core Strategies need to be flexible enough to deal with that outcome. One of the implications of the Council's approach (i.e., to significantly undershoot the SEP and household projections figures) is to encourage a severe undersupply of housing which not only is harmful to the Regional Strategy but also is harmful to the social and economic needs of the District's population generally.

c) How does the overall level of housing provision in the Core Strategy relate to the need for both market and affordable housing in the District?

17. Draft NPPF says at paragraph 109 that the evidence base should be used to ensure a local plan "meets the full requirements for market and affordable housing in the housing market area". Whilst only in draft, this does represent a new approach, and suggests that Local Authorities should do their very best to achieve sufficient housing.

18. The SEP and the local evidence base is a significant planning tool. The evidence would indicate that too few homes of the right type are being targeted towards the north of the District. The Wealden Housing Market Assessment (HMA) 2007 explains in its summary that the north of the District contains a high proportion of large detached homes and the most expensive post codes (paragraph 9 to 12 of that document). This would indicate that demand is outstripping supply thus resulting in higher prices. This results in an affordability trap in the north. Paragraph 13 of the Wealden Housing Market Assessment then goes on to refer to the Housing Needs Survey of 2004-05, which identified a 870 dwelling shortfall in affordable homes each year. This has since been refined to an annualised need for 812 affordable homes in the Housing Need Assessment 2004. The authors of the report say that the provision of market housing is key to providing affordable housing provision and logically to increase affordability in the north more market homes would be needed. Clearly in order to begin making inroads into the affordable housing shortfall, more market housing needs to be allocated and this should be targeted towards the north of the District.

d) Has the distribution of housing between the different types of settlement been justified by the evidence base and does it accord with national and regional policy?

19. Draft NPPF introduces at paragraph 110 a presumption in favour of sustainable development. In terms of DPD preparation this would include preparing strategies that are sustainable. At the heart of this Core Strategy Examination is the Council's claim that environmental constraints which constrain housing are set against the need to promote sustainable patterns of growth.

20. Paragraph 1.09 of the Wealden HMA 2007 explains that there is a weak pattern of household movement between the towns in the north of the District. This would indicate that there are housing pressures that contribute towards this lack of movement, and a shortage of housing in this area is one of these. Paragraph 1.16 of the Wealden HMA 2007 explains that north Wealden does not have a cohesive housing market and the recommendation is to secure a range of housing across the northern part of the District.

21. Figure 4 of the Wealden HMA 2007 notes that 200 dwellings per annum are required in the northern half of the District by the SEP to 2026. Policy WCS2 indicates that only circa 3,300 are identified for the northern part of the District, which is 165 dwellings per annum. This does not conform with the SEP and reinforces the point made above on Matter 3/E that the north of the District has high house prices and is relatively less affordable compared with other parts of the District. National Policy in PPS3 is relevant and explains that housing needs must be met having regard to paragraph 33 of PPS3). Paragraph 1.20 of the Wealden HMA 2007 poses the following question *"A key question for this HMA is whether the housing targets set for South Wealden within the Eastbourne HMA area and North Wealden are likely to be sufficient to meet the level of future demographic and economic growth."* Paragraph 1.24 confirms that in an unconstrained housing market,

demand for new dwellings would exceed SEP targets the Inspector is referred to the DCLG projections at Figure 5 of the Wealden HMA where 8,300 dwellings are noted as being necessary to meet unconstrained demand in the north. Whilst it is unlikely that the environmental or urban capacity of the northern part of the District would sustain all this housing demand, it is clear that the Council's approach to distributing housing to the settlements in the north and the south is at odds with the evidence base and regional and national policy.

22. Heathfield is, in practice, a District Centre. It is relatively less affected by environmental and infrastructure constraints than other parts of the District. At the same time it is in the northern sector, where housing demand is higher and the housing market is stronger. The proportion of new housing targeted at Heathfield is very limited and does not relate to the size of the settlement, its function or its ability to provide housing to meet known future demands. There is no evidence that would inhibit further housing being targeted at Heathfield

e) Have reasonable alternatives to the distribution and location of housing development been considered? Has it been demonstrated that there are no reasonable options that would avoid the infrastructure and environmental constraints identified in the Core Strategy?

23. The Core Strategy Spatial Development Options was published in July 2009 and in the Foreword, the portfolio holder criticises the fact that the Secretary of State imposed, via the SEP, a requirement for 11,000 new homes. He said: *"we had originally agreed to a proposal to find land for an additional 8,000 houses in the period 2006 to 2026 but only on the proviso that the infrastructure (roads, water, sewerage, schools and medical facilities for example) to support this growth was in place before development took place. However, in finalising the South East Plan, the Secretary of State has decided that Wealden must accommodate 11,000 new homes up to 2026 without any guarantees that the necessary infrastructure will be built first."*

24. It is clear that at this stage of the Plan process there was a reluctance to provide SEP targets albeit the options for growth were based upon the provision of 11,000 new homes. In the Forward to this document the Council acknowledges that, "*the settlement pattern for a smaller number of houses such as 8,000 may not be dissimilar to the pattern for 11,000 on which this consultation is based."* Consequently, when the new Government outlined its proposals to revoke RSS, Wealden DC chose to fall back from the 11,000 home requirement and consider the 8,000 dwelling alternative. This was done on the basis of the infrastructure constraints and the perception that RSS was no longer relevant. It was not undertaken on the basis of environmental constraints.

25. Although this early phase in the consultation process did consider most reasonable options, the Council has not chosen the most appropriate alternative to avoid the infrastructure and environmental constraints. One of the possibilities must be to consider identifying locations that have characteristics that are sustainable, could accept more housing development

that is deliverable, and which are relatively less constrained by the environmental and infrastructure issues affecting other parts of the District. In this context Heathfield is an obvious location where the Council the Core Strategy should allocate more land for housing.

f) Does the Core Strategy assist in providing a continuous supply of deliverable sites so that the housing requirements of the next 5 years can be delivered?

26. It is considered that the Core Strategy does not assist in this regards. The 5 year supply has to be defined by reference to a housing land supply requirement and the evidence at this Examination is that the Council has underestimated the housing land it requires and that neither the environmental nor infrastructure constraints are sufficient to justify that approach. At paragraph 5.13 of the SCS the Council explains that historically the District has achieved 400 dwellings per annum and base their strategy on this continuing. Given that the Council is focusing on past trends rather than evidence of household and population growth, this strategy is at odds with PPS3 and the SEP. On that basis there is no continuous 5 year supply. Notwithstanding this general comment, if it was accepted that a lower level of housing land supply were justified the following concerns are also relevant.

27. Paragraph 58 of PPS3 sets the context for considering sites with planning permission and how they feed into the calculation of how much land is required. Paragraph 3.8 of the SCS relies on 100% of the 3,558 dwellings with extant permission coming forward. It is widely accepted that planning permissions in themselves are no guarantee that sites will come forward and it is highly unusual for a local authority not to undertake some degree of refinement of this gross figure in order to identify a likely delivery total from sites with planning permission. There must be doubts that the peak in the first 5 year trajectory will be achieved and the effect will be to roll forward this shortfall into subsequent years and perhaps into the next plan period

28. Secondly, the Annual Monitoring Report reveals the following:

2006-07 = 230 dwellings
2007-08 = 415 dwellings
2008-09 = 349 dwellings
2009-10 = 337 dwellings
2010-11 = 410 (projected dwellings)
Total = 1,741 dwellings or an average of 348 dwellings per annum.

As a consequence the average over the recent past is less than the predicted 400 dwellings per annum the Council feels is achievable. Annex 2 of the 2009-10 Annual Monitoring report states that if windfall developments are stripped away the average completions for the period 2000 to 2010 is just 267 dwellings per annum. Clearly the Council is reliant on a significant allowance for windfalls in the first 10 years of supply without justifying this against genuine local circumstances (paragraph 59 of PPS3 and paragraph 109 of the NPPF refers). Windfalls should not be included in this way as there is adequate suitable land for housing. Furthermore, The Council already notes in its SCS that limited amounts of brownfield sites are available and so questions must be raised about the long-term ability of the District to deliver windfalls at past rates.

29. In addition, the trajectory does not fully take on board the draft NPPF. As there has been a delivery of 1,741 dwellings up to 2010/11, which is 348 per annum average, this is a shortfall of 1,009 dwellings based on the SEP average of 550 dwellings per annum. The 5 year period to 2011/12 to 2015/16 appears to try and deal with this shortfall but does not then add in the NPPF guidance that 20% housing, as a minimum, should be front loaded. The direction of travel of emerging National Planning Policy is clear and should be built into the Core Strategy.

30. In this context serious consideration should be given to increasing the housing land supply requirement in the District generally in order to meet a continuous 5 year housing land supply as defined by the evidence base/SEP.

In order to do this in the context of the SCS it would be necessary to re-consider Policy WCS1, and WCS2, including allocating more land for housing at Heathfield.

g) Is the Core Strategy likely to result in an adequate supply of developable sites in the plan period beyond 5 years?

31. Paragraph 56 of PPS3 sets out the definition of developable land. Given the number of responses to the SHLAA and the representations submitted herewith, it is likely that developable land can be identified beyond the 5 year period. However, the SCS does not identify sufficient land and the general comments made above about the inadequate level of the housing land supply when set against SEP remain.

32. Paragraph 53 of PPS3 advises that planning authorities should devise strategies that enable a continuous delivery of housing land. This means defining a trajectory that seeks to provide an unbroken pattern of housing delivery to deliver the housing land supply requirement by the end of the plan period. It is also common practice that where there is an identified shortfall in housing delivery this should be included within the first 5 years of the supply in order to deal with the shortfall early, i.e. take corrective management action early rather than delay things. The trajectory on page 30 of the SCS sets out actual delivery up to 2009-10 and then estimates delivery with a high peak in the first 5 years, falling off in subsequent years. The supporting text bases this assessment on sites with planning permission and those which do not have planning permission but which are considered to be deliverable as per the advice in PPS3. There is no objection to the general strategy of the trajectory, albeit the advice in NPPF is that an additional 20% of housing be included in the first 5 years, but the annualised requirement and how that trajectory can be delivered is inappropriate.

h) Is there an adequate strategy for bringing previously developed land into housing use? Should there be a local previously developed land trajectory? Is the Core Strategy sufficiently clear about an overall target for the proportion of new housing on previously developed land and should this be included in the policy?

33. Paragraph 5.7 suggests that the likely take up rate of previously developed land (PDL) in the period to 2010-30 will be 35% and it is assumed that this is the target. For clarity it may be sufficient to amend paragraph 5.7 along these lines. Presumably the trajectory at Figure 4 on page 30 of the SCS reflects the strategy for 35% being on PDL. It is not considered that it needs to be revised or that a local trajectory is produced. At present the SCS, at its Local Spatial Implications section, identifies each settlement to identify and promote housing land delivery on PDL. In view of the small contribution of PDL to the overall total it would not seem appropriate to seek a policy amendment to phase housing land delivery in favour of PDL first since this would potentially stall delivery over the plan period where the majority of land is expected to be on Greenfield sites.

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a) Have reasonable alternatives to the strategy been considered?

34 A reasonable alternative to the strategy is the provision of SEP housing land targets and this should be reflected in each of the spatial areas of the District. The Council has confirmed that the SCS growth areas could achieve SEP targets, but in the case of Heathfield it has incorrectly identified the town as a Service Centre and over-estimated the constraint provided by the AONB the surrounds the town. This has led it to an underestimate of the potential of the town to make a meaningful contribution to the housing needs of the District generally. A realistic assessment of the function of the town would raise its status in the Settlement Hierarchy. This taken with a reconsideration of the extent of the constraints that impinge on the town would throw up practical and reasonable alternative strategies for the town based on increased sustainable growth.

b) Is there a clear audit trail showing how and why the preferred strategy was arrived at?

35 The assessment that has lead to the categorisation of Heathfield as a Service Centre is not clear. It does not reflect a proper assessment of the role and function of the town in the local area.

c) Have the infrastructure implications of the strategy clearly been identified and supported by the evidence base? Is it clear who is going to deliver the required infrastructure and when?

36 No comments to make.

d) Is the strategy sufficiently flexible to respond to an unexpected change in circumstance?

37 The relatively limited allocation of land for housing development creates a very inflexible situation with respect to eh delivery of housing in the town. Allowance should be made for the provision of larger number of dwellings in Heathfield and covering a wider area, including land on the edge of the town not covered by the AONB.

e) Is SD11 justified and deliverable?

38 No comments to make.

f) Have reasonable alternatives to SD11 been considered – omission sites?

39 As broadly indicated in the SCS the area of SD11 excludes adjoining land on the edge of the town that could also be used for sustainable housing development. In the light of the evidence that indicates that more housing should be provided at Heathfield the strategic allocation should be expanded to reflect the above situation.