MATTER 3: HOUSING

1. INTRODUCTION

1.1. These further representations are submitted in response to the Core Strategy Inspector's questions dated 3rd November 2011. Formal representations were submitted to the Core Strategy (ID No.521485).These representations are intended to supplement the responses made in the light of the Inspector's questions.

2. MAIN ISSUE – Whether the overall level of housing provision and its distribution are justified and appropriate?

2.1. In response to a) The overall scale and distribution of housing provision within the submitted Core Strategy (CS) is not in accordance with the requirements of the South East Plan (SEP). The SEP remains a part of the Development Plan until revoked and, notwithstanding the recent enactment of the Localism Bill, no such revocation has as yet occurred.

2.2. In response to b) the basis for a reduction in the level of housing provision appears to be based upon the view being taken by WDC that household projections based upon past trends **".....are not a reliable, sophisticated or sensitive method for calculating housing requirements taking into account the market and other issues**."

2.3. It is considered that the considerable amount of work undertaken in the preparation of the SEP (particularly through the vehicle of the 'Forum For The Future') used a range of scenarios to test the relationship between population, households, labour supply and jobs. Whilst the EiP Panel expressed some reservations about this work (as it was based upon forecasts at the low end of the available range) when combined with the adjustments recommended by the Panel, it was considered that the SEP was sound.

2.4. The housing numbers were further revised upwards by the Secretary of State following consideration of the EiP Panel's report and recommendations. Importantly, the SEP's underlying "low end" range projections, whilst supplemented, remained the starting point for the strategy. The context at that point within the economic cycle was, in effect under driven.

2.5. Since 2006/7, when the EiP was held, the global economy has undergone a dramatic change following the banking crisis. The availability of finance for mortgages and for house building (through commercial loans to house builders) has resulted in serious restructuring and has led to record low levels of housing completions. Residential land values (both serviced and un-serviced) within the South East have, however, remained relatively high particularly in areas of high, demand with low supply.

2.6. The impact of the recession on jobs has also been dramatic, initially through redundancies within the private sector, as the down turn post 2008 occurred, and more recently through the Coalition Government's planned reduction in public sector finance and Government borrowing. The private sector having initially been regarded as being capable of 'absorbing' the consequences of a reduced public sector labour force now appears less likely to be able to do so

given the continuing 'flat lining' and lower growth forecasts envisaged by the Bank of England for the national economy.

2.7. This short-to-medium term economic stagnation presents a very real problem for local planning authorities. It is likely that household formation rates will be affected by the down turn in the economy whilst at the same time the demographic evidence (ONS 2008) suggests a continued increase in population above that established through the 2001 Census based evidence.

2.8. Given the increased length of the Plan Period (from 2026 by four years to 2030) it would seem eminently desirable to avoid any underprovision based upon the current to medium term economic climate. Experience suggests that once this medium term position is reached (say by 2016-2018) a recovering economy will have to play 'catch up' with the unmet cumulative demand for housing from the previous underperforming years' lower levels of completions.

2.9. Furthermore, advanced infrastructure planning is not affected by these economic factors whereas its delivery and implementation is. This suggests a phasing strategy is needed but based upon the demographic reality (ONS 2011 based evidence will become available in the near future) couples with increase of population, a likely revival of the economy, improved access to housing finance and increased household formation rates. The Government's 'Planning For Growth' strategy clearly envisages a positive planning system which both stimulates and provides for such growth. Any Core Strategy therefore being put in place now must ensure that its housing strategy is both robust in terms of its evidence base and flexible (through a monitored phasing and infrastructure delivery strategy) to accommodate the consequences of an economic recovery.

2.10. In conclusion it is not considered that the underlying demographic and socio-economic case for the level of growth envisaged by the SEP should be set aside but should be maintained with an increased emphasis on a phased delivery closely associated with well planned and co-ordinated infrastructure delivery.

2.11. In response to c), there is clearly a need to increase the provision of affordable housing across the District. As the provision of affordable housing relies heavily upon the delivery of (predominantly private sector) greenfield housing allocations any unjustified reduction in the level of housing provision will have a knock-on effect upon the level of affordable housing achieved throughout the Plan Period.

2.12. Paragraph 3.10 of the submitted CS confirmed that the ONS trends based projections revealed an increase in population in Wealden from 2006 to 2030 of around 19,000 persons which equates to around 16,800 households. This is considered, the text advises, to reveal that the demand for both market and affordable housing is high but ***"....in excess of that which could be accommodated or delivered in Wealden".***

2.13. In rejecting that level of provision, the Core Strategy (paragraph 3.11) states that although significant housing need had been identified, and individual sites had been assessed ***"....other environmental, economic, social, infrastructure and community aspirations have shaped the amount of growth that can be accommodated.."***

2.14. In the case of Hailsham the 'constraints' have been essentially related to alleged infrastructure deficiencies. These were acknowledged by the SEP EiP Panel

report (See paragraphs 17.59 and 17.84) but not regarded as of such fundamental consequence to justify any suppression of growth. These matters are addressed in the Trust's submissions in relation to Matter 15 – Infrastructure. As a consequence it is considered that overall level of housing provision remains well below that which could reasonably be provided within the context of legitimate and proven environmental constraints.

2.15. With regard to d) it is considered that additional residential development could have been identified at Hailsham with a potential to accommodate around 260 dwellings to the east of the Cuckoo Trail (SHLAA Site ref: 245/1310) and potentially further development to the west of the Cuckoo Trail (SHLAA Site ref: 207/1310) forming part of a more extensive release of land to the east, as depicted on the Site Master Plan which accompanied the Trust's April 2011 representations regarding 'Development Potential of Land to the South of Hailsham' (which suggested the potential delivery of a combined total of 1,000-1,200 dwellings), together with public open space, employment land and a country park.

2.16. The more dispersed distribution of development in Hailsham, combined with an increased level of provision, could have taken advantage of this opportunity to the south of Hailsham.

2.17. It is worth recording that despite requests to meet with WDC's officers before and following the submission of the April 2011 representations, all such requests were declined. This is most regrettable as it has been impossible to fully engage in the CS preparation process other than through formal submissions without any exploratory dialogue.

2.18. In terms of e) it is clear that insufficient options testing has occurred, typically say, in response to the perceived constraints (which are essentially funding and timing issues) relating to the provision of foul drainage (sewage treatment / Pevensey Levels) and highways infrastructure. These matters are addressed under Matter 15: Infrastructure.

2.19. In our opinion it is not so much about attempting to find alternative sites without constraints (as virtually all sites have some form of constraint) but more about gaining a detailed understanding of how severe, or otherwise, identified constraints are in reality and what needs to be done to overcome such constraints in relation to those sites which are in sustainable locations (as in the case of land to the south of Hailsham). Valuable assistance could have been provided to WDC in further investigating matters had the Council taken a more proactive approach and had it been prepared to engage with consultees, land owners, developers and agents.

2.20. With regard to the provision of a continual 5 year (or indeed 6 year) housing land delivery programme any housing trajectories promoted in today's economic climate will rely heavily upon the house builder's access to finance, the ability, if any, to forward fund infrastructure and sales / completions rates. It is all about cash flow and, as a consequence, deliverability.

2.21. Whilst a detailed analysis has not been undertaken of the sites / locations anticipated within the Core Strategy a key consideration must be viability and it is of significant concern that viability has not emerged as an issue for consideration within the Core Strategy.

2.22. Viability is crucial to any understanding of the ability of sites to come forward in association with the necessary infrastructure (see paragraph 4.45 of PPS 12) which has been assessed, understood and 'signed up to' by the stakeholders, including land owners and developers. Residual land value expectations can and do frustrate the ability of developments to come forward with fully funded green, social and physical infrastructure (which meet the CIL Reg 122 tests) or for any infrastructure funding gaps or shortfalls to be identified in order to establish where for instance, the public purse may have to be called upon.

2.23. Critically important in this context is the level of affordable housing provision sought, as 'viability' will largely determine the ability of development to provide the level sought across the key sites. Financial pressure upon the land owners' residual land value expectations may result in stalled delivery, inadequate provision of infrastructure but more likely in the first instance, an unpreparedness to fund the level of affordable housing envisaged. As a consequence there is a need to give far greater consideration to the locations being identified for growth within the CS and that such locations should be associated with viability assessments in order to demonstrate the ability to fund any necessary and related social and physical infrastructure, to identify funding gaps and issues and in order to inform a phasing strategy.

2.24. These factors go directly to deliverability in terms of any 5 year land supply and the CS, as presently formulated, appears very 'light' (as a consequence of the absence of any viability testing and identified commitments to infrastructure funding) in relation to this critical aspect of development planning and related infrastructure provision.

2.25. With regard to g) it is submitted that without a far greater understanding of site deliverability and (as addressed above any viability issues) it is not possible to establish a robust 5 year supply position. Again these matters are also of relevance to the consideration of Matter 15 – Infrastructure.

2.26. With regard to h) it is considered that the 80% housing completions rate of reliance on PDL has been acknowledged by WDC (CS paragraph 5.7) as unlikely to be maintained and from 2010-2030 more likely to be nearer 35%. It is, however, noticeable that the CS lacks any credible mechanism through which appropriately located PDL can be identified and brought forward or indeed any evidence that an empirically based assessment has been undertaken during the formulation of the CS to gain a realistic over-view as to how much reliance to place upon the 35% figure now envisaged.

2.27. Given the level of under provision of housing (as contrasted with the SEP) being put forward by the CS, the identification of PDL is even more critical if the 35% guesstimate is found to be optimistic, particularly in the light of the changed definition of PDL (PPS3 Annex C) which, it is suspected, provided a large measure of the residential land supply from 'back gardens' in the past. This is now likely to be severely restricted given this fundamental shift in national planning policy.