Examination of the Wealden Local Plan

Statement on behalf of Martin Grant Homes Ltd
(Respondent: 1186155 and 1186163)

Matter 3: Objectively Assessed Needs for Housing and Employment Land

May 2019
## Contents

1. Introduction  
2. Response to Issues and Questions for Matter 3

May 2019
1. Introduction

1.1 This statement is submitted on behalf of Martin Grant Homes Ltd for purposes of the Examination of the Wealden District Local Plan (2019).

1.2 The statement responds to the Inspector’s Issues and Questions for Matter 3: Objectively Assessed Needs for Housing and Employment Land. Specifically, it focuses on the Objectively Assessed Need – Housing sub-section.

1.3 This follows representations from our client to Wealden District Council’s Proposed Submission Version Local Plan consultation (Regulation 19) in October 2018. This appended a report, produced by Turley, entitled “Wealden Housing Need Technical Critique” (‘the Technical Critique’) and dated October 2018. This report is referenced throughout this statement.
2. Response to Issues and Questions for Matter 3

Question 48 - Does the plan period cover an appropriate time frame for the provision of housing (2013-2028), and is it consistent with national policy? Should it be extended? If so, why? Why is a different time period chosen to that set for employment and retail matters?

2.1 No, the plan period does not cover an appropriate time frame for the provision of housing and should be extended. It is not fit for the purposes of long-term planning and would fail to provide certainty for those looking to deliver the homes that are clearly needed in Wealden.

2.2 As noted in our Technical Critique¹, the Council has provided no adequate justification for its selection of a plan period that – as of today – runs only 9 years into the future, and will thereby cover less than 10 years from adoption.

2.3 The plan period must be extended for consistency with the relevant National Planning Policy Framework (NPPF), which prefers Local Plans to cover a 15 year period² and requires local authorities to identify a supply of specific, deliverable sites or locations for the next 10 years as a minimum³. This has been strengthened in the revised NPPF, which states that ‘strategic policies should look ahead over a minimum 15 year period from adoption’ (emphasis added).

2.4 An extension of the plan period to 2034 is therefore recommended, with a shorter extension to 2029 considered the absolute minimum necessary to adhere to the relevant – though now superseded – national planning policy.

Question 49 - Is the wider HMA within which Wealden sits appropriately drawn?

2.5 We have no comment on the definition of the wider housing market area, but agree with the principle that ‘Wealden District is influenced by its neighbours’⁵ and should not be viewed as a discrete or self-contained housing market.

¹ Paragraphs 2.22 – 2.24 of the Technical Critique
³ *Ibid*, paragraph 47
Question 50 - Is Wealden’s functional housing market area discrete? How has the housing requirement for the wider HMA been considered with particular reference to the South Downs National Park and Eastbourne BC? Should an OAHN for the wider HMA have been set in addition to the OAHN which is specific to Wealden? What influence have the overlapping and neighbouring housing markets had on the setting of Wealden’s OAHN, in particular those of Eastbourne and the South Downs National Park?

2.6 As noted in our response to Q49, it is not considered that Wealden district can be viewed as a discrete housing market, albeit we accept that a degree of pragmatism is required for the purposes of plan-making. As such, we do not dispute the approach of calculating and presenting an OAN which is limited to the district area, provided that the Council does not dismiss consideration of the housing needs of adjacent areas in establishing its housing requirement.

2.7 Through the NPPF, the Council has a Duty to Co-operate and ensure that needs are met in full within functional housing market areas, with a ‘positively prepared’ Local Plan addressing ‘unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development’. Recognising that Wealden is not a self-contained housing market, and is influenced by its neighbours, the Council is required to take a positive stance where neighbouring authorities are unable to meet housing needs.

2.8 Instead, the Council appears to be taking a highly negative approach in its consideration of the influence of neighbouring areas, specifically the South Downs National Park (SDNP). As noted in our Technical Response, the draft Plan twice expresses a belief that its selected OAN figure is an ‘overestimate of need’ because the underlying projections relate to the district as a whole, including those parts of Wealden that fall within the SDNP. In reality, any such overestimation would be very modest and largely inconsequential, given that at least 95% of households in Wealden lived outside of the SDNP at the 2011 Census.

2.9 It also implicitly assumes that the housing needs of the SDNP are being met in full, requiring a negligible contribution from surrounding areas such as Wealden. This is not the case. There is an evidenced need for 447 dwellings per annum across the SDNP, yet its emerging Local Plan makes provision for only 250 dwellings per annum due to constraints that are considered by the National Park Authority to limit its ability to meet housing needs in full. The SDNPA Local Plan Examination is yet to conclude at the time of writing, but the Inspector has not recommended a modification of this approach.

---

7 Paragraphs 2.20 and 2.21 of the Technical Critique
9 Paragraph 2.21 of the Technical Critique, based on lower super output areas (LSOAs)
10 South Downs National Park Authority (2017) South Downs Local Plan Pre-submission, paragraphs 3.122 and 3.123
11 South Downs National Park Authority (February 2019) Main Modifications to the South Downs Local Plan following public hearings
2.10 The inference that wider housing market dynamics somehow lower the need for housing that should be met in Wealden is therefore unjustified and strongly challenged. In reality, the Council must acknowledge the true scale of housing need within the district and from adjoining LPAs (such as SDNP and Eastbourne). It must positively seek to contribute towards ensuring that housing needs are met across the wider functional geography of which it is part; or provide substantive evidence why to do so would not be reasonable or consistent with the NPPF when read as a whole.

2.11 As outlined in our Statements to Matter 1, 2 and 4, we contend the Council have not provided sufficient evidence to justify their current short term strategy, one that precludes the opportunity for unmet needs to be considered (such as those identified by Eastbourne BC) and assessed. Instead, the Council rely on an interim review policy (WLP13) to reconsider such matters at a later date. This results in a plan that is not positively prepared, justified or effective in our view.

**Question 51 - Should the recently published 2016-based household projections be taken into account in setting the OAHN? If so, what would be the consequence?**

2.12 No. Relevant Planning Practice Guidance (PPG) states that:

“Wherever possible, local needs assessments should be informed by the latest available information. The National Planning Policy Framework is clear that Local Plans should be kept up-to-date. A meaningful change in the housing situation should be considered in this context, but this does not automatically mean that housing assessments are rendered outdated every time new projections are issued”

2.13 Our Technical Critique confirms that the 2016-based projections do not meaningfully change the housing situation in Wealden, relative to the 2014-based projections that form the ‘starting point’ in the Council’s evidence base.

2.14 Furthermore, the requirement to take ‘the latest available information’ into account evidently predates the Government’s concerns around the 2016-based projections, and its clear position that they ‘should not be used as a reason to justify lower housing need’. In taking this view, the Government has been explicitly aware of ‘concerns about not using the latest evidence’, creating a degree of ambiguity when applying the former guidance in the context of the latest, 2016-based household projections. They have been notably disregarded in a number of recent Local Plan Examinations, and have been significantly adjusted in those isolated instances where they were taken into account for the purposes of establishing an OAN.

---

12 PPG Reference ID 2a-017-20140306
13 Paragraphs 3.9 – 3.11 of the Technical Critique
14 MHCLG (February 2019) Government response to the technical consultation on updates to national planning policy and guidance: a summary of consultation responses and the Government’s view on the way forward, p7/8
15 Ibid, p8
16 Kirklees, South East Lincolnshire, Stockton-on-Tees and Poole, for example
17 In Guildford, the ‘starting point’ of the 2016-based household projections was elevated by 27% to adjust household formation rates, with the Inspector subsequently endorsing a series of further adjustments which produced a housing requirement that was some 79% higher than the projections
2.15 The Housing Background Paper (January 2019) confirms that the Council has reflected the Government’s position by not updating its evidence base with the 2016-based household projections, instead retaining ‘the local evidence base papers that utilised the 2014-based household projections data, that is considered by the Government to be the preferred option in the short term to provide the demographic baseline for the assessment of local housing need’. This approach is supported.

**Question 52 - Is the OAHN figure of 950 dwellings per annum, robust and justified? Does it take into account appropriate market signals, household size and household formation, forecast jobs growth and the need for adequate levels of affordable housing to be provided?**

2.16 No. Reflecting the conclusions of our Technical Critique, we maintain that there is an objectively assessed need for at least **1,100 dwellings per annum** in Wealden. The claimed need for 950 dwellings per annum is neither robust nor justified, because:

- It obscures the admittedly, and unusually, vague presentation of a range of housing needs in the Council’s evidence base, which is itself partially flawed but suggests that as many as 1,233 homes per annum could be needed in Wealden; and
- It fails to provide a reasonable response to the considerable worsening of market signals in Wealden, which has impacted upon household formation, has been evidenced by the Council and has since continued to deteriorate.

2.17 In responding to the other points raised within this question, we have further concerns around the approach taken to account for forecast job growth. These are directly relevant to, and therefore summarised in, our comments below on the validity of the range presented in the Council’s evidence base.

2.18 As noted in our Technical Critique, it is conceded that the calculated annual need for 332 affordable homes could be feasibly met through the provision of 950 dwellings per annum, based on the Council’s emerging policies. This does, however, optimistically assume that affordable housing is viable and/or provided on every site at the same average proportionate requirement, which in reality is unlikely to occur, and not for sites under 10 units. The inherent risks associated with this approach would be offset where the Plan recognised the full and higher need for housing concluded within our Technical Critique.

**Selection of the OAN**

2.19 The draft Plan claims that the latest evidence commissioned by the Council ‘identifies the need for 950 dwellings per annum from 2013 to 2028’. It does not.
2.20 The latest document actually presents a wide range of scenarios, which suggest that the ‘OAN for Wealden District (following market signals adjustments)’ could – as replicated at Table 2.1 – range from 930 to 1,233 dwellings per annum\(^\text{22}\).

### Table 2.1: Presented OAN for Wealden District (following market signals adjustments)

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Dwellings per annum, 2013 – 2028</th>
</tr>
</thead>
<tbody>
<tr>
<td>LPEG method with 2014-based SNPP</td>
<td>1,233</td>
</tr>
<tr>
<td>Demographic projection with 10% uplift</td>
<td>1,005</td>
</tr>
<tr>
<td>Jobs-led projection (Cambridge) with adjusted household formation rates</td>
<td>972</td>
</tr>
<tr>
<td>Demographic projection with adjusted household formation rates</td>
<td>968</td>
</tr>
<tr>
<td>LPEG method based on long-term migration</td>
<td>946</td>
</tr>
<tr>
<td>Jobs-led projection (Experian) with adjusted household formation rates</td>
<td>930</td>
</tr>
</tbody>
</table>

*Source: Regeneris, 2017*

2.21 Consideration of a range of scenarios within the evidence base is a robust approach in principle. However, to do so without recommending a specific figure, a narrower range or even a single methodological approach is unusual and unhelpful.

2.22 This ambiguity has allowed the Council to independently evaluate a broad range of scenarios, and entirely disregard the higher two figures in its evidence base due to a perception that they are ‘artificial’ or an ‘outlier’\(^\text{23}\). This is not justified or informed by independent evidence, and is strongly challenged.

2.23 This approach is compounded by the attribution of undue weight to lower figures which are considered to result from the incorrect application of national guidance, specifically:

- The lower end of the range (930dpa) is linked to an employment forecast, which anticipates a level of job creation that could be comfortably supported through the labour force growth associated with the 2014-based projections (SNPP). The PPG unambiguously requires only *positive* adjustments to the demographic projection where labour supply is ‘less than’ future job growth\(^\text{24}\). The implied reduction from the demographic projection (968dpa) is therefore illogical and entirely unjustified; and

- The claimed need for 946 dwellings per annum is derived from a variation of the methodology proposed by the Local Plans Expert Group (LPEG), seemingly at the request of the Council\(^\text{25}\). This incorporates a lower demographic projection to reflect long-term trends, which appear skewed by the historic failure to deliver

\(^\text{22}\) Regeneris (March 2017) Wealden OAN Update Draft Paper: 2013-2028 [H4] Table 1.10

\(^\text{23}\) Wealden District Council (January 2019) Housing Background Paper [A30] paragraph 4.3.2

\(^\text{24}\) PPG Reference ID 2a-018-20140306; quoted in full at paragraph 3.32 of our Technical Critique

the homes that are needed in Wealden. This fundamentally departs from the method proposed by LPEG, which was explicit in confirming that official projections should always be used when higher than long-term trend-based projections. This incorrect application of guidance that itself has no formal status means that there is no basis from which to refer to this figure in concluding on a range of housing needs in Wealden, within the context of the PPG.

2.24 Simply omitting these wholly misrepresentative scenarios elevates the range in the Council’s own evidence base, to between 968 and 1,233 dwellings per annum. The singular OAN advanced by the Council falls below this range.

2.25 This clearly illustrates how this selection process has been critically but unjustifiably influenced by scenarios that do not adhere to the PPG, and are not robust. The OAN selected by the Council is therefore not justified by robust evidence, and cannot be viewed as sound in the context of the NPPF.

2.26 We set out below why we conclude that the evidence confirms that the full OAN must be above the minimum end of this range, based on our own Technical Critique.

*Market signals, household size and household formation*

2.27 The latest iteration of the Council’s OAN evidence is comparatively vague in its consideration of the need to respond to market signals, though clearly accepts – with reference to earlier studies – that some form of upward adjustment is necessary to account for worsening affordability in Wealden. Our Technical Critique reinforces this position by showing that market conditions have continued to deteriorate over recent years, with a still further worsening position revealed by the recent release of new affordability ratios.

2.28 A long-term worsening of affordability, in the context of historic undersupply, has demonstrably led to suppressed rates of household formation amongst younger age groups in Wealden, which are not assumed to fully recover within the official projections. The Council’s evidence base shows that such a return to historic conditions would generate a need for at least 968 dwellings per annum, uplifting the ‘starting point’ of the 2014-based household projections by 6%.

2.29 The OAN selected by the Council falls below this figure, and therefore self-evidently will not enable a full recovery from suppressed rates of younger household formation. This is considered to conflict with the PPG, which requires assessments to ‘reflect the consequences of past under delivery of housing’ and cites the specific example of

---

26 Paragraphs 3.16 – 3.20 of the Technical Critique
30 Paragraph 3.42 of the Technical Critique
31 ONS (2019) Housing affordability in England and Wales; house price to workplace-based earnings ratio. A median affordability ratio of 11.91 was recorded in Wealden in 2018, far exceeding the national ratio (8.0) and increasing by 11% since 2015
‘formation rates [that] may have been suppressed historically by under-supply and worsening affordability of housing’\textsuperscript{33}.

2.30 Whilst this modelled scenario in the Council’s evidence base (968dpa) could support a recovery in the rate of younger household formation in Wealden, it would not provide a further, reasonable supply-led response to evidence of a severe local worsening of market signals. This conflicts with Inspectors’ application of this stage of the PPG methodology, which the OAN evidence appears to correctly acknowledge in proposing a more significant and ‘flat rate uplift’ of 10\% as one of three possible responses to market signals\textsuperscript{34}. The evidence base suggests a need for 1,005 dwellings per annum through this approach, although this has been fully dismissed by the Council.

2.31 The upper end of the OAN range in the Council’s evidence (1,233dpa) actually proposes that an adjustment of up to 35\% could be appropriate, comprised of an adjustment to household formation rates and a separate 25\% uplift. This follows the methodology proposed by LPEG, though could arguably be justified in the context of the relevant PPG where such an uplift was judged to be a reasonable and necessary response to market signals. Again, this approach has been dismissed by the Council.

2.32 The Council has not credibly justified the dismissal of these more significant uplifts, describing such adjustments as ‘artificial’\textsuperscript{35} without acknowledging that they are a core requirement of the PPG\textsuperscript{36}.

2.33 Our Technical Critique concludes that an overall adjustment in the order of at least 20\% would be reasonable in the context of uplifts applied in areas with similar affordability pressures\textsuperscript{37}, and an appreciation of the relative severity of the worsening of market signals in Wealden.

2.34 Applying a 20\% adjustment to the ‘starting point’ of the 2014-based household projections (913dpa) indicates that around 1,100 dwellings per annum are needed in Wealden, when rounded. When flawed scenarios are excluded, this almost precisely sits at the midpoint of the range presented in the Council’s evidence base (968 – 1,233dpa). It exceeds the OAN that has been claimed by the Council by some 150 dwellings per annum, reinforcing that this figure is not robust or justified when applying the PPG methodology in full.

\textit{Question 53 - Has an allowance been made for vacancy rates and second homes with reference to existing and future housing stock?}

2.35 It is understood that such an allowance has been made, but we have no specific comments on the approach that has been taken.

\textsuperscript{33} PPG Reference ID 2a-015-20140306
\textsuperscript{34} Regeneris (March 2017) Wealden OAN Update Draft Paper: 2013-2028 [H4] Table 1.6
\textsuperscript{35} Wealden District Council (January 2019) Housing Background Paper [A30] paragraph 4.3.2
\textsuperscript{36} PPG Reference ID 2a-020-20140306
\textsuperscript{37} Paragraphs 3.43 – 3.46 of the Technical Critique
**Question 54 - Is the level of housing planned appropriate? Should it be increased or decreased? If so, to what level and on what basis?**

2.36 The proposed level of planned housing growth is not appropriate and should be increased. The Council’s underestimation of housing needs means that its strategy has not sought to meet the objectively assessed need for housing in Wealden, and as such has not been positively prepared in the manner required by the NPPF\(^\text{38}\).

2.37 It is considered that the draft Plan should seek to meet an evidenced need for at least 1,100 dwellings per annum, requiring a minimum of 16,500 homes over the plan period that has been proposed by the Council (2013 – 2028). Policy WLP 1 currently provides for 14,228 dwellings and should therefore allow for the further provision of at least 2,272 additional homes to meet objectively assessed housing needs in full, as required by the NPPF\(^\text{39}\).

2.38 A still further increase in planned housing growth is considered necessary to cover an appropriate plan period, based on our response to Q48. An extension of the plan period to cover a minimum of 10 years post-adoption (2029) or the 15 year period preferred and now required by the NPPF (2034) would respectively necessitate provision for a further 3,372 and 8,872 homes, beyond those currently proposed under Policy WLP 1.

2.39 In seeking to meet the objectively assessed need for housing over an extended plan period, the Council should seek to identify additional sites capable of rectifying this shortfall. We maintain that sites are available to meet this higher need for housing in sustainable locations within the district. Uckfield is one such settlement that can play a greater role than currently envisaged in the draft Plan, and could reasonably be expected to accommodate up to 1,065 of the additional homes required to meet a higher need over a longer plan period. Such a contribution from Uckfield would better reflect its position in the settlement hierarchy, deliver clear benefits and secure its future growth at a rate that is proportionate to other areas of the district\(^\text{40}\).

---


\(^{39}\) Ibid, paragraph 47

\(^{40}\) See section 4 of the Technical Critique