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10 May 2016

Dear Sir / Madam

ADUR LOCAL PLAN: AMENDMENTS TO THE PROPOSED SUBMISSION ADUR LOCAL PLAN (2016)

Thank you for consulting with the Home Builders Federation (HBF) on draft Adur Local Plan.

The HBF is the principal representative body of the house-building industry in England and Wales. Our representations reflect the views of our membership which includes multi-national PLC's, regional developers and small, local builders. In any one year, our members account for over 80% of all new "for sale" market housing built in England and Wales as well as a large proportion of newly built affordable housing.

We would like to submit the following representations on the Local Plan and we would welcome, in due course, participating in hearings of the Examination in Public.

Duty to cooperate

The Local Plan is unsound because is it not positively prepared. It is not positively prepared because the plan is unable to meet the OAN and provides no plan for this unmet need to be addressed elsewhere. Nor does the plan help to meet the unmet needs of other partner authorities in the Sussex Coastal HMA. The plan is unsound because there is no plan for future working by Adur that will attempt to address this issue in the future. To be made sound, the plan must be subject to an immediate review with a specific

date included on the face of the plan that will commit to resolving this major strategic issue.

We note from the draft local plan that Adur will have an unmet housing need, based on its calculations, of some 2,200 dwellings (or an annual average of 110 dwellings) – see paragraph 2.22 (the precise shortfall is 2,211 dwellings). We acknowledge the difficulties that the West Sussex Coastal HMA authorities face in accommodating their projected housing needs. The undersupply relative to need is large. Brighton & Hove is confronted by an undersupply of about 10,000 dwellings. In Lewes the OAN was calculated to be between 9,200 (460 dpa) and 10,400 (520 dpa) but the district is only able to accommodate 6,900 homes, leaving an unmet need of 2,300 homes when measured against the lower end of the OAN range although the inspector has stated that he considers that the OAN lies nearer to the higher end (see paragraph 22 of the Inspector's report, dated 22 March 2016). For Chichester the Council prepared a plan that will provide for 660 dpa over a plan period of 2011-2029. The OAN is much greater – 1,506 dpa. The fact that there is an unmet need in Chichester has been confirmed by Arun Council in its evidence base for its examination.

	CLG 2012-based household projections (hhpa)	Local Authority Assessments of OAN (dpa)	Housing Supply (target) (dpa)	Unmet Need (dpa)
Adur	276	291	182*	109
Arun	777	758	758*	0
Brighton and Hove	1,264	1,506	660*	846
Chichester	530	505	435**	70
Lewes	527	520	345*	175
Worthing	592	636	270***	366
Total	3,966	4,216	2,650	1,566

Notes:

* Housing target proposed in draft local plans

** Adopted housing target

*** Housing trajectory (2013/14 AMR)/ Adopted Core Strategy 2011 = 200dpa.

Only Arun Council is likely to be able to accommodate its OAN in full at present, although the OAN may go up to 845 dpa as a consequence of the Inspector's conclusions on the OAN as part of the first stage of the Arun Local Plan examination (see paragraph 1.28 of the inspector's letter).

On the basis of these figures there will be a shortfall of 31,320 homes across the HMA over the next twenty years (1,566 x 20). This is a level of undersupply that approximates to Birmingham's unmet need of 38,000 homes.

The shortfall is considerable across the HMA. On the basis of the information provided to support the plan, we are not convinced that Adur has pursued the case of accommodating the OAN in full through cooperation with the other authorities of the HMA, and with Mid Sussex and Horsham, with sufficient vigour.

We have considered the evidence relating to the duty to cooperate. The Councils of the HMA acknowledge the unmet need. We note in paragraph 2.14 of the *Duty to Cooperate Statement March 2016* that a report to the Strategic Planning Board of the HMA on the options for accommodating the unmet need will be presented in April 2016. We also note paragraph 3.29 of the *Duty to Cooperate Statement March 2016* where the Council states that it will embark upon an early review of the local plan. We would support this, indeed we would argue that this is an essential precondition for this local plan being found sound. If this is the Council's intention, then there will need to be an explicit commitment to do so written into the Local Plan. This would include a timetable for action showing when the reviewed plan will be submitted to the Secretary of State. Rather than an early review, we consider that the review should be an immediate one (like the London Plan), involving all the HMA authorities, to identify new settlements within or outside the HMA that can accommodate the unmet need.

To this end we note the formal suspension of the Arun Local Plan examination that the Council refers to on page 25 of the *Duty to Cooperate Statement March 2016*. As the Council notes, the inspector considering the Arun Local Plan, has argued in his report on the OAN, that the suspension affords an opportunity for Arun to align its plan with the others of the HMA. It provides an opportunity for aligned plans to be produced by the HMA authorities where additional land could be identified within Arun (and possibly Lewes too) to help address some of the unmet need.

Vision and objectives of the Adur Local Plan

The vision and objectives are unsound because they are unjustified in view of the Council's inability to meet its OAN in full.

The Council states in V1 that *"residents will enjoy an improved quality of life and wellbeing through better access to higher quality jobs, better choice in housing including affordable homes..."*. This vision is not supported by the contents of the plan because the local plan will not provide for the full objectively assessed housing needs of the district, either within the Adur administrative boundary, or without through the operation of the duty to cooperate. Clearly, if the Council is unable to provide for the OAN in full – it faces a shortfall of 2,211 dwellings – it is inevitable that the quality of life and well-being of some residents will suffer. Vision V1 should be re-drafted to

reflect this reality. It is necessary that the local authority and the planning profession is honest about the consequences of failing to meet housing needs.

The Council should not be allowed to evade the reality of the housing situation. The problem of the shortfall should be stated explicitly in the local plan. This would act as an impetus on the Council to undertake an immediate review of the local plan to seek to find a solution of the problem of its unmet need by working with other authorities in the HMA and further afield in the sub-region.

Similarly Objective O2 needs to be re-drafted to reflect the reality of the situation. Clearly not all local communities will benefit from regeneration if the council is unable to provide for the OAN in full, which will also include the provision of homes of different tenures. For example, the affordable housing need in the district has been calculated to be 233 dwellings per year for 20 years (based on the 2014 SHMA, as referred to in Table 35 of the *Objectively Assessed Need for Housing: Adur District* Final Report, August 2015). The OAN is 290 dpa. Therefore, it is axiomatic, that if the plan is only able to provide a capacity constrained 180 dpa then the Council's plan will not be catering to meet all needs. Touchy-feely statements blithely stating that the plan will meet the needs of all residents should be avoided when the facts suggest otherwise. The local plan provides an important statement about how the district is going to evolve over the plan period, and who the winners and losers will be.

If the Council truly wants to be a more inclusive borough that meets the needs of its residents in the housing market area then it will need to embark upon an immediate review of its plan, working with its neighbours and probably other authorities much further afield, to develop a strategy to address the housing needs of Adur in full. We note that the Duty to Cooperate Statement March 2016 refers to an early review in paragraph 3.29. As we commented above, if this commitment has any meaning, then it will need to be written into the Local Plan.

Objectively assessed need in Adur

The Council considers that the OAN for the district is 291 dwellings per annum (dpa). We consider that this figure is unsound because it is unjustified in terms of its treatment of migration and the inadequacy of its response to market pressures and the scale of the affordable housing need.

The Council has assessed that the OAN for Adur alone is 291 dpa. This is stated in paragraph 2.16. Turning aside for a moment from the question of the unmet need, we would query the veracity of the OAN figure because we consider it to be on the low side when one considers the evidence.

The Local Plan will operate over the period 2011-2031 (as Table 1 on page 23 indicates). The NPPG states that the official household projections published by the DCLG should provide the demographic starting point. We have set out

below a table comparing the various DCLG Household Projections. The projections in relation to the 2008 and 2011-interim series are confined to the period 2011-2021 because the 2011-interim projections only went up to 2021.

	Average growth 2011-21	
	Population growth per annum	Households per annum
2008-based household projections	370	272
2011-based interim household projections	620	275
	Average growth 2011-31	
2012-based household projections		300

The NPPG states that the 2012 household projections published in February 2015 are the most-up-to-date projections. It is generally accepted that the most recent DCLG Household Projections should serve as the demographic starting point. The figure of 300 *households per annum* is based on the DCLG Live Table 406: Household projections by district, England, 1991- 2037.

This is the unadjusted projection for Adur, i.e. no adjustments have been made for UPC, alternative migration scenarios, or alternative headship rates. It is the view of the HBF, shared by the Government in its NPPG, that the DCLG projections provide a suitable basis for the OAN, based on nationally-consistent assumptions, and there is no need for further adjustment. It is our view that the OAN for Adur is at least 300 household per annum.

Nationally, the projections add-up to 220,000 households per year for 2011-2031. Expert commentators are generally in agreement that this figure includes an element of household formation suppression as a consequence of 30 years of planning / housing delivery failure. Some also argue that if the backlog of need accumulated since 2011 was to be addressed then nationally one would need to provide 312,000 homes per year (*TCPA Tomorrow Series Paper 17: New Estimates of Housing Requirements in England, 2012 to 2037*). Therefore, we consider that any possible anomaly one might see at local level relating to UPC or migration is easily outweighed by the larger issue of under-supply nationally and that the official projections probably under-record housing need. In essence, we consider that the household projections provide a conservative indication of future housing needs and we become concerned when any local authority assesses the need as being lower than the official projection.

There is also another factor to consider. According to the 2012 projections household formation in London and the South East (which covers the former Government regions of the South East and East of England) will account for 55% of all projected household formation in England – i.e. projected housing need is much greater in the South East of England than elsewhere in the UK (see *TCPA Tomorrow Series Paper 17: New Estimates of Housing Requirements in England, 2012 to 2037* page 3). Despite, this, the local authorities of the South East have shown the greatest propensity to build into

their OAN assessments alternative demographic scenarios that have the effect of reducing the demographic element of the assessment to below the benchmark level indicated by the official projections. Therefore, despite the greatest need arising in the South East of England, the local authorities of the south east are the least willing to plan to meet the projections. Once the unmet need is factored-in – something that is a major problem in the south east as it is in Sussex – then we have the makings of a housing disaster. We are concerned that the collective plans of the south east are failing to respond to the housing crisis.

The *OAN report* shows that internal migration has been the chief driver of population change in Adur (see Figure 4, page 30).

In its *Objectively Assessed Need for Housing: Adur District*, August 2015 report the Council sets out in Table 17 its various demographic scenarios. The Council explains in the *OAN report* that it considers that the 2012 SNPP may over-estimate the level of population increase for its projected plan period. Therefore, it discounts UPC by 50% to reflect its assumption that the official projection is likely to be wrong. As Table 17 illustrates, this has the effect of reducing the demographic starting point from 286 households per annum (hpa) to 276 hpa. It is important to note at this point that the official projections are not dwelling forecasts but household forecasts. 276 hpa represents the Council's favoured alternative scenario (see paragraph 3.58 of the *OAN report*).

The Council acknowledges in paragraph 3.25 that adjusting for UPC is a contentious area. As a matter of principle, the HBF is opposed to any adjustment for UPC whether this has a positive or negative effect on the projected need. As argued above, the marginal differences at local level are easily out-weighed by the national issue that the household projections already reflect the effect of decades of housing under-delivery. The inspector considering Arun's Local Plan also recommended against adjusting for UPC owing to a) the fact that the ONS does not support an adjustment; b) the fact that new migration data from the ONS shows that international migration has been under-estimated to a statistically significant extent; and c) the need to consider the effect of the migration assumptions underpinning the London Plan (see paragraph 1.12 of the Arun Local Plan Inspector's Conclusions on the OAN, dated 2 February 2016).

We therefore consider that the demographic starting point should be no lower than the SNPP 2012 Household Projection unadjusted – i.e. 286 hpa.

One should also note at this juncture that Adur has under-performed against its old South East Plan housing target of 105 dpa since 2008. This will have had an effect on population and household formation within the district. This is further reason why the Council should not adjust the official projections.

Lastly, as previously noted above, the DCLG household projections (and supporting ONS population projections) are based on nationally consistent assumptions. Therefore, the implication of any stand-alone assessment of

need, as in the case of the new OAN assessment carried out for Adur, is that if the Council is going to apply alternative demographic scenarios, then it would need to agree these scenarios with its other partner HMA authorities. This is because the effect of applying these alternative scenarios is that it may well increase the housing pressures in the other districts of the HMA. If Adur is going to assume lower migration, it is assuming that these households will have to move somewhere else other than to Adur. In theory this means that someone else will need to compensate for Adur's assumptions. Adur should demonstrate that it has the agreement of its HMA authorities to run with its favoured scenario.

Converting a household projection to a dwelling projection: adjusting for vacancies/second homes

It is our view that this household projection should then be converted into a dwelling projection by applying an appropriate second home/ vacancy allowance in the form of a percentage adjustment. Nationally this is 3% according to the 2011 Census. The OAN report does not make an adjustment for second homes/vacancies although this is established practice. An adjustment of 3% would add 8 households to the baseline demographic projection, converting the demographic projection of 286 households per annum into a dwelling projection of 294 dpa.

This would suggest a demographic starting point that is higher than the Council's own favoured OAN of 291 dpa, even when one takes into account the Council's upward adjustment to account for labour needs and market signals.

The London influence

There is another dimension to the migration debate that needs to be considered. This is the Mayor of London's migration assumptions that underpin his new plan for London (examined as the Further Alterations to the London Plan).

This is very important. We referred to this in our previous representations in December 2014. The housing targets included in the new version of the London Plan are predicated on an assumption that the pace of outward migration from the capital will increase over the next ten years (2015-25) returning towards the sort of outward migration levels experienced prior to the recession (see Chapter 1 of the London Plan).

The Mayor of London's new plan and its OAN is based on an expectation that there will occur increased outward-migration from London and decreased inward-migration into London over the plan period 2015-2025. This is the Mayor's demographic Central Variant as described in paragraph 1.10C of the London Plan. The Mayor, under this scenario, assumes that household formation will be 16,000 households fewer than the official projections owing to lower net migration. The inspector accepted that this was a reasonable assumption for the Mayor to make (see paragraph 20 of the inspector's

report) although he cautioned the GLA that it ought to engage urgently with the authorities of the south east as this assumption “is also likely to be material to the preparation of local plans outside London.” For this reason, evidence of cooperation with the London boroughs will be important.

There is also the question of the unmet need in London which will have an influence on the south east. This is at least 7,000 dwellings per annum and may be greater still because some of the London boroughs who are bringing forward new local plans after the examination of the London Plan are maintaining that they are unable to meet the new London Plan benchmark requirements. Southwark is an example. It maintains that it is unable to meet the London Plan requirement of 3,000 dpa. It says it can only accommodate 2,000 dpa. Similarly, Croydon Council has just consulted on the fact that it is only able to accommodate 31,765 new dwellings compared to an OAN of 47,564 (for the plan period 2014-2036). These large undersupplies will fuel out-migration from London.

The question of migration is a concern to the HBF. While the Mayor of London has calculated his housing need on an assumption that many more households will leave London most local planning authorities outside of London are assuming that fewer households will come or (at best) that the trend will remain stable. The upshot of this is that no-one is taking responsibility for these migrants. They're either being passed around, or ignored altogether.

We also have noted the following statement from the Housing Minister, Brandon Lewis as reported in the Evening Standard on 1 December 2015:

Evening Standard, p. 6, 01-12-15

Housing minister: People must decide if they can afford to live in London

Housing minister Brandon Lewis has said that people in London need to make a 'judgement call' about whether they can afford to live in the capital. The MP said the government must be 'up front' about the thousands of people unable to afford rising rents and house prices in central London, but added that plans to build 200,000 new starter homes and boost the Help-to-Buy loan scheme were a 'game-changer'.

This statement from the Government indicates that it expects that we will see increased outward migration from London to elsewhere as people are forced, as well as volunteer, to leave London to find more affordable places to live. Therefore, it seems more likely than unlikely that migration will be higher than the trend-based 2012 household projection. As we have argued, the official projections, therefore, may present a conservative picture. Ideally – if not as a matter of sound planning practice – the local authorities outside of London would need to compensate for these decisions and/or demographic assumptions.

The inspector considering the recent Arun Local Plan has recommended that migration from London is another reason why it may be unwise to adjust for UPC in the case of Arun Council who made a similar argument as Adur (see paragraph 1.12 of the Arun Local Plan Inspector's Conclusions on the OAN, dated 2 February 2016).

We are not suggesting a specific adjustment for London in the case of Adur, but increased migration from London into Adur and decreased out migration from Adur to London compared to past trends, is more likely rather than less likely over the plan period. This is a further reason why adjusting the demographic projections for Adur for lower migration is unwarranted and why the unadjusted official 2012 SNPP projection of 286 households per annum, plus a vacancy allowance of 3%, is probably a more reliable forecast for the future., i.e. 294 dpa.

The economy

The Council has made an upward adjustment to the demographic baseline of 5 dpa to account for employment needs. We support the adjustment but consider that this should be made to our recommended demographic starting-point figure of 294 dpa. This would result in a figure of 299 dpa, or rounded-up to 300 dpa.

Market signals

The council has made an adjustment of 10 dpa to account for market signals. This is too small. We note that affordability in Adur is bad when one compares lower quartile house prices to lower quartile earnings. Figure 30 shows that unaffordability has doubled since 1997, with lower quartile house prices to lower quartile earnings rising from 4.29 in 1997 to 9.64 in 2013. We note that the Local Plan Expert Group (LPEG) has recommended that when the ratio exceeds 8.7 a market signals uplift adjustment of 25% should be applied to the demographic baseline. The LPEG's recommendations have yet to be endorsed by Government, but we consider that the Council should consider an uplift of at least 20%.

Affordable housing

The OAN report has assessed the affordable housing need to be for 233 dpa. This figure exceeds the total planned supply of 180 dpa and represents about 80% of the overall OAN.

The extent of the affordable housing need in the district speaks to the housing crisis as it is being experienced in Adur. A high affordable housing need is testament to planning failure: it is evidence that the regional and local planners got their predictions about housing need wrong in the past. If earlier plans had been right with their housing predictions, then there the affordable housing need would be very much lower. Planners need to reflect upon how successful or unsuccessful they were at predicting the future in the past and then compensate for failings in their new plans.

The size of the affordable housing need is another strong argument why the Council is wrong to depress the demographic starting point.

The Council is unjustified in adopting a lower projection because the affordable housing need is so great. It indicates the extent housing crisis in the district.

We note in paragraph 4.40 that the Council maintains that the net affordable housing need will fall to just 141 dwellings, but we fail to understand the basis for this figure (see also paragraph 5.54 of the *OAN report*). The Council appears to be arguing that the net affordable housing need will fall from 233 dpa to 141 dpa because of re-lets. Firstly, the Council would need to have evidence to back-up this rate of re-lets to show that this is typical. Secondly, the scale of the undersupply compared to the OAN would suggest that it would be hard for people to find alternative accommodation with the market sector (owner occupation and private rented sector) because overall supply will nowhere near be keeping pace with the need. Supply, after all in the new Local Plan, will only be 180 dpa compared to a need for at least 290 dpa. This means that it is unlikely that affordability is going to improve. The OAN report acknowledges that affordability is poor in the district owing to the low wages of the residents (paragraph 6.27). The Council may be aware of the Eastleigh inspector's querying of the re-let assumption (see paragraph 29 of the Eastleigh Local plan Inspector's Preliminary Conclusions on Housing Needs and Supply and Economic Growth, 28 November 2014).

The Council's response to the affordable housing question is inadequate. A greater increase in supply is warranted than the 10 dpa adjustment proposed in the market signals element of the assessment. As above, we have recommended an uplift of 20% on the baseline demographic need to account for market signals and the affordable housing need.

We recognise that the uplift of 20% we have suggested to address market signals and the affordable housing need is a somewhat academic point given the land supply constraints across the district. Nevertheless, the assessment of the OAN is the first stage in a strict two part process of plan making (evidence followed by policy), and it is necessary to arrive at an objective view about the likely size of the housing need without more subjective supply-side considerations distorting this assessment. Knowing what the OAN is will be important to inform cross-border planning through the duty to cooperate.

Conclusion

It is noticeable that even after the Council's positive adjustments for the economy and market signals, it still comes up with an OAN that is lower than the official projections. This is because the Council has adopted of a more depressed starting point. This is not uncommon practice among local authorities in the wider south east. Many local authorities in the south east are running projections that assume lower migration than the official projections even if the Mayor of London is assuming increased out-migration. The risk, however, is that if the Council is wrong about its assumptions about UPC and migration, and the official projection actually provides a more reliable forecast of population over the plan period, then the Council will be undersupplying against projected housing need. The Council may be right with its projections.

Only time will tell. However, as we have previously argued, given that commentators consider that the official projections already reflect the effect of suppression as a consequence of historic housing undersupply, the efficacy of an adjustment at local level is cancelled out by the bigger national problem.

For this reason, and given the uncertainties, the HBF would tend to defer to the 2012 SNPP of 286 dpa as being representative of the demographic starting point for the district. We consider it is necessary to add an allowance for market signals of at least 20% to help improve affordability generally and facilitate the supply of more affordable homes.

This addresses the question of the OAN. We accept that this discussion is largely an academic one since the Council maintains that it is only able to accommodate an average of 180 dpa. The scale of the shortfall is serious and the shortfall in Adur adds to the major undersupply across the rest of the West Sussex Coast HMA. It is therefore necessary to scrutinise the land supply in more detail and to question the efficacy of some of the restrictions being cited by the Council.

Policy 3: Housing Provision

The housing requirement of 180 dpa is unsound because it does not meet the full objectively assessed need of the district. The Council has not demonstrated that 180 dpa is all that can be accommodated.

Accommodating the unmet need

As in the cases of Brighton & Hove and Lewes councils, we consider that Adur District Council should do more to accommodate a greater part of its unmet need, adopting the principle of 'leaving no stone unturned' (as the inspectors recommended at Brighton and Lewes). This is necessary to help close the gap between its OAN of 290 dpa and capacity for 180 dpa (paragraph 2.22).

We consider that there are alternative site options within the HMA to accommodate some of the unmet need of Adur. The HBF is not allowed to suggest particular options as we need to be careful to avoid commenting on site specific matters, but the examination of the Lewes and Arun Local Plans have suggested at least two options for new settlements that the Sussex Coast authorities could consider that could help to provide for more of the unmet needs of the HMA in the longer term. These options could be considered as part of an immediate review of the local plan. The ability to allocate these locations is supported by the Government's proposed changes to the NPPF to encourage development at public transport nodes.

We also consider that there are more options within Adur itself. We have considered the SHLAA report of December 2015. We have considered the list of rejected sites – those to be monitored and those that have been clearly rejected. We think the Council is unjustified in rejecting many of these. For example, the rejection of the potential strategic sites (ADC/106/13,

ADC/128/13 and ADC/129/13) on the grounds of there being 'various constraints' (Rejected sites – Monitor, page 5) needs to be substantiated better.

Similarly, among the sites that have been clearly rejected, there are examples of sites which one might have expected to be allocated for residential development given the size of the housing supply shortfall. One would have expected the Council to have attached greater weight to accommodating a larger element of the shortfall relative to other planning objectives. For example, for some of the rejected sites the Council has chosen to give more weight to maintaining public open space (e.g. ADC/078/13 and ADC/080/13) than providing for a larger part of the OAN, or it has rejected a site because of overhead power cables (ADC/086/13).

Completions

The Council maintains that 528 completions have been achieved since 2011. This is not supported by data from the DCLG. The DCLG *Live Table 253: permanent dwellings started and completed by tenure and district* (<https://www.gov.uk/government/statistical-data-sets/live-tables-on-house-building>) provides a much less rosy picture for Adur. This shows that since 2011-2012 just 340 completions have been achieved. This is based on a combination of P2 returns from local authorities, data from the NHBC, and approved inspector data returns. We consider that the figures provided by the DCLG are reliable as they are based on a triangulation of data, including returns provided by the local authority itself.

Paragraph 2.3.1 of the *Housing Implementation Strategy, October 2014* report states that the measure of completions is based upon 'monitoring' by the local authority. The report does not say what this monitoring data is. It would be helpful if the Council explained its source for its completions.

Windfall allowance

The Local Plan includes a windfall allowance of 416 dwellings (see Table 1). This seems to be on the high side. We note paragraph 2.5.3 of the *Housing Implementation Strategy, October 2014*. This states that the average windfall yield is 32 units a year, or 640 over 20 years, or 480 over 15 years. Normally we would consider this to represent robust evidence to justify the windfall allowance proposed. However, in the case of Adur, which has a very constrained housing land supply, we consider that an assumption that windfalls will continue to materialise in numbers they have done in the past, even at a discounted rate, may be a little too confident. Instead, the Council should take a more prudent approach and allocate more specific sites. Because the housing requirement of 180 dpa is already well below the OAN, the Council needs to do more to ensure that the requirement of 180 dpa will be delivered each year.

Policy 14: Local Green Gaps

The policy is unsound because it is unjustified given the size of the unmet housing need and the Council's failure to make any alternative provision for this unmet need.

Possibly more importantly in terms of inhibiting the land supply for residential development in Adur, we note the effect that the Strategic Gap and Local Green Gap policies are having on preventing the release of other sites (for example ADC/101/13, ADC/102/13, ADC/104/13 and ADC/107/13). The efficacy of these Gap policies should be reconsidered by the Council in view of the scale of the shortfall. The Council will need to reconsider whether these 'Gap' policies from the current local plan are still justified in view of the new planning challenges in Adur. It could consider whether it could redraw these Gaps to allow for the release of some additional sites.

The Council will be aware that the NPPF expects local planning authorities to accommodate their objectively assessed needs in full unless *"any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole"*. Guided by this maxim, we are not convinced that the Council has struck the appropriate balance. Paragraph 76 of the NPPF does say that by designating Local Green Space local communities can prevent development other than in very special circumstances, but in identifying land as Local Green Space this should be *"consistent with the local planning of sustainable development and complement investment in sufficient homes, jobs and other essential services"*. Paragraph 113 of the NPPF requires the local planning authority to distinguish between the hierarchy of designated sites – international, national and local – so that protection is commensurate with their status. Clearly the South Downs National Park is out of bounds for development, but in view of the considerable restriction this imposes on Adur and the HMA in meeting the full OAN, a more critical view of the local gap policies is justified.

We are concerned that the Council is placing more weight on the maintenance of local gap designations than on the importance of accommodating the OAN in full. The retention of local gap policies to their current extent is unjustified.

We also note that some locations in the Shoreham Harbour Regeneration Area (including SH/001/13 and SH/002/13 broad location areas) are not allocated for residential in this plan period. We note from paragraph 3.14 of the *Duty to Cooperate Statement of March 2016* that the Council has secured £13.78 million from the LEP's Local Growth Fund for the Shoreham Area Transport Package. Adur has also secured from the LEP an additional £9.5m via the Growth Deal for flood defence projects and transport access improvements. Given this level of investment it is perhaps surprising that a number of sites within the Regeneration Area are not expected to come forward for residential development within the life of this plan. It would be helpful if the Council explained the terms of this infrastructure investment and

how many homes were expected to be provided over the course of the plan. We think this is 1,100 by 2031 according to Policy 8. This is contradicted by Table 1 on page 23 of the Local Plan that states that only 968 homes will come from this allocation. The Local Plan needs to be clarified in this respect, stating how many homes are expected to come from the Shoreham Harbour Broad Location over the plan period up to 2031. If 1,100 is the total estimated capacity, but only 968 homes are expected before 2031 the Local Plan should state this. This would mean that 132 homes would be provided at Shoreham Harbour after 2031. Policy 8 does say that 1,100 homes are anticipated in the Shoreham Harbour Regeneration Area by 2031.

We note that an Area Action Plan (AAP) for Shoreham Harbour is being produced. It would be helpful if the Council explained if this AAP is intended to operate over a different time period to the local plan, or if it will enable the broad locations that have been rejected to be brought forward for development sooner. If the AAP may enable the other 132 homes to come forward before 2031 then the Adur Local Plan should state this.

Policy 15: Quality of the Built Environment and Public Realm

Paragraph 4.7

We note in paragraph 4.7 that the Council will require applicants to have regard to a range of design standards, such as By Design, Building in Context, Safer Places, and Building for Life. This is potentially confusing for applicants and sometimes the guidance is contradictory. In line with the spirit of the Government's *Housing Standards Review* which has attempted to simplify the number of standards relating to the construction, internal layout and performance of residential developments, we would encourage the Council to simplify its guidance in relation design standards. To this end we would encourage the Council to focus on the new updated Building for Life 12 guidance (distinct from the earlier Building for Life guidance) the development of which was supported by the HBF, and remove reference in the Plan to any other design standards or guidance.

Policy 20: Decentralised Energy, Stand-alone Energy Schemes and Renewable Energy

The policy is unsound because parts are contrary to national policy.

Part of the policy requires that applicants for residential development are expected to incorporate renewable/low carbon energy production equipment to meet at least 10% of predicted energy requirements. This is a policy that relates to the *performance* of new dwellings.

The Government has set out in its Written Ministerial Statement of 25 March 2015 that from the date the Deregulation Bill 2015 is given Royal Assent, local planning authorities should not set in their Local Plans any additional local technical standards or requirements relating to the construction, internal layout or *performance* of new dwellings. All that applicants are required to

demonstrate is compliance with Part L of the Building Regulations. How compliance with Part L is achieved is a matter for the applicant to decide. This is not a planning matter.

Policy 21: Housing Mix and Quality

Parts of the Policy are unsound because certain requirements are unjustified.

The Council expects applicants to meet the Optional Technical Standard for Accessible and Adaptable dwellings for all dwellings. This is unsound because it is unjustified and it is also ineffective because it jeopardises the deliverability to the local plan. This is Optional Technical Standard Part M4(2). Before the Council can require compliance with this as local plan policy it must satisfy the tests set out in the *NPPG: Housing – Optional Technical Standards*. These tests require Adur Council to consider:

- a) the likely future need for housing for older and disable people;
- b) size, location, type and quality of dwellings needed to meet specifically evidence needs;
- c) the accessibility and adaptability of existing housing stock;
- d) how needs vary across different housing tenures; and
- e) overall impact on viability.

(NPPG reference: ID 56-007-20150327).

We are unaware of how the need for Part M4(2) dwellings varies by size and location and type across the district.

We are unaware of any assessment by the Council of the accessibility and adaptability of the existing stock.

We are unaware of any assessment of how needs vary across tenure.

In terms of viability, we note page 29 of the *Adur Whole Plan and CIL Viability Assessment, November 2014*. The reports considers that the construction costs used reflect the cost of building to Lifetime Homes. However, the Council would need to demonstrate that this is actually the case: i.e. how many homes in recent years have been built to the Lifetime Homes standard in order to judge whether this is a cost that is reflected in the pattern of new building in Adur in recent years. The *DCLG Housing Standards Review Cost Impacts, September 2014* (EC Harris) provides the best information on the additional costs associated with building to Part M(4)2. It is an average of £682 per dwelling, but the cost is much steeper for flats (£923 on average). The Council will need to consider the efficacy of this carefully if it wants its Shoreham Harbour Regeneration Scheme to happen. The Shoreham Harbour scheme will mostly consist of flats. The viability appraisal already shows that the scheme is unviable and that a nil CIL rate is necessary. Adding another £900 per dwelling will hardly help matters.

The inclusion of the caveat 'where feasible and viable' is unjustified in the policy. This is because the onus is on the Council to demonstrate that compliance with the Optional Requirement is feasible and viable, not the applicant.

The NPPG also invites local planning authorities to take into account specific factors such as vulnerability to flooding, site topography and other circumstances which may make a specific site less suitable for M4(2) (NPPG, ID 56-008-20150327). It advises that "where step-free access is not viable, neither of the Optional Requirements in Part M should be applied".

The Council has not justified the adoption of this Optional Requirement.

Conversions

The policy requires that the conversion of dwellings into flats and maisonettes will have to comply with the Council's adopted Development Control Standard "Flat Conversions". This is unsound because it is contrary to national policy. The Ministerial Statement of 25 March 2015 states that other than the Building Standards and the Optional Technical Standards, local planning authorities "should not set in their emerging Local Plans, neighbourhood plans, or supplementary planning documents, any additional local technical standards or requirements relating to the construction, internal layout or performance of new dwellings".

The Council cannot adopt local policy controlling these conversions. Nor can the Council introduce any other guidance relating to the construction, internal layout or performance of new dwellings now or later on. This paragraph should be deleted from the plan.

Policy 22: Affordable Housing

The policy is unsound in parts because it is contrary to national policy: some of the rates proposed are not supported by the evidence.

We have noted the *Adur Whole Plan and CIL Viability Assessment, November 2014*. Paragraph 6.10 observes the non-viability of the Shoreham Harbour Regeneration Area. This area appears to be unable to sustain any level of affordable housing owing to flood defence and site specific infrastructure costs. The report says that these problems can be overcome because the Shoreham Harbour scheme is likely to attract government funding. This may well happen, but equally it may not. We have noted above that the Council has secured funding from the LEP for various flood defence works and transport infrastructure projects across Adur. However, it is unclear what proportion of these funds is available to improve the viability at Shoreham Harbour.

As things stand and on the basis of the evidence presented, it would be unwise, and contrary to national policy, for the Council to specify the proposed rates of affordable housing in this strategic allocation. This issue cannot be

evaded by requiring application specific open book viability assessments. The Local Plan needs to provide clarity for applicants so that any application made can be approved without delay (paragraph 14 of the NPPF). The applicant needs to know what level of affordable housing is expected, and this needs to be supported by evidence. This is the essential principle of the plan-led system.

The tenure split in paragraph 4.40B and the Policy does not reflect the tenure split tested in the Viability Appraisal. The Local Plan stipulates a split of 25% intermediate and 75% social/affordable rent (without specifying the apportionment of the latter). However, the viability appraisal has tested something different: namely 40% intermediate, 30% affordable rent and 30% social rent. The selection of the higher intermediate component is interesting because this will tend to improve viability because they are sold-on to RSLs at 60% of the full market value compared to 40% for social rent. The mix chosen, therefore, will tend to favour the Council's case that 30% can be achieved on schemes of 15 gross dwellings (except in Shoreham Harbour of course where the viability report has also recommended a nil CIL). This is illustrated in section 4: viability appraisal assumptions where intermediate homes are calculated at 60% of market value.

The Local Plan should reflect what has been modelled. It should reflect the modelling of 30% intermediate, 40% social rent and 30% affordable rent.

Gross dwellings

We also note that the contribution to affordable housing is calculated on the basis of gross dwellings. Normally affordable housing obligations are calculated on the basis of net additions to the stock. Therefore, if a householder applied for planning permission to re-build her home, she would be subject to a financial contribution equivalent to 10% affordable housing.

Similarly, if a developer was involved in redeveloping an estate of 20 homes as part of a regeneration scheme to provide 21 new homes the applicant would be liable for a 30% affordable housing contribution based on the one additional unit created by the development. This is unlikely to be effective as a policy.

CIL

The issue of the CIL is also very important since this could have a big impact on the viability of the small sites. The *Adur Whole Plan and CIL Viability Assessment, November 2014* has only examined the effect of local plan policies and possible CIL rates for the Strategic Sites. The report has recommended ranges within which the Council may want to set its residential CIL but the Council has yet to determine what these rates might be.

Policy 33: Open Space, Recreation and Leisure

In view of the size of the unmet need, and the failure of the Council to provide an alternative strategy to accommodate the unmet need, the open space requirements of Policy 33 are unjustified.

The policy is unjustified. The policy would be defensible if the Council had managed to secure an alternative means of accommodating the shortfall of 2,200 homes but it has been unable to do so. In view of the scale of the need, plus the uncertainties associated with the deliverability of the Shoreham Harbour Regeneration Strategic Scheme, the local standards are unjustified. Once the Council has secured alternative provision for its shortfall, then such a policy would be justified, and could be re-introduced through the local plan review that it proposes. However, at the current time, in view of the constraints in the area, the policy will restrict the ability for the Council to optimise the capacity of the few residential sites that it does have.

Yours faithfully,

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Strategic Planner