

Issue 4

Is the housing requirement justified and deliverable and has it been calculated in accordance with national policy and guidance?

i) What weight should be given to the new standardised methodology for calculating local housing need set out in the housing White Paper of February 2017?

4.1 We believe that as a direction of travel in terms of housing numbers it can be given some weight within the collar of what is reasonable under current policy.

ii) Is the housing market area suitably defined having regard to the PPG on Housing and economic development needs assessments (ID02a-01120140306)?

4.2 Whilst the housing market area may be suitably defined we would draw attention to the limitations of such analysis. The PPG reference quoted says 'This excludes long distance moves (eg those due to a change of lifestyle or retirement), reflecting the fact that most people move relatively short distances due to connections to families, friends, jobs, and schools' Rother has said that it's unmet need arises from net in migration, which they thought could be met elsewhere in the South East. It would appear from this reference that such moves are largely not included within the definition of the HMA. Looking at other factors in determining an HMA we can see the average cost of housing in the borough of Ashford is £2700 per sqm and in Rother £2800 per sqm (ONS reference in appendix). It would seem logical that those considering moving to Rother from another borough could consider Ashford to be a substitute, especially given the transport connections within the borough of Ashford. Contextual data would appear not to be particularly relevant to this group of in migrants given 'They can also provide information about the areas within which people move without changing other aspects of their lives'. It would seem the council is happy to accept in migration in the case of London to Ashford but ABC seem unwilling to accept that Ashford could be considered a substitute for those considering migrating to neighbouring boroughs.

iii) Is the figure of 754 households per annum justified as the starting point for establishing objectively assessed need and has it been properly derived from the 2014 population and household projections?

4.3 From paragraph 5.9 on page 40 of EBD04 we know that the council sought a jobs led strategy with 'employment growth prospects forming the basis for considering future housing provision' We consider that the baseline scenario chosen for employment is overly conservative (see responses to 4.8 to question vi)) and therefore the OAN has been underestimated. We would also be of the view that the prospects of the council getting support to pursue the more ambitious scenarios has improved significantly with the drive for more housing being a key government focus. Even the absence of such support we consider that the starting point from an economic perspective should have been annual growth of around 1.3% per annum or greater. This level of economic growth is consistent with the

2011 SNPP projection within table 18 from the SHMA on page 90 of document SD13. Table 19 on page 91 then gives us a housing need figure based on the 2011 SNPP of 806 dwellings per annum which we consider a more appropriate starting point for establishing the OAN than figures derived from the baseline economic growth scenario.

- 4.4 GL Hearn attended (23rd November 2011, EBD04 page 39, para 5.7) to discuss the aspirations of the Planning Policy Task Group. At a subsequent meeting on the 23rd March 2012 the minutes say 'The opportunity exists to take a cautious starting position, given the levels of uncertainty in the economic climate, and it was questioned whether it would be better to start by setting housing and job numbers a little lower. It was suggested that it would be possible to come back and re-visit these numbers later if they found to have been set too low, but if they were set too high it would be much more difficult to reduce them later as it would have raised expectations and raised 'hope' values on land.' Given this quote and the selection of the baseline scenario we believe the council's position represents the lower bound of what is credible and they anticipate that they will be pushed to meet a higher more realistic housing number at examination.
- 4.5 The subsequent updates appear to be demographically based and do not appear to reconsider the economic scenarios (see 4.8) again. It is clear to us that had the economic scenarios been considered then it would have become clear that the baseline economic growth position no longer held and that the enhanced scenarios with their higher housing growth implications were more appropriate. The council then appears to have shifted from seeking a jobs led strategy to focussing on the demographics, which suggests a lower annual housing number than a revised jobs led approach would have suggested.

iv) Is the vacancy allowance of 4.2% a suitable one?

- 4.6 We understand from DCLG table 615 that in 2017 there were 1034 vacant homes in the borough, with the highest since 2004 being 1443 in 2006. From the KCC table on second homes we understand the total number of homes in the borough to be 53,614 which would indicate a vacancy rate of 1.92%. We understand the quoted allowance includes an allowance for second homes which we take from the KCC table to be 1.04% of stock in 2017. Assuming those two figures are the only elements to a vacancy allowance anything over 3.5% would appear overly cautious and we would be happy for the council to reduce this allowance.

v) Should any demographic adjustment be made to the household projections due to specific local circumstances (ID02a-017-20140306)?

- 4.7 We do not believe that there is a need to adjust the household projections due to specific local circumstances.

vi) Have employment trends in the Strategic Employment Options Report (EBD04) been properly taken into account (ID02a-018-20140306) and is the selection of a baseline economic growth scenario justified?

- 4.8 To plan for a baseline scenario which assumes 620 jobs per annum (1.1% em. growth) are created when in the period 2001 to 2010 averaged 780 jobs per annum (1.4% Em. Growth, para 3.2) is not consistent with the positive preparation of the local plan. The council appears to be pursuing aspects of both enhanced scenarios in bringing forward the Commercial Quarter and the new college building. A scenario at least somewhere between baseline and the enhanced scenarios (715 per annum En. Productivity or 795 per annum for

En. Performance) would seem more credible, we would suggest 700 per annum as a minimum in order to be positively prepared. (page 69 paragraph 10.23)

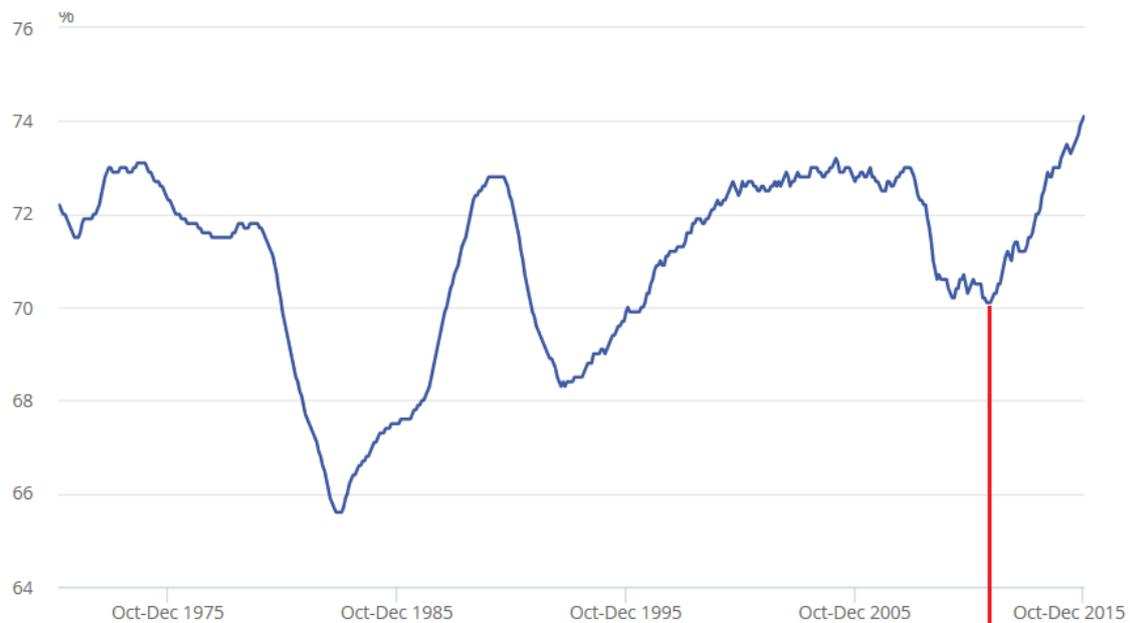
4.9 Given the short plan period and adoption of the baseline employment scenario our concern is that the combination of the two could lead to choices which undo much of the planning work carried out as part of the GADF in identifying a sustainable pattern of growth for the borough to deliver 30,000 homes. Short term decisions, such as releasing the employment land at Finberry and Eureka will reduce the sustainability of the future growth pattern beyond this plan.

4.10 We do not have access to the Cambridge Econometrics data set but have tried to find an indication of employment growth within the period 2011 to 2017 as paragraph 10.26 on future monitoring says 'A significant and sustained divergence of economic performance from these assumptions (such as over a five year period or more) could therefore trigger the need to review strategic planning policies'. Paragraph 2.5 does say that the Cambridge Econometrics data is based upon the 'Business Register and Employment Survey.' This data is available publicly and the most recent total employment figure within Ashford is 56,800 in 2016. I can only find data for 2012 (2011 has been archived) and this shows that employment was 50,500 in that period. That would indicate a 12.47% increase in employment over a 4 year period or 3% per annum. (The council has on the 26th March provided the Employment Monitoring part of GBD02, whilst we don't have time to comment fully we note that paragraph 2 on page 3 gives an increase in employment of 19% over 5 years which is over 3.5% per annum)

4.11 The corresponding figures for neighbouring districts are Rother +9.3%, Tunbridge Wells +9.58%, Maidstone +7.5%, Swale +12.8%, Canterbury +8.5% and Shepway -0.79%.

UK Employment rate (aged 16 to 64), seasonally adjusted

January to March 1971 to October to December 2015



Source: Labour Force Survey - Office for National Statistics

August / October 2011

4.12 There has been a significant rise in the employment rate nationally since the document EBD04 was produced and the employment rate now stands at 75.3% which is the highest since the early 1970's. It would seem clear to us that the baseline position is not credible as there has been 'A significant and sustained divergence of economic performance from these assumptions'

vii) Has the housing need number suggested by the household projections been adequately adjusted to reflect appropriate market signals relative to local or national averages as per ID02a-019 & 020-20140306? Is the proposed upward adjustment of 5% reasonable and is the impact of this figure or a higher one on overall stock growth relevant in determining objectively assessed need?

4.13 See iii) of representation MCLP/749

viii) Is the allowance for 442 dwellings over the plan period to cater for increased out migration from London justified and adequate? Is the figure part of the objectively assessed need and should it only be applied from 2017 onwards?

4.14 See iv) of representation MCLP/749

ix) Has an allowance been made for vacancy and second home ownership of existing and future housing stock?

4.15 No comment

x) Has the Council adequately considered increasing the total housing figures in order to help deliver the required number of affordable homes in accordance with the PPG (ID 2a-029-20140306)?

4.16 We consider that there is scope to increase the housing total to help deliver more affordable homes.

xi) Should the housing requirement be set out in policy as an annual average or should a stepped requirement be included?

4.17 We would be supportive of an approach, whether through a stepped requirement or through dealing with the shortfall, which resulted in greater delivery in years 2020-2025, once infrastructure constraints are removed at J10a, the Bellamy Gurner and A28 dualling. We feel this would also be more realistic given the capacity constraint we feel exists when dealing with the number of planning decisions the housing trajectory would infer are being decided in years 2018 and 2019. If adopting this approach however we would view a reviewed and adopted plan within 5 years as being even more important (2023) and would suggest that the plan should be considered out of date if a revised plan is not adopted by 2023.

Appendix contents-

- Page 5 Appendix contents
- Page 5-
- Referenced in paragraph 4.2, ONS value per sqm, <https://visual.ons.gov.uk/house-prices-how-much-does-one-square-metre-cost-in-your-area/>
- Referenced in paragraph 4.12, current employment rate nationally <https://www.ft.com/content/30c56f3a-00ee-11e8-9650-9c0ad2d7c5b5>
- Referenced below paragraph 4.11, UK employment rate graph <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/february2016>
- Referenced in paragraph 4.10, BRE data, <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/localauthoritydistrictbusinessregisterandemploymentsurveybrestable6>
- Referenced in paragraph 4.6, Vacant homes, <https://www.gov.uk/government/statistical-data-sets/live-tables-on-dwelling-stock-including-vacants>
- Referenced in paragraph 4.6, Second Homes, https://www.kent.gov.uk/_data/assets/pdf_file/0005/7358/Second-homes-in-Kent.pdf
- Page 6 – Extract from minutes of Planning Policy Task Group 23rd March 2012. Document referenced in paragraph 4.4, table in general. Particularly the middle paragraph of 3.2 and the last paragraph

3 Core Strategy Review – Early Issues

- 3.1 The Head of Planning & Development introduced the report and tabled a suggested list of revised questions/prompts for the consultation paper. He explained that the consultation paper had been produced to help widen understanding of the issues involved in the first stage of the Core Strategy Review and stimulate a debate that would help inform the Council's next steps. There were two key issues to bear in mind: - firstly, that the consultation was not asking anybody to choose a particular scenario or a specific level of development, but sought to outline the issues involved and give a range of possible outcomes to generate 'open' and more useful responses. Secondly there were still clearly some important variables that needed further testing to inform the debate and this would continue in the coming months. He agreed that key variables such as the commuting ratio and economic activity rates had to continue to be analysed, which would in turn lead to a more precise approach to the analysis of housing numbers. The Administration's approach was a jobs-led one and it was recognised that in this spirit it was important to cater for economic growth but not to allocate more housing than was needed.
- 3.2 During the discussion the following issues were raised: -
- Activity rates should take full account of changes to the state pension age, longer life expectancy, better health and the abolition of compulsory retirement ages. The assumptions used in the modelling were questioned as to whether they took account of planned changes between now and 2030.
 - The opportunity exists to take a cautious starting position, given the levels of uncertainty in the economic climate, and it was questioned whether it would be better to start by setting housing and job numbers a little lower. It was suggested that it would be possible to come back and re-visit these numbers later if they found to have been set too low, but if they were set too high it would be much more difficult to reduce them later as it would have raised expectations and raised 'hope' values on land.
 - The potential for growth within different sectors in the Borough's economy was questioned and that this should be the basis for jobs predictions – having identified 'niche' growth sectors. Currently the growth appeared to be in the service industry and based around lower-paid retail jobs.
- 3.3 The Head of Planning & Development acknowledged the complexity of the issues around demographic trends, but the advice received so far did take into account the changing retirement picture. He accepted that further work was needed on this to check whether the full impact of the changes planned was being taken into account. He accepted that it was right to be cautious about economic projections and said that the lower end of the range explored by the consultants did this in his view. Whatever conclusions were arrived at