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Lissa Higby  
Programme Officer  
Council Offices  
South Street  
Rochford  
Essex, SS4 1BW

Dear Lissa

**Rochford Core Strategy: Invitation for comments on revised PPS3 and status of Regional Spatial Strategy.**

I refer to your letter of the 14th June, inviting comments on the implications for the Rochford Core Strategy of both the Secretary of State's letter of the 27<sup>th</sup> May on the future of Regional Spatial Strategies, and the re-issue of PPS3 on 9<sup>th</sup> June. As you will be aware, a further statement confirming the revocation of all existing RSSs and setting out transitional arrangements was issued by the Secretary of State on 6 July, 2010. This has effectively superseded the 27<sup>th</sup> May letter, and therefore our response is primarily in relation to the latter document.

This response is submitted on behalf of our clients, Countryside Properties (respondent ID 8650).

Dealing with the issue of **RSS** to start with, the first matter to note is that the Secretary of State's guidance makes it clear that the revocation of the RSS should not be taken as a signal for local authorities to stop plan-making, and that where plans are in preparation, they should be continued, as should Examinations that are already in progress. This is not an opportunity for unnecessary delay.

Secondly, it is important to establish that although the RSS may no longer exist, the procedural framework within which DPDs have to be prepared remains exactly the same, and particularly that the content of any DPD needs to be based on evidence. Removing the RSS housing numbers does not remove the requirement for a DPD to be "sound", and this Core Strategy must still meet the tests of soundness, including that it be "Justified" i.e. founded on a robust and credible evidence base, and the most appropriate strategy when considered against the reasonable alternatives (PPS 12 para 4.52).

An alternative housing requirement cannot just be plucked out of the air, but would need to be justified on the basis of a credible evidence base. The principle document in the Council's published evidence base that relates to the issue of housing need is the SHMA. The key conclusions of the 2008 Thames Gateway South Essex SHMA are as follows:

- The RSS housing provision for TGSE at 44,300 2001-2021 is already below the CLG's trend-based projections for household growth of 46,500 (para 10.27 of the SHMA);

- If the economic growth projections of the RSS of 55,000 additional jobs are achieved without any substantial shift in commuting patterns, then the pressure for housing growth would be even higher. The SHMA's authors predict a requirement in that eventuality for 62,100 new homes over the same period, 40% above the current RSS requirement (para 10.28). Although the policy intention is to reduce commuting to London, the authors go on to conclude that notwithstanding that policy aspiration, a projected surplus of jobs to houses in the capital may increase commuting (paras 10.38-10.52), and hence the potential for job growth in TGSE to fuel the need for more housing than the RSS currently provides is not idle speculation, but a relevant consideration;
- In terms of Affordable Housing need, Figure 11.13 on page 209 of the SHMA calculates a net annual affordable housing need in Rochford of 131 dwellings, equating to just over 50% of the RSS annual requirement of 250 dwellings per year. 50% affordable housing delivery is neither proposed nor viable. Delivering 131 affordable housing units per annum at 30% or 35% would require between 374 and 437 dwellings per annum, significantly higher than the residual RSS requirement upon which the Core Strategy is currently based. Any reduction in the overall level of housing delivery will have a direct knock on effect on the delivery of affordable housing, and even the current RSS housing number will result in a substantial shortfall in affordable housing delivery compared to need.
- The conclusions of the SHMA at paragraph 13.3 notes that a SHMA forms one of the inputs in to determining housing requirements and residential land-supply in LDFs. In the absence of the RSS, the SHMA would become the most important consideration in respect of the "need" side of the equation, representing the most comprehensive assessment of affordable and housing market requirements.
- The conclusions of this SHMA show that the current RSS provision should indeed be considered as a "minimum", since both market and affordable housing need are likely to exceed the level of provision established by the RSS.

It is relevant to note that the 2008 SHMA was recently updated (May 2010), although to date the update document is not currently included in the web-based evidence base, or on the Core Documents list. An electronic copy is enclosed with the e-mail version of this letter. The 2010 SHMA Update continues to support the findings set out above, but also notes the following:

- In-migration from East London boroughs remains a significant driver for the TGSE Housing Market, as a result of the differential value of housing stock between East London and TGSE and continuing ease of access to Central London and the City from South Essex (paras 2.8-2.9 of SHMA 2010);
- For Rochford District, in-migration from other parts of the UK is by far the most significant factor driving the need for new housing (cf Table 2.11 with tables 2.7-2.10);
- Rochford District has now overtaken Castle Point to the dubious distinction of being "the least affordable place for local residents" in TGSE (para 3.20 of SHMA 2010);
- Whereas in the SHMA 2008, affordable housing requirements equated to 50% of the RSS total, as set out above, the SHMA 2010 now estimates the affordable housing requirement as being 85% of the RSS annual total, with the net annual housing need having risen from 131 dwellings per annum to 196 dwellings per annum, compared to the 250 per annum required by the (former) East of England Plan.

The other principle source of evidence on housing provision levels of course would remain the RSS, and the Secretary of State's guidance note makes clear that evidence used in the preparation of the RSS can still be relevant. Even though the RSS is revoked and no longer forms part of the statutory Development Plan, the analysis that led both to the overall level of housing provision deemed suitable for the region and the breakdown of that housing requirement to the individual districts was itself based upon a substantive evidence trail, which included consideration not just of the sources of demand for market and affordable housing (births, deaths, population projection, household formation, concealed households, and of course migration), but the ability of the relevant districts to deliver that level of housing in a sustainable fashion.

A specific part of the evidence base that underpinned the consideration of housing numbers in the RSS were the ONS household and population forecasts. The EERA Technical Paper of September 2005 set out at Table A.1 the results of the 2002 ONS Household projections, by District. The projection for Rochford District was 7,000 additional households between 2001 and 2021, compared to the eventual proposal for 4,600 dwellings.

We recognise of course that the ONS projections take account of trends in migration, but nil-net migration is not a credible basis on which to base local housing requirements. Migration is a fact of life, and it is neither credible nor reasonable to pretend that migration does not have an impact on housing demand and need in the Eastern Region, and particularly in the South Essex area, where the SHMA itself migration as being a key driving factor of housing need.

Taking in to account the available evidence on housing need, we would suggest that this not only supports the retention of a level of housing commensurate with the existing RSS, but that it supports the continued application of that level of housing as a minimum. All of the evidence suggests that housing need, and particularly affordable housing need, is well in excess of the 4,600 units set out in the RSS.

A possible alternative to the previously approved RSS number offered by the Secretary of State in the recently issued guidance is the use of the 'Option 1' number, being the level of development set out in the draft RSS prior to Examination. In the case of Rochford, the draft RSS figure from the December 2004 East of England Plan was still 4,600 units, at 230 units per annum, and reverting to the 'Option 1' number makes no difference for this Core Strategy.

It will be noted that due to a shortfall in provision in the first 5 years of the plan, the residual RSS rate from 2006-2021 had increased to over 250 units per annum. According to the Council's latest AMR, the actual level of completions 2001-2009 was 1,531, at a rate of just over 190 dwellings per annum. Given current circumstances, completions levels are likely to continue to be below the required level in coming years.

Whilst the March 2010 draft RSS proposed a slightly lower level of provision for the period 2011-2031 of 3,800 units (190 dwellings per annum), it must also be relevant to take in to account this shortfall in provision compared to requirements over the early years of the Rochford Core Strategy. Meeting the current backlog in provision lends weight to this Core Strategy being based upon the original RSS provision of 230 dwellings per annum, even if after 2026 provision rates decrease.

At the end of the guidance note, the Secretary of State reaffirms that the Government is committed to the Green Belt, and that PPG2 still applies. This is not of course a change in policy, since under the old RSS, the Government remained committed to the Green Belt and PPG2 still applied. The guidance note makes it clear however that as part of local development documents, changes to Green Belt boundaries can be brought forward if local

circumstances dictate. Rochford is not one of those districts named by the Secretary of State in announcements on this matter where it is now expected that no change to the Green Belt would occur.

Finally on this issue, it is worth noting that although the Secretary of State has removed the RSS housing targets and is leaving determination of housing numbers to local authorities, it is not the case that the Government is looking to reduce levels of new house-building. Indeed, there is much to suggest that the Government is looking to local planning authorities to increase house-building rates.

At the outset of the “Open Source Planning” Green Paper (adopted by the Coalition in the Queen’s Speech), the Government notes that we are seeing historically low levels of house-building, which fail to match the needs of the economy and society. The fact that the Government is committing to fund Councils for the provision of new housing is testament to the priority that it attaches to the need to “kick-start development” generally, whilst the Paper is particularly positive on the necessity to increase affordable housing provision. Part of the reason given for abolishing regional spatial strategies is because the Government considers that the centrally imposed targets have been counterproductive to the delivery of the scale of new house-building that the country needs. Indeed, a key message of the Green Paper is set out on page 11 (under “presumption in favour of sustainable development”), and states:

“We believe the country needs to see a major upswing in development and construction as soon as possible”.

Speaking on the 8<sup>th</sup> June, Housing Minister Grant Shapps re-confirmed the Government’s positive approach to developing new housing in his “age of aspiration” speech, stating:

“If we are really serious about supporting people’s aspirations for home ownership, the real prize is we must build more homes”.

The context for the abolition of RSS is not that of a Government seeking to reduce the number of new homes built, but a Government seeking to change the mechanism by which proposals for new homes come forward.

To conclude in relation to the matter of the revocation of RSS, we would wish to highlight the following:

- The Secretary of State’s guidance makes clear that DPDs in the course of preparation should continue;
- The Core Strategy provisions need to be based on sound evidence – the evidence from the SHMA 2008 and from the RSS preparation process demonstrate that the minimum of 4,600 units as set out in the RSS (rolled forward to 2026) is justified and credible, and is the most appropriate level of provision. Indeed, the evidence generally supports a higher level of need;
- The SHMA 2010 update supports the findings of the SHMA 2008, but also reinforces the fact that access to affordable housing in Rochford has worsened since 2008 in relative terms, and that migration is a key driving factor for housing need.
- The alternative ‘Option 1’ figure makes no material difference for the Rochford Core Strategy – the draft RSS figure was also 4,600 dwellings;
- The recent announcements do not preclude revisions to Green Belt boundaries as part of local development documents (subject obviously to exceptional circumstances in accordance with PPG2);

- Although the Government is looking to return decision making on housing targets to the local level, this is in the context of a Government that is in favour of increasing house-building generally to meet the needs of the economy and society, and which supports delivering more affordable housing;
- In the light of the above, no changes to the Rochford Core Strategy are required (except minor changes to amend references to the East of England Plan as “former”).

Before turning to consider the re-issued PPS3, there are two final practical considerations that we feel are worthy of mention, and which the District Council will no doubt be considering:

- (a) The Government has set out its intentions to support those Councils who do deliver new homes by providing additional funding. Although the details of the mechanism have yet to be set, there is no doubt that those communities that deliver more housing will benefit from greater funding, and it is clear that the Government expects Councils to take this in to account in determining their own local aspirations for housing;
- (b) This Core Strategy aims to deliver much more than just new homes. It contains a wider range of policies that not only provide for new development across a range of sectors, but which aim to shape the wider environment of the District. The need for any revision to housing numbers to be based on evidence could cause substantial delay in bringing forward other important elements of the Core Strategy.

I turn now then to consider the **revised PPS3**. It is our view that the changes in policy contained therein (exclusion of gardens from the definition of Previously Developed Land and removal of the “indicative” threshold of 30 dwellings per hectare) do not require any substantial amendments to the Core Strategy either.

This is in part because the Core Strategy focuses on the broad strategic development issues facing the District, and any changes to development control policies to cater for a more restrictive approach to garden development (should the Council so wish) could be dealt with through the Development Management DPD, and in part because any amendments to the scale of development required in the Green Belt as a result of a more restrictive approach to urban development or lower densities can be dealt with through the Site Allocations DPD.

In the past, development on garden land in Rochford District has been a source of housing completions, alongside other forms of intensification, including redevelopment of land at densities well above the PPS3 “indicative” minimum of 30 dwellings per hectare. In the future, the Council could decide to ‘tighten’ its existing development control policies in respect of garden development, and it could decide that some sites identified in the SHLAA (whether existing urban sites or the main urban extensions) could come forward at densities below 30 dwellings per hectare. As the level of housing need/requirement in the District will not decrease, for the reasons set out above, the net result will be that additional Green Belt land will be needed to accommodate the additional homes arising.

The fact that these policy options remain open to the Council through subsequent DPDs reinforces the view expressed by our client’s in their representations to Matter 2 (Location and Supply of New Homes) that the development quantum set against each of the urban extensions specified in Table H2 should be expressed as ‘minimums’, since at the Site Allocations stage, any shortfall in development from the urban areas arising from a more restrictive approach to garden development or lower densities will need to be transferred to these sites.



So in conclusion, we do not consider that either the revocation of the East of England Plan nor the subsequently re-issued PPS3 necessitate material alterations to the Submission Draft Core Strategy.

In relation to the former, the evidence base supports the provision of housing levels at or above the RSS figure.

In relation to the latter, any decrease in urban capacity that could arise from amended development control policies in future can be dealt with through flexibility in the Core Strategy housing provisions for the growth locations (in accordance with our client's submitted representations) and through subsequent DPDs.

Yours sincerely

Kevin Coleman  
Associate Director  
[kevin.coleman@jbplanning.com](mailto:kevin.coleman@jbplanning.com)

cc Mr Steve Price – Countryside Properties PLC  
Mr John Oldham – Countryside Properties PLC