

## **1 Introduction and Policy Context**

- 1.1 This background paper sets out specific policy context provided by the National Planning Policy Framework, 2023 and provides a summary of the draft plan policies explaining how they contribute to addressing identified issues. An outline is included of the key points made in the Island Planning Strategy (IPS) Regulation 18 consultation.

### **National Planning Policy Framework**

- 1.2 A key objective for plan policies is to deliver a significant boost in the supply of housing (paragraph 60). To determine the minimum number of homes needed, policies should be informed by a local housing need assessment using the standard method as an advisory starting point unless there are exceptional circumstances (paragraph 61). Alternative approaches should reflect current and future demographic trends and market signals. Paragraphs 62-84 set out further guidance on setting the housing requirement, affordable housing and entry level homes, housing delivery, rural housing, and housing provision in Neighbourhood Plans.
- 1.3 The guidance sets out that the council needs a clear understanding of the land available through a strategic housing land availability assessment to identify a sufficient supply and mix of sites. Plan policies are expected to identify specific deliverable sites for the first 5 years of the plan and specific developable sites or broad locations for growth, for years 6-10 and, where possible, for years 11-15.
- 1.4 Planning Practice Guidance sets out detailed guidance for housing provision in:
- Housing and Economic Land Availability Assessment*
  - Housing and Economic Needs Assessment*
  - Housing Needs of Different Groups*
  - Housing for Older and Disabled People*
  - Housing: Optional Technical Standards*
  - Housing Supply and Delivery*
  - Rural Housing*

## **2. Island Planning Strategy Background and Policies**

- 2.1 One key role of the Island Planning Strategy is to set the strategy to meet the island's housing needs. National planning guidance sets out that housing shortfalls in other nearby local authorities should be considered when planning for housing need in a local authority. However, the Isle of Wight is recognised as being a standalone housing market area by the Partnership for South Hampshire and within the Housing Needs Assessment and is therefore not considering any shortfalls from nearby authorities or seeking to locate IOW shortfalls elsewhere.

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- 2.2 The island has struggled to meet housing targets over many years. The Core Strategy 2012 housing target of 520dpa has proved difficult to achieve and delivery has consistently fallen short, averaging 373 dwellings per annum (2012 - 21) despite there being a presumption in favour of sustainable development since 2018.
- 2.3 However, the Government's latest standard method (March 2024) housing figure for the island is higher still at 703 dpa (or 10,545 new homes across the 15 year plan period). Evidence gathered during the preparation of the Plan, alongside historic housing completions, clearly indicates the reduced ability of the island to deliver homes at the scale sought by the standard method.
- 2.4 The lower level of delivery compared to the Core Strategy and Standard Method is thought to be due to several island specific factors including for example, a lack of local construction skills, the extra costs of importing materials and skills to the island and lower returns on investment, some of which combine to provide sufficient uncertainty for no major national housebuilders to be prominent on the island. It is therefore assessed in the light of detailed evidence, that there is no realistic prospect of delivering housing derived by the standard method and to seek to do so is unrealistic and undeliverable.
- 2.5 The Island Planning Strategy therefore seeks a lower housing requirement of 453dwellings per annum (or 6,795 new homes across the 15 year plan period). It is considered that this figure is deliverable taking account of the reliance of housebuilding on smaller island based developers and also reflects the long term average number of homes delivered since 2001.
- 2.6 The Integrated Sustainability Appraisal (ISA) tested six alternative spatial strategy options centred around different assumptions relating to the settlement hierarchy and settlement boundaries. The preferred spatial option in the Plan is `using the existing settlement hierarchy – increasing density/site yield, focus on infill and brownfield and after making allocations, not allowing development beyond settlement boundaries`.
- 2.7 The council has undertaken regular strategic housing land availability assessments. Some of the deliverable and developable sites have already been brought forward through the planning process and some are yet to gain permission and be built. Others are proposed for allocation in the Plan together with any specific site requirements.
- 2.8 A number of housing allocations are set out in the Plan. These provide certainty for developers to bring forward development proposals in a sustained and systematic way across the plan period. The sites allocated are a range of sizes which will enable different housing needs to be met. Any non-allocated sites coming forward will be expected to meet general requirements set out in policy.
- 2.9 The general lack of delivery has exacerbated housing affordability and the delivery of affordable housing has been reducing due to changes in national housing and planning policy, a lack of available large sites with permission and lower levels of building commitments. However, in recent years this delivery

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reached crisis levels with just 18 delivered in 2017/18, none in 2018/19 and 6 in 2019/20. However, this improved in 2020/21 to 138, 114 in 2021/22 and 71 in 2022/3. Recent trends have seen an 83% loss of availability of private rented sector properties since the start of the pandemic. This lack of availability has had a knock on effect on affordability as rents have increased and competition for properties is fierce.

- 2.10 There are now 2400 households on the housing register in the most urgent need of a home and the Council has set up a housing company to deliver affordable homes on Council-owned land.
- 2.11 The housing issues are explored in more depth in Housing Evidence Papers A to D.
  - i. Paper A: Approach to housing in the Island Planning Strategy
  - ii. Paper B: Revisiting the Draft Island Planning Strategy allocations approach
  - iii. Paper C: Implications of not meeting the Standard Method
  - iv. Paper D: Barriers to Delivery

### The Island Planning Strategy Policies

- 2.12 The housing and growth policies are wide ranging and cover the overall strategy and priority locations for growth, developer contributions, housing delivery, site allocations and development requirements, settlement boundaries, affordable housing, housing mix, self-build and provision for gypsy, traveller and travelling showpeople.
- 2.13 A brief overview of each of the `Growth` and `Housing` policies is set out below.

**G1 Our Approach Towards Sustainable Development and Growth** - The policy sets out a sustainable development strategy seeking high quality design, the housing requirement set by the plan, the creation of job opportunities, the completion of sustainable transport schemes, healthy and active lifestyles and protection of high quality environment and natural resources. The policy makes clear that proposals in accordance with the policy will be supported.

**G2 Priority Locations for Housing Development and Growth** – The settlement hierarchy is set out in the policy. Criteria for non-allocated sites are set out including making best use of previously developed land. Housing proposals outside of settlement boundaries are only supported where they meet a specific local need and accord other housing policies which allow limited development in certain circumstances.

**G3 Developer Contributions** – the policy sets out where the council will seek provision of or contributions towards infrastructure. The policy requires additional development phases to be taken into account.

**G4 Managing Viability** – The policy recognises in rare cases the plan requirements cannot be met without making development unviable. The plan sets out approaches to be explored to help in the delivery of such sites.

**G5 Ensuring Planning Permissions are Delivered** – The policy promotes the delivery of approved housing development and sets out criteria which must be met by all major residential development. Compulsory purchase powers may be used to ensure the bringing forward of stalled sites.

**H1 Planning for Housing Delivery** – The policy sets out the housing requirement and the sources of housing provision across the Plan period. Housing requirements for the designated Neighbourhood Areas are set out and criteria are included to assess additional housing that may come forward over the Plan period.

**H2 Sites Allocated for Housing** – the policy coordinates the policy requirements across the Plan with the housing site allocations set out in Appendices 1 and 2. Site specific allocation requirements are set out in Appendix 3.

**KPS1 Key Priority Site 1: HA39 Former Camp Hill** – the policy sets out the mix of development to be achieved on the site together with setting a requirement for a masterplan and the criteria that this should meet. The need to coordinate community and social provision between KPS1, KPS2 and C4 is required.

**KPS2 Key Priority Site 2: HA44 Newport Harbour**– the policy sets out the mix of development to be achieved at the Newport Harbour site and what must be contained in a masterplan to lead the development of the site.

**H3 Housing Development General Requirements** – the policy sets out what must be provided by development proposals coming forward. All proposals must be of high quality design, take account of the context, setting, character and local vernacular and promote health and wellbeing.

**H4 Infill Opportunities Outside Settlement Boundaries** – criteria are set out in the policy to assess proposals for infill development outside settlement boundaries.

**H5 Delivering Affordable Housing** – the policy sets out the site size thresholds where affordable housing is required and the amount and mix of affordable housing types to be provided on proposed developments.

**H6 New Homes in the Countryside Outside of the Settlement Boundaries** – proposals for housing outside of the settlement boundaries must meet at least one of the criteria set out in the policy.

**H7 Rural and First Homes Exception Sites** – Rural exception sites are supported in principle where proportionate to the settlement or area they are

meeting the need for. The policy sets criteria to be met for first homes exception sites.

**H8 Ensuring the Right Mix of Housing** – An appropriate mix of housing is sought, and the policy sets out mixes of tenures and sizes of dwellings on developments of 10 or more units.

**H9 New Housing on Previously Developed Land** – residential development on previously developed sites on Part 1 of the Brownfield Register is supported. Different criteria are set out for such developments inside or outside the settlement boundaries.

**H10 Self and Custom Build** – the policy supports self and custom built dwellings or serviced plots with design codes a requirement on developments of 10 or more dwellings.

**H11 Planning for Gypsy, Traveller and Travelling Showpeople Provision** – The policy sets out criteria to assess sites proposed for transit or permanent pitches for gypsy or traveller use.

### 3. Key Issues Arising from the Plan Consultation

3.1 Key growth and housing issues arising from the consultation on the Island Planning Strategy are briefly summarised below, together with an outline of the changes made in the Regulation 19 version of the IPS.

- *The policy should not extend settlement boundaries and development outside these should not be permitted. Bembridge, Wootton and Freshwater should not be secondary settlements - **Policy G2** has been amended to support new housing on previously developed land outside the settlement boundaries. Supporting text has been added explaining the background to the settlement hierarchy and to support the inclusion of Bembridge and Wootton as secondary settlements. National planning guidance does not state that settlement boundaries must never be amended and revisions proposed are to assist with certainty over where development will take place during the plan period.*
- *There should be better clarity on where developer contributions are required and new supplementary planning guidance. A requirement for at least 10% biodiversity gain should be added - **Policy G3** and the supporting text have been amended. A new Developer Contributions SPD will set out the expected levels of contribution for different types of infrastructure.*
- *There is concern that viability could be used to avoid providing the key requirements - **Policy G4** has been amended to add that where independent viability assessments are required the costs will be met by the applicant or the application will be refused.*
- *There should be a strict timetable in which development is built. Where no building starts there should be a penalty - **Policy G5** adds emphasis on the*

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need for applications to come forward quickly and the measures that may be taken to ensure delivery.

- *The housing requirement should be reduced. The number of second homes/holiday lets/AirBnB should be reduced - **Policy H1*** housing requirement reflects the latest data on completions and is to meet island realistic needs rather than using the Standard Method. A new policy **E9** `Short term let holiday accommodation` has been added to help control the number of short term holiday lets. An evidence paper sets out why Neighbourhood Plans are the right way to implement second home controls and policy C15 has been revised to include mention of this issue.
- *Add a reference to the site allocation requirements and clarify the site requirements for non-allocated sites. Add reference to the sequential, risk based approach to flooding - **Policy H2*** and the supporting text have been amended.
- *Add a reference to co-ordinating community and social provision with policies **KPS2** and **C4**. A 15m buffer to Parkhurst Forest is insufficient and should be strengthened. The housing number should be reduced - **Policy KPS1*** has been amended to take account of these points. The reference to coordinate community and social provision has also been added to **Policy KPS2**.
- *Add a criterion to seek a sequential approach to flood risk to ensure there is no increase to risk on site or downstream - **Policy H3*** has been amended.
- *Affordable housing must be delivered on site and provided for those already living on the island - **Policy H5*** has been amended. A new policy **AFF1** has been added on affordable housing including a definition of affordability based on what is affordable on the island.
- *Development should meet local need and ensure the scale of development relates to the settlement - **Policy H7*** has been amended to define rural exception sites and require these to be proportionate to the scale of the settlement or rural area they are meeting an identified need for.

### 4. Conclusions

- 4.1 Together, the `Growth` and `Housing` policies will help to achieve the aspirations linked to providing affordable housing for island residents and bring empty and derelict buildings back into use.

### Frequently Asked Questions – Growth and Housing

#### 1. Why is there insufficient affordable housing for islanders and how can the plan help with this?

There have been historic problems in the delivery of affordable housing. This can be partly tackled through the implementation of the Island Planning Strategy which provides a definition of what constitutes affordable housing on the island, the percentage affordable housing that will be required and the mix of affordable housing tenures being sought on development sites. Rural and



First Home Exception Sites are a further means to meet identified local needs to support existing communities.

**2. Why is there a need to develop greenfield sites rather than just use brownfield sites?**

The plan supports the development of brownfield sites for residential use. However, it must be recognised that there are insufficient developable and available brownfield sites to meet housing need, even the lower island realistic housing requirement within the IPS; these sites are more uncertain in coming forward; and that they take longer to bring forward for development due to existing uses on the site or constraints such as contamination. A number of the housing allocations are on previously developed land. Policy G2 identifies that most of the housing requirement will be met on previously developed land and non-allocated sites are expected to make as much use as possible of previously developed land in line with Policy H9. Sites in Part 1 of the Brownfield Sites Register are supported in principle to come forward for development. Development on greenfield is needed to ensure a supply of sites comes forward over the Plan period.

**3. Why aren't exceptional circumstances being sought to reduce the amount of housing to be built on the island?**

The approach to housing being taken by the council is set out in Housing Evidence Paper C `Implications of not meeting the Standard Method` and the separate evidence paper on Exceptional Circumstances. In summary, the Council believe that the Standard Method approach is not incorrect, but the unique characteristics of the island's housing market mean that it is unlikely to be delivered.

**4. Too much housing is being used for second homes, and short term holiday lets. Why doesn't the Plan do something about this problem?**

A new policy **E9 `Short Term Let Holiday Accommodation`** has been added to the Plan to control the change of use to short term let holiday accommodation.

**5. How are infrastructure needs assessed for new development?**

The provision of infrastructure results from the involvement of different organisations and is determined by the level and type of development being planned for. The Infrastructure Delivery Plan identifies the strategic infrastructure needed to underpin the level of development in the IPS. Where possible, it identifies the types and location of infrastructure needed, its cost and the sources of funding. It is a live document that will be regularly reviewed and updated. Local infrastructure needs associated with individual sites result from existing plan policies (including the Local Transport and LCWIP), policy documents and liaison with statutory consultees such as the Highways authority.