

IPSR40: NOW PLANNING with RAPLEYS, acting for landowners adjoining East Cowes to the east and south

STATEMENT MATTER 2: PLAN PERIOD AND LEVELS OF GROWTH TO PLAN FOR

Issue 1: Plan Period

Q 2.1: Would it be necessary for soundness (consistency with national policy) to extend the plan period to so that relevant strategic policies look ahead to 2040?

1. The plan period is at least three years too short, assuming adoption by end 2025. For consistency with national policy (a soundness matter), the strategic policies of the IPS should look ahead over a minimum period of 15 years (NPPF, Dec 2023, para 22). NPPF para 23 goes on to state (with our emphases) that strategic policies should provide a clear strategy to address *objectively assessed needs over the plan period*, including "...planning for *and allocating* sufficient sites to deliver the strategic priorities of the area (except insofar as these needs can be demonstrated to be met more appropriately through other mechanisms, such as brownfield registers or non-strategic policies)."
2. It is indisputable that a root cause of the undersupply of housing, market and affordable, on the Isle of Wight has been the absence of an up-to-date local plan that allocates sufficient specific, deliverable sites to accommodate even the now long out-of-date housing requirement that was set by the 2012 Core Strategy. The AAPs that were to make such allocations – and were "required" by the Core Strategy's examining Inspector – were never prepared, let alone examined and adopted.
3. "Limited appropriate land" is cited as a barrier to housing delivery on the island (e.g., HO1, pg 1) – albeit HO1's focus is on large sites (Section 4.3, 20+ units) – but HO1 also sets out in Appendix A prospective actions to be initiated by the Council to bring such sites forward (noting that HO1 with these findings and advice dates to September 2020). While the focus of HO1 is on action to remove barriers to the provision of large sites and attracting major housebuilders to the island, HO1 nonetheless also stresses that the island's market is dominated by small developers (what the CMA calls SME housebuilders). The dominance of the island market by SME housebuilders, for the many reasons accounted in HO1, is also likely to continue to be over the IPS plan period (regardless of the length of the plan period or the allocation or otherwise of larger sites).
4. As the CMA stress in their seminal 2024 Housing market study, "Where plans are not up to date, there is more uncertainty for housebuilders on how likely applications are to be approved¹" CMA also stress that SME housebuilders are disproportionately affected by the uncertainties of the planning system, including (but not only) the consequent planning risks of developing speculatively in areas, like the island, that do not have an up-to-date local plan with sufficient site allocations to meet the area's housing needs over the plan period. SME housebuilders are typically unable to spread these risks and associated costs across a portfolio of sites, generally located in several different planning authority areas allowing

¹ [Housebuilding market study final report](#), CMA, – pg 52 and paras 4.24, 4.34 and 4.42

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them to diversify their risks; and equally typically are both dependent on bank/external debt finance, rather than their company's equity holdings, and unlikely to be able hold landbanks as do large housebuilders (CMA paras 2.19, 2.26).

5. A full plan period has the further merit of providing scope to develop 'stepped' trajectories and marshal other policy tools to induce the market to achieve higher rates of delivery and get closer to meeting local housing needs.

Issue 2: Whether the approach to establishing the housing need is soundly based.

Q2.5 Does the Local Housing Need Assessment 2022 [Document HO13] and the Housing Evidence Exceptional Circumstances Paper [Document HO15] justify why the standard method outputs are appropriate for establishing the housing need for the Island and as such should be considered a valid advisory starting point when establishing a housing requirement for the Island?

6. Yes, the Standard Method should be considered a valid starting point for establishing the requirement.
7. While the NPPF (Dec 2023) para 61 states that the Standard Method (SM) is the "advisory" starting point for assessing need, here the Council accepts that the housing need so-calculated is "correct" as to the island's needs over the plan period (indeed the first of the Reg 18 consultation drafts sought to meet the need, and the second draft Reg 18 IPS did not on the "primary" ground that there had been "overwhelming opposition" to the first of the Reg 18 draft IPS proposals).
8. Neither the Council (HO15) nor any of the evidence papers commissioned from external advisors (HO1, HO2, HO3, HO9) judge the SM calculation of need to be incorrect due to "exceptional circumstances". LSH and Justin Gardner Consulting (ED 6 – 1.1.2), state very simply with regard to the IOW's demographics that the Island is not exceptional, "The overall conclusion reached in this report is that exceptional circumstances do not indicate the circumstances on the island are exceptional, notwithstanding its position as an island."
9. Furthermore, while the Council's advisors (HO1, HO2, HO3) identify island-specific characteristics of the housing market (e.g., higher build costs, lower sales values, a predominance of SME housebuilders), they also note many are also characteristics shared by other local authority areas: the island is not exceptional with respect to those characteristics (e.g., HO1 paras 3.2.7, 3.2.18, 3.3.1 and 4.4.1).
10. As we also point out in our Statement in response to Matter 1, we do not however consider that either the ISA or any other part of the IPS evidence base (including HO18 – Housing Evidence Paper C – Implications of Not Meeting the Standard Method) has adequately considered or addressed the likely consequences, particularly for the island's economy and the wellbeing of its communities, of the IPS's failure to meet no more than two-thirds of the island's housing need. The failure to meet housing need in full has clear and quantifiable

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social implications that should have been considered when dismissing the Standard Method starting point, including the number of households that mathematically cannot form on the island and are so deprived of housing; needed to be accommodated elsewhere.

Q 2.7 Is it reasonable, as set out in Housing Exceptional Circumstances Paper (Document HO15), that alternative methodologies using exceptional circumstances could result in a standard method comparable or higher housing need figure for the Island, for example because of the scale of past under-delivery of housing?

11. The Standard Method is only a starting point for assessing housing need and, as set out in the Councils evidence base, is a reasonable assessment of housing need in this case.
12. But is it also reasonable to consider, and test through the evidence base, a higher scenario where evidence suggests these may be justified.
13. In this case the evidence clearly points to two fundamental issues that should be explored and tested.
14. Firstly the lack of housing delivery in the past can only have compounded issues of affordability on the Island. HO15 recognises that, at paragraph 4.7 that there is a need to address under delivery in the past and obviously a trend based housing target does not address this past failure to delivery.
15. Secondly; the Councils published evidence would suggest a need to boost housing to support economic growth more widely but also the housebuilding industry. The economic impact/harm of only providing for 'constrained' housing delivery has not been assessed. A declining labour supply – or even a mismatch between labour supply and unconstrained (by labour) economic need has been used elsewhere to justify an economic uplift on need.
16. Even if Plans do not uplift need for economic reasons there is a clear instruction in the PPG that housing requirements can be higher than minimum need and Councils should consider "the merits of planning for higher growth if, for example, this would seek to reflect economic growth aspirations" (040 Reference ID: 2a-040-20241212). There are clear economic aspirations here (Freeport) and a recognised shortage of labour for the construction industry (See Q 2.11).

Q 2.8 The primary evidence before us advocating for exceptional circumstances, includes a September 2020 analysis paper, provided as part of the representations from Mr Bob Seely [IPSR52]. Would that evidence provide a reasonable basis for concluding that the submitted IPS would not be an appropriate strategy and that a lower level of housing need would be necessary for soundness?

17. Mr Seely's case – that the level of development proposed poses a risk to the very qualities that underpin the island's tourism economy – would not be reasonable having regard to the evidence. The tourism economy is largely seasonal, coastal and weather-explained (the best weather in the UK), While the island is very special with respect to its natural

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environment, there are many protections in place for this environment (in national policy and legislation) and it does not follow that meeting a mere 53% of need, almost wholly within existing settlements, would be harmful to the kind and seasonality of the tourism activity that characterises the Council's market. Mr Seely has not assessed the consequences for the island's social wellbeing and economic prospects of providing for even less housing than the IPS proposes – consequences which we believe are very significantly underplayed by the ISA and Housing evidence Paper C.

Q 2.9 Has plan preparation appropriately considered all reasonable options for establishing the housing need and appraised them accordingly as part of the Integrated Sustainability Appraisal?

18. For the reasons we set out in our Statement in response to Matter 1, where we also have regard to the case law on the Strategic Environmental Assessment Regulations (SEAR), we judge that the ISA does not comply with the SEAR and thus that the IPS as promoted is unlawful. The patently reasonable alternative of meeting the island's full OAN has not been assessed, and no part of the evidence base for the ISA demonstrates that the IPS cannot deliver all or a much higher share, or indeed all, of the island's housing need (a need which is not disputed and no exceptional circumstances case is either made out or justified by the evidence for the IPS).

Issue 3: Whether the proposed housing requirement is soundly based.

Q 2.10 Is it demonstrated through the Integrated Sustainability Appraisal, and other evidence (for example Housing Evidence Paper C [Document HO18], that the proposed housing requirement of 453dpa (6,795 net additional dwellings over the plan period) would contribute to achievement of sustainable development on the Island? Would accepting the housing requirement of 453dpa as a realistically deliverable housing figure require accepting that there would be some associated negative impacts?

19. The Council's Housing Evidence Paper C sets out associated negative impacts of setting the housing requirement at 453dpa such as in Table 3 where household growth in age brackets below 65 will be reduced compared to the Standard Method housing number. Table 4 shows that almost 75% of household growth will be for single person or couple household sizes, whilst Table 5 highlights that 88% of growth will be in households with no dependent children. The paper goes on to state that the combination of these projections solidifies the view that the vast majority of island population growth to 2039 will be centred on older, smaller households which are materially affected by higher in migration to the island in older age groups (the number of people aged 60 to 74 migrating to the island increased each year between 2012 and 2018). This has implications for delivery of affordable housing for the island.

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20. Negative impacts on economic implication of the IPS housing requirement are outlined on page 5 and 6 of paper C in terms of less financial contributions and other forms of planning gain which will ultimately impact on Council spending on infrastructure, construction and maintenance. Environmental impacts would also have to be accepted in terms of reduced planning contributions to off-set the environmental impact of new development and its occupiers/use.

Q 2.11 Having regard to the Employment Land Study 2022 [Document EC1] would the proposed housing requirement provide sufficient homes required to accommodate economically active households necessary to support the Plan's economic growth? Is there a risk that the proposed housing requirement could constrain or harm economic growth, including the potential from the Solent Freeport status, over the plan period?

21. No. EC1, identifies that should Standard Method housing be delivered the Island would accommodate a further 3,200 economically active residents whereas the 'labour constrained' scenario sees the size of the workforce fall (EC1 - table 5.2).
22. HO1 identify that a lack of labour is the second largest barrier to construction sector growth behind island related costs. [HO1 Figure 6.2 Barriers to developing housing on the IoW] But no growth in the construction sector is identified in the EC1 'growth scenario'. It is not sound to conclude that a lack of labour is constraining housing delivery on the Island and then develop a 'growth scenario' that fails to grow the construction sector.
23. Specifically regarding the Freeport we observe that the Councils 'growth scenario' as set out in table 5.1 [EC1] suppresses the growth of manufacturing when boosting the marine sector underpinned the Freeport designation here. Further the Growth Scenario totally omits many economic sectors that we would expect to show some growth – seemingly leaving them with no labour supply growth and then competition for labour with the 'Growth Scenario' This includes a lack of labour for the health and social care sectors. These are already known to be experiencing labour supply shortages on the Island and we would expect the sector to grow with an aging population. With almost all population growth in the older ages not providing a labour supply for the health and social care sector appears a fundamental flaw.
24. The only conclusion that can be drawn from the evidence is that more new homes can only support the Governments economic objectives, the Councils own objectives and also provide a labour supply to support housebuilding.

Q 2.12 The proposed housing requirement is based on an assessment of the capacity of the market to deliver on the Island based on recent and past trends⁶. As a methodology for establishing a housing requirement is that a reasonable and justified approach, consistent with national planning policy, including NPPF paragraph 67

25. No.

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Projecting forward past trends (in housing delivery) has no support in national planning policy or guidance.

26. Such an approach does not capture the needs of different groups, ages and household types. For the IoW a 'roll on' type approach fails to consider the aging of the population and the need to provide more new homes even in scenarios where no increase in the total size of the population is considered. Household growth is necessary even were the population not increasing. Further, here EC1 simply assumes a the constrained housing market rather than identify economic actions that could boost labour supply and so increase housing delivery.

National Planning Policy and Guidance seeks to use planning and plan making as a tool to positively boost supply.

27. Fundamentally national policy seeks to use the planning system, and plan making more wider, as a critical tool to boost housing delivery and develop a step change in quantum. The IoW approach fails to engage in how the plan can be used to support this as clearly evidenced by the reliance on 'roll on' type approach.

Most other Councils, including very recently the GLA, recognise the national 'direction of travel' and are using their new plans to boost housing

28. We note that even in London, where housing targets have long progressed using alternative (to the Standard Method) evidence, the GLA have now publicly recognised that the next re-iteration of the London Plan, which is accelerating at an increasing pace, needs to adopt a step change in identifying housing supply to meet nationally calculated housing need.
29. The GLA, for the first time accepts that housing need, as currently calculated, needs to be met and the GLA are actually promoting Greenbelt releases and looking to use the next London plan as a tool to encourage development to come forward in sustainable locations.
30. This was set out in their Statement to the ongoing Enfield Examination in Public at Enfield in January 2025. While Enfield is clearly a London Borough, and not an Island, this is very recent evidence of strategic plan makers looking to positively engage with the Standard Method once they have conclude that Exceptional Circumstances do not exist.

Q 2.14 Given the current development plan on the Isle of Wight predates the NPPF and the objective of significantly boosting the supply of housing, does looking back at past trends generate a housing requirement that would be compatible with being prepared positively, in terms of the balance of being aspirational but deliverable as per NPPF paragraph 16b)?

31. No – As discussed above projecting forward past trends, from periods where the IoW lacked up to date plan coverage, is not sound and certainly not aspirational.

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32. We note that the Council considers a lack of planning appeals, and the operation of 'tilted balance' demonstrates that they did not constrain past housing but this omits the fact national policy promotes plan making as a way of de-risking, and speeding up, delivery.

Q 2.15 Would it be reasonable to conclude that because the 2012 Core Strategy for the Island did not allocate specific sites for the development and that Area Action Plans intended to perform that role did not materialise, rates of housing delivery on the Island have been suppressed over the last 10- 12 years? Does this explain why in Table 2 of the Housing Evidence Paper A [Document HO16] average delivery rates have come down year-on-year in the last five years (is previous plan-led land supply drying up)? Is this also borne out in Table 3 of the same Paper A which shows delivery averages preceding the Core Strategy being materially higher than for the period since 2012?

33. We suggest that these are reasonable conclusions to draw given that the actions set out in the Plan, including AAPs and the need for new land allocations did not emerge.

34. We suggest that is a common sense conclusion to draw even if not supported by Table 2 given that National Policy is clear that having up to date plans in place, regularly reviewed and updated, is critical to boost housing supply.

Q 2.19 In addition to the island-based housebuilders, have national housebuilders been active on the island during the assessment period from which the Council has based its 453dpa figure? Is there robust evidence to demonstrate that allocating sites on the Island to implement a higher housing requirement would not be an appropriate strategy because they would not be delivered? (for the various factors listed at paragraph 5.2 of 7 Inferred at paragraph 5.4 of the Exceptional Circumstances paper [Document HO15] 13 Housing Evidence Paper A – linking through to the 2019 University of Portsmouth study in Documents HO2 and HO3)

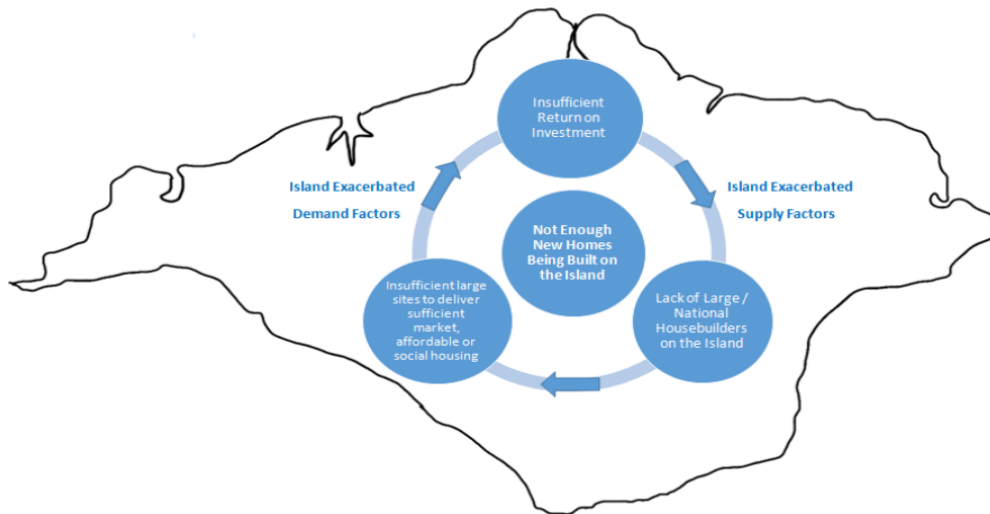
35. Three Dragons (HO1) do not conclude in their assessment that the loW cannot deliver more new homes than past trends. Their conclusion is simply limited to their opinion that delivery could not double or triple delivery (7.1.4).

36. UoP (HO2& HO3) appear to suggest that, in terms of market weakness (page 11, no para numbers) that the loW has a supply side weakness related to labour / skill and land prices. They cite the lack of national housebuilders as a critical issue that constraints housing delivery on the Island.

37. The majority of the UoP conclusions relate to the identification of a 'loop' which is illustrated as Figure 1 of their second report (HO3, fig 1).

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Figure 1: Overview of the factors affecting number of new homes built on the Isle of Wight due to physical severance



38. In this loop, there are insufficient development sites
39. ('insufficient large sites to deliver sufficient market, affordable or social housing') which in turn, dissuades large national housebuilders and feeds into poor values.
40. Following the logic of this 'loop' continuing to look to constrain housing by not allocating land is a fundamental reason why homes are not built and the National industry not as well established here.
41. If this 'loop' is agreed then the most logical solution is to break the loop and this plan has the ability to influence the 'insufficient large sites' element.
42. As regards land supply the UoP does not conclude there is no land – noting instead that “the main limiting factor, at least in attracting larger national housebuilders and being able to deliver enough affordable housing, was the number and availability of larger sites, rather than land per se” (no para ref, nor page number – page 22 of the PDF).
43. In summary, while HO15 uses the UoP work to suggest more homes cannot be delivered, and so seeking to allocate more land is not a sustainable option, the identification of the 'loop' clearly demonstrates that it is, and has been in the past, the councils choice to continue to constrain that exacerbates matters further.