

Isle of Wight Council: Draft Island Strategy: Matter 2 Statement

Prepared by Fisher German
on behalf Jacton Properties



Project Title

Land at New Fairlee Farm, Newport, Isle of Wight

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01 Introduction

- 1.1 This Matter Statement has been prepared on behalf of the on behalf of Jacton Properties Ltd. in respect of their land interests at New Fairlee Farm, Newport, as illustrated at Figure 1 below. The land above forms part of a site known as ‘Land at and adjacent to New Fairlee Farm’ (Ref: HA040), which was previously identified in the November 2018 Draft Island Planning Strategy as a proposed allocation site.
- 1.2 The below site was included within the 2018 Draft Plan as a proposed allocation for a residential led mixed-use development. It was identified as being capable of accommodating at least 880 dwellings, a mix of green, open and recreational space, a range of small-scale community uses (which could include a multi-purpose community building and a convenience shop) and an improved road network including a park and ride hub. Representations were made that that time to support the proposed allocation of the site. The allocation was however removed in a subsequent Regulation 18 Consultation (July 2021). Representations were submitted on behalf of our client requesting the sites re-inclusion and objecting to the approach adopted in respect of housing growth on the island.

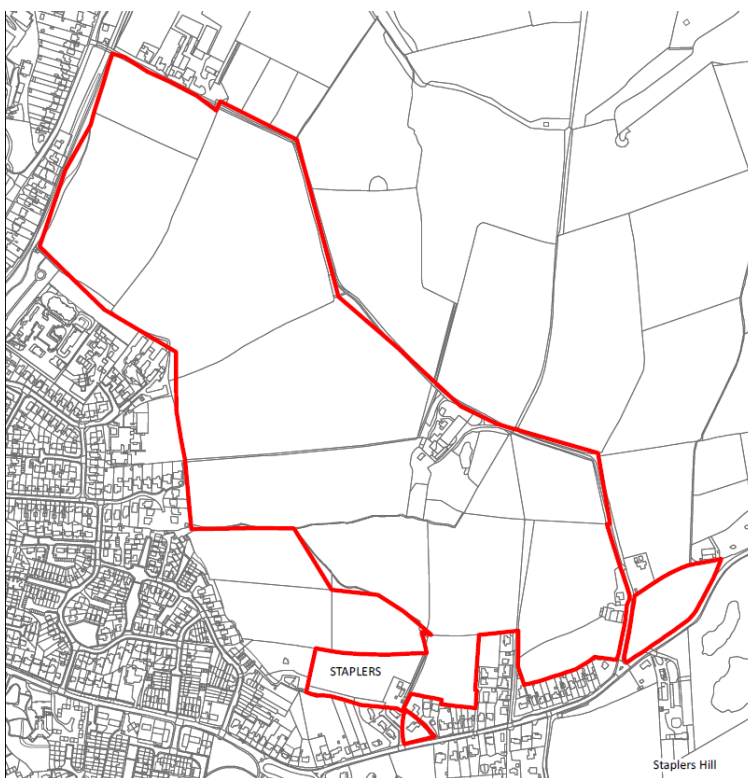


Figure 1: Land at and adjacent to New Fairlee Farm (HA040) (Source: IoW Council)

02 Matter 2 - Vision & Objectives, Spatial Strategy & Location of New Development, and the Site Selection Process

Matter 2: Plan Period and Levels of Growth to Plan For

Issue 1: Plan Period

Q2.1 The IPS contains identifiable strategic policies. NPPF paragraph 22 expects strategic policies to look ahead over a minimum 15 year period from plan adoption. The submitted plan covers the period 2022 to 2037. Would it be necessary for soundness (consistency with national planning policy) to extend the plan period so that relevant strategic policies look ahead to 2040?

- 2.1 The Council's Local Development Scheme was adopted in July 2024 which affirmed a November 2025 adoption target, by which point the Council had already commenced consultation on a Regulation 19 document. At this stage the Council knew as a best-case scenario the Plan would be in conflict with NPPF Paragraph 22 by some 2-years (13 year active Plan period), assuming the IPS is adopted by November 2025 which is far from guaranteed in our experience, even having regard for a maximum 6-month pause (as confirmed in Mathew Pennycook's direction to PINS and the Procedure Guide for Local Plan Examinations (Updated 28 August 2024) Section 1: Before submission). This could therefore likely slip to only a 12-year period post adoption.
- 2.2 Jacton Properties Ltd's firm view is that the requirements of Paragraph 22 are not optional, given the NPPF is clear that "Strategic policies should look ahead over a minimum 15 year period from adoption" [our emphasis]. This is particularly the case in the Isle of Wight where they are not only looking to adopt a reduced Plan period, but also a suppressed housing requirement, conflating the reduction in housing proposed to be delivered on the island given the subsequent lack of supply proposed to be identified.

- 2.3 Your attention is drawn to the Erewash Examination in Public (EiP), where the Inspector noted in their post hearings note¹ (September 2024) that the Plan was likely to have only a 12-year Plan period post adoption and thus required the Council to make provision for a 15-year plan period and asked the Council to consider the implications with regards to housing need and shortfall. The Inspector concluded in her post hearing note that this increase in Plan period increased the level of housing shortfall which needed to be met by new allocations. In this case this necessitates the use of further Green Belt land (noting this Plan is being examined under previous iterations of the NPPF where Green Belt protections are higher). It is clear therefore that ensuring a 15-year Plan period post adoption is necessary for soundness, and we can see no reason why that wouldn't be the case here. The Inspector could not have imposed such changes unless they were deemed necessary for soundness. The Council agreed to implement this change.
- 2.4 Turning to the North Norfolk Local Plan Examination the Inspector concluded in their post hearing note in July 2024² that *"No doubt due to its lengthy preparation process, the submitted plan covers a twenty-year period from 2016 to 2036. At present, there are only 12 years of the plan period remaining, and once the further steps necessary to ensure a sound plan have been taken, it is likely to be nearer to 11 years. The National Planning Policy Framework (NPPF) states in paragraph 22 that strategic policies should look ahead a minimum 15 years from adoption, and to be consistent with this the plan period should be extended to 31 March 2040 to allow for adoption during the next 12 months"*. The Council agreed to implement this change.
- 2.5 More recently in relation to the Shropshire Examination the Inspectors in December 2024 set out significant concerns in relation to the Plan³ (Inspectors' findings following stage 2 hearing sessions). Whilst these were myriad, a key concern identified by the Inspectors was a failure to identify the requisite Plan period post adoption. The note states *"the submitted Plan at paragraph 2.18 anticipated that the Plan would be adopted in 2022 and therefore have a minimum of 15 years from adoption, as expected by paragraph 22 of the National Planning Policy Framework July 2021 (the Framework). The current Plan period is 2016-2038. Given the further work that would be necessary for soundness it is unlikely the Plan would be adopted until 2026, at the earliest. This means there would be a maximum of 12 years*

¹<https://www.erewash.gov.uk/component/jdownloads/?task=download.send&id=683&catid=22&m=0&Itemid=435>

²<https://www.north-norfolk.gov.uk/media/10490/eh006-f-inspectors-post-examination-hearings-letter.pdf>

³<https://www.shropshire.gov.uk/media/29362/id47-inspectors-findings-following-stage-2-hearing-sessions-dec-24-received-by-sc-060125.pdf>

*left of the Plan period from adoption. Consequently, as well as the increases in the requirements associated with contributing to meeting BC needs, **at least three additional years would need to be added to the housing and employment requirements, and the Council would need to find at least an additional three years' worth of supply.** Any extensions to the plan period would also need to be supported by up-to-date evidence and may have implications for the soundness of the proposed spatial strategy" [our emphasis].*

- 2.6 As such, the Inspectors suggestion of an extension of the Plan period to 2040 is both sensible, has clear precedent and is ultimately necessary for compliance with NPPF Paragraph 22 (thus NPPF Paragraph 35d and soundness). This can be delivered through Main Modifications as per the aforementioned examples. In light of the Shropshire example however, it may be prudent if the Council begin work on additional site allocations to meet this extended period in the short term given any delay to the examination should be limited at 6-months (we are aware of Councils taking proactive steps ahead of any formal submission from the Inspector on this basis). Fortunately, the Council already benefits from previous allocations which they can utilise to meet such shortfalls, such as our client's interests which are readily available to meet arising needs. Our client's land interests are particularly relevant as a larger site which will assist meeting needs arising in the medium-longer term, such as needs arising due to a need to extend the Plan period.

2.2. If the Plan period was extended, would it be reasonable to extrapolate identified needs / requirements (from the available evidence base) in the submitted Plan or would it be necessary to commission additional evidence?

- 2.7 Yes, as per the examples provided above (North Norfolk and Erewash) the approach adopted has been to extrapolate the requirement over the extended period. Whilst there may be requirement to update some of the evidence base, particularly site-specific evidence and infrastructure relating to additional allocations required to meet this need, it is not essential to update the full evidence base. Given there would be no fewer than two Plan reviews before the extended Plan period (having regard for the need for rolling 5-year Plan reviews), there is ample opportunity when completing a complete evidence base update to consider wider issues, but in terms of providing the expectations of the NPPF Paragraph 69 given additional sites or broad locations would need to be found, there would need to be commensurate corresponding evidence to deliver these allocations. Our view is the Council already holds evidence on appropriate sites that were previously draft allocations.

2.3 What would be the mitigating circumstances that could justify a 12-year post adoption plan period for strategic policies for the Isle of Wight as submitted? Would an early review mechanism be either a justified or effective approach in an Isle of Wight context?

- 2.8 Whilst early review mechanisms have been a historically used tool to help remedy deficient Plans, our experience is these are no longer preferred and justifiably so. There is a clear requirement on the Council to deliver a 15-year Plan period and sufficient allocations to meet development needs over this period. Matthew Pennycook's letter to PINS (July 2024) affirms the clear expectations that submitted Plans be sound. There are no reasonable mitigating circumstances that apply to the Isle of Wight that we are aware of that should allow this issue to be dealt with in such a negative manner, that would not have been applicable to the examples provided above. As set out above, the Ereshash example the Inspector concluded additional Green Belt (footnote 7 land) would be required to meet the extended needs.
- 2.9 Your attention is also drawn to Bedford. In January 2020 the Bedford Local Plan 2030 was adopted, following an examination which drew out a myriad of issues. The Inspectors for that Plan allowed the Plan to be found sound on the basis that a replacement Plan be provided which corrected those issues be expedited and submitted within three years. The Bedford Local Plan 2040 was submitted within 3 years (January 2023), but at time of writing remains stuck at examination. Therefore, despite a clear expectation that an expedited Plan review would 'fix' the issues with the Local Plan 2030, this simply has not materialised and remains far from certain of being resolved this year either. Inherently early review mechanisms do not fix or make Plans sound, they simply push back decisions that could be made in the short term.
- 2.10 Moreover, whilst this Plan is being examined against the 2023 NPPF, it is of course material the clear thrust of Government in respect of the national need to increase the rate and delivery of housing, and doing so in the short term. Deferring important decisions relating to housing delivery to a Plan review does neither makes the submitted Plan sound, nor does it expedite the delivery of housing as clearly expected by the Government within the next 5 years, particularly having regard for the outcome of such an approach in Bedford. There are former draft allocations that are available to the Council to remedy housing shortfalls and will serve to boost significantly the supply of housing as required by the NPPF 2023 (Paragraph 60).

2.4 Whilst the housing requirement is proposed to be lower (453 dwellings per annum (dpa)), the Plan does not identify a local housing need for the Island at variance to the standard method output, which in March 2024, was 703dpa. The standard method for housing need is forward looking. Accordingly, would it be necessary for soundness to adjust the start of the plan period to 1st April 2024?

- 2.11 Yes, this is a sensible suggestion, and which also has precedent in the aforementioned examples. Returning to the North Norfolk Inspector post hearings note (Paragraph 6), the Inspector sets out *“turning to the base date of the plan, this should correspond to the date from which the housing needs of the district are quantified. As set out in paragraph 12 below, this should be April 2024. The plan period should therefore be 2024-40. The latest housing monitoring data for permissions and projected completions reflect the position at 1 April 2023 but these are sufficiently up to date for local plan preparation purposes”*. Whilst clearly the North Norfolk example was slightly more extreme in terms of proceeding years, the principle applied by the Inspector there is equally applicable here and should be applied. Fundamentally the Plan period logically should be the period where decisions are impacted and driven by the Plan, given a Plan led system. Having a number of years prior to the Plan being adopted serves no purpose (but was sometimes a requirement in the OAN age of Plan requirements given the way those housing need numbers were generated). Under Local Housing Need however there is no longer a functional purpose for this and as per the example provided the Inspector’s suggestion of a 1st April 2024 Plan period base date is sensible and also necessary for soundness (positively prepared, justified, effective and consistent with national policy).

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

Q2.5 Does the Local Housing Need Assessment 2022 [Document H013] and the Housing Evidence Exceptional Circumstances Paper [Document H015] 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?

- 2.12 The NPPF (Paragraph 61) is clear that Strategic Policies ‘should’ be informed by the Local Housing Need as derived from the Standard Method. The outcome of the Standard Method is then the advisory starting point for deliberations as to the housing requirement, though the NPPF suggests that LHN should provide the minimum number of homes required. There is no requirement therefore to establish justification for the use of the Standard Method, instead in respect of assessing housing need exceptional circumstances are required in evidence to justify the use of an alternative method of assessing housing need.

2.13 Notwithstanding the above, we consider the above documents, particularly the Exceptional Circumstances Paper provide sufficient justification for the use of the Standard Method as a starting point.

Q2.7 Is it reasonable, as set out in Housing Exceptional Circumstances Paper [Document H015], 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?

2.14 We believe having regard for patterns of migration which the Council concedes it cannot wholly prevent and the age structure of the island that higher level of housing need may be apparent, however we do not advance an argument that the Council should be seeking to utilise an exceptional methodology for assessing its housing need and thus agree with the conclusions of the Council on this matter.

Q2.8 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?

2.15 We do not agree that the representations of Mr Seely compellingly point to exceptional circumstances, and we are therefore in agreement with the Lambert Smith Hampton report (H015) that exceptional circumstances in demographic terms are not present which would support the need to not utilise Local Housing Need as the established starting point. Policy-on matters are relevant, however these are better considered in discussions relating to the housing requirement, rather than housing need.

2.16 The Isle of Wight Housing and Land Use MP Contribution paper conflates policy-on factors, and issues relating to delivery, with housing need. Paragraph 001 of the Housing and economic needs assessment section of the PPG affirms that *"Housing need is an unconstrained assessment of the minimum number of homes needed in an area"*. We will respond to such points in relation to commentary relating to the housing requirement provided below.

2.17 Mr Seely confirms that much new housing is being taken by older migration from the mainland. However, if this is not a second home, the Council conclude that such patterns of migration cannot be stopped wholly, but can be best controlled through the provision of housing in urban areas which

better suit island residents than those coming from the mainland.

- 2.18 Patterns of aging demonstrated within the provided report are not unique to the Isle of Wight and similar age profile structures can be seen in many places around England, including areas of the mainland with higher proportions of aging residents as conceded in the report. The way to rebalance the population is through the provision of family housing and the delivery of starter homes which will attract or retain younger families. Issues relating to capacity of infrastructure and services are ubiquitous across the country and such arguments have been advanced at every EiP we have attended on the mainland.
- 2.19 The lack of affordable housing (both market and affordable) available to younger people on the island has likely resulted in both suppressed household formation in that demographic and also increased migration from the island in that age group, though this is highly difficult to quantify. The latest Census which post-dates the mentioned submission concludes that there are areas on the mainland with comparable if not worse patterns of aging. The Census however concludes that there is a worrying reduction in children. Failure to deliver vitally needed family housing to attract or retain families is required to ensure the continued viability of educational facilities.

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

Q2.10 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?

- 2.20 Accepting the NPPF definition of sustainability, thus comprising social, environmental and economic sustainability, the proposed housing requirement cannot be classified as sustainable, because of the apparent harms arising to the social and economic objectives. Economic sustainability is predicated on delivery of a strong, responsive and competitive economy. Social sustainability requires the delivery of strong, vibrant and healthy communities, by ensuring that a sufficient number and range of homes can be provided to meet the needs of present and future generations (NPPF). As discussed at Regulation 19, and below, the approach would not achieve these objectives therefore cannot be described as sustainable. Therefore, the accepting of this figure as the housing requirement would

inevitably lead to harms, as discussed below.

Q2.11 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?

- 2.21 Almost certainly. The Council have stated that they cannot prevent the inward trend of migration. They also propose to reduce significantly the quantum of new housing built. Whilst the delivery of housing in the urban areas will provide dwellings to the market which in theory will suit island residents rather than the more rural homes sought by those moving to the island, there is significant risk that the reduction in housing proposed, combined with continued net migration of particularly older people from the mainland, will compound the aging nature of the island. As those workers on the island retire, there may not be sufficient workers available to replace them, which may not only impact the ability of businesses to grow, but actually to continue to operate on the island. This issue will impact inward investment as the impact of available labour will clearly be a driving consideration of any business ahead of expending capital investment.

Q2.12 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 trends. As a methodology for establishing a housing requirement is that a reasonable and justified approach, consistent with national planning policy, including NPPF paragraph 67?

- 2.22 No, the approach advocated is overtly negative, in conflict with national policy and the clear aim of the incumbent Government and also not reflected in evidence of delivery. There are two fundamental issues. Firstly, historic challenges to deliver volume housing is in part driven by a lack of engagement by volume housebuilders. However, volume housebuilders in almost all cases, including on the mainland, prefer to build larger sites. Even on the mainland, many volume housebuilders will simply not take on sites of under 100 dwellings, with many key PLC builders citing a preference for sites of over 300 dwellings. A client of ours as confirmed that such site sizes are beneficial due to economies of scale, and for the larger multi-builder groups, the ability to open up multiple outlets on the same site. The Council's evidence has set out that there has in recent years been only 3 sites over a hundred dwellings, and only one of these being over 500 dwellings (Three Dragons Report). The report highlights that volume housebuilders point to site composition being the primary issue relating to engaging with Island delivery, though acknowledging some of the issues relied on by the Council as

secondary, but such issues can be overcome when there is the scale needed to attract volume housebuilders.

- 2.23 Whilst the draft plan does provide some larger allocations, this in the context of constrained supply, limiting the number of opportunities for new builders to enter the island.
- 2.24 The second issue is that it is predicated on the Island being incapable of delivering increased housing, informed by historic delivery. However, historic delivery has been suppressed due to the lack of an in-date plan and suitable sites. The Council cannot on one hand fail to provide an up to date Plan with suitable allocations, then with the other use the suppressed delivery during this period as justification of essentially rolling forward that strategy. Ultimately that is essentially creating a self-fulfilling prophecy where constrained supply results in further constrained supply.
- 2.25 However, notwithstanding this position, the claim does not correspond with actual delivery, nor the Council's proposed trajectory. The Draft IPS (Table 7.1) details that within the next five years the 489 target which the Plan states is the upper limit of delivery rates possible on the island, is anticipated to be exceeded no fewer than 3 times. This includes delivery of 735 dwellings in year 3, 760 in year 4 and 608 in year 5. The Council's most recent Housing Land Supply Position Paper (2024) which was taken under the then applicable 4-year test, resulted in a 4 year supply of 2,975 dwellings. This equates to 743 dwellings per annum over the next 4-years. It is highly relevant to note that this supply has been achieved without an up to date Plan with allocations. The 2023 Housing Delivery Test result was 730 dwellings. The Council's position advanced as justification for a reduction in housing requirement is again clearly not supported in actual evidence. It is not unreasonable to assume if these rates can be achieved in a Plan vacuum, they could not be achieved in the context of an up to date Plan providing allocations and thus certainty to the market. At the very least the housing requirement must be increased, but we see little justification having regard for the evidence available not to deliver the housing requirement in full.
- 2.26 Turning to Paragraph 61, the NPPF is clear deviation should only occur in exceptional circumstances. As detailed above, projected and achieved delivery rates indicate the Council's position is untenable, and thus exceptional circumstances have not been demonstrated. Our view is that the evidence available suggests clearly the Council should look to deliver the maximum quantum of housing. However, this is also the view of the Council's own evidence. Evidence suggests that driving down housing needs would exacerbate existing and projected issues on the island, paragraph 5.9 of the

Exceptional Circumstances paper states *"using 'exceptional circumstances' to drive down the housing need number in the IPS would do nothing to address some of the severe demographic and social issues the island continues to face. Artificially reducing housing need, and by definition at the same time reducing the amount of affordable housing that can be delivered, would do absolutely nothing to help address the significant affordability and access to affordable housing issues that the island faces, and in fact would simply exacerbate these issues and make them worse."*

- 2.27 The Council's approach is not sound, not consistent with the NPPF, socially and economically damaging to the island, and thus should not be accepted. Whilst the Council will need to undertake a Plan review having regard for the provisions of the new NPPF, that should not be seen as an excuse to kick this issue to the next Plan to solve. The Council must increase its housing requirement and reintroduce the allocations it previously proposed when it was planning in a more positive manner.

2.13 Are there any other factors that indicate the proposed lower housing requirement would be justified, for example the extent of available, suitable or achievable land supply on the Island or any environmental and/or infrastructure capacity constraints?

- 2.28 Not that we are aware of. The availability of former allocations demonstrates there is no issue in relation to land supply. We welcome the opportunity to comment on any issues raised by the Council in respect of this matter in hearing sessions.

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)?

- 2.29 No, our strong consideration as set out above is that historic housing delivery has almost certainly been impacted by a lack of a post NPPF Plan, but actually in more recent years any in-date Plan with a suitable housing composition. Using delivery under such a scenario as evidence to justify constraining housing supply rolling forward, in the context of a clear and demonstrable demographic needs to increase housing, is not sound and should be rejected. The remarkable aspect is that in such circumstances, housing supply is a relatively buoyant 743 dwellings per annum (as expressed in the Council's 4-year supply position statement). In such a context, the argument that supply should be so significantly constrained is not agreed as justified, let alone the significant harms arising from such an approach (as set out in the evidence base).

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?

- 2.30 Yes, that is an accurate summary of the position and as per comments above we consider the Council's approach relying on historic delivery in such circumstances to not be justified. The Council should take a more optimistic view that with an in-date Plan providing confidence and a suitable array of sites there is capacity to deliver well above the constrained historic rates relied upon by the Council (which again if considering the Council's most recent land supply statement point to significantly higher delivery than the Island realistic target proposed by the Council).

2.16 Is the period of assessment informing the 453dpa housing requirement figure robust and justified? Are there reasonable alternatives to inform the housing requirement if a different period of past delivery were selected?

- 2.31 No, and if an updated appraisal was undertaken of more recent delivery the requirement will increase as recent delivery rates (and projected) are significantly higher than the 453 figure relied upon by the Council.

2.17 Part of the assessment of market capacity or demand to deliver on the Island includes an analysis of 'conversion' rates (the rate at which planning applications are implemented (or converted) into delivery on the ground (completions)). Is the assessment of conversion rates robust and is there a risk it could be skewed by any specific larger sites lapsing (for example, representations from the Home Builders Federation refer to the Pennyfeathers Site, Ryde (HA119))? Would it be reasonable to conclude that increasing supply, and subsequently granting planning permission, would not translate into boosting housing delivery on the Island?

- 2.32 We agree with comments of the HBF in that it appears as though the failure of a single large site to materialise will have a disproportionate impact on the conversion rate. Again, the Council's approach is not logical, as it should not on one hand use the failure of one strategic site to deliver as evidence of reduced need, whilst still relying on that same site as an allocation for the emerging Plan, and preventing other sites which may have better success of delivery coming forward.

2.18 If it was concluded that the housing requirement should be the standard method figure of 703dpa or an alternative capacity/market-led figure higher than the proposed 453dpa, what harm(s) would arise? Would the principal harm be the potential loss of plan-led decision making? Have any other adverse consequences of a higher housing requirement been demonstrated through the Integrated Sustainability Appraisal?

2.33 It is our assumption that the Council's decision making has been led by pressure for less development from residents/members or that if a higher housing requirement was adopted this could result in land supply issues. Neither argument in our view is tenable, not least due to the harms arising from constraining housing growth over the Plan period. Fear of a lack of a housing land supply cannot be used as justification for artificially constraining supply.

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 Housing Evidence Paper A – linking through to the 2019 University of Portsmouth study in Documents HO2 and HO3).

2.34 The Three Dragons report cites feedback from housebuilders who operate on both the Island and the mainland. The lack of large sites is stated as the reason for reducing the attractiveness of the Island to national volume housebuilders and a reason behind the lower delivery (Paragraph 7). Whilst logistical issues, labour availability, sales rates and values are also seen as issues, it is nevertheless evident that the lack of large-scale housing sites on the Island has been a considerable barrier to delivery. Even if it was considered that non-delivery was a risk, in accordance with the above, there is almost certain social and economic harm arising from constraining housing delivery, which must surely outweigh the potential risks of trying to Plan positively. If however this was considered a justifiable concern, then supply could be increased, without a corresponding increase in requirement in the early years of the Plan period through a stepped requirement, for consideration as part of future Plan reviews. A stepped trajectory in this context could be justified due to a transition to higher, planned delivery. We would not object to a housing requirement in the first 5-years of 453 dwellings per annum, with subsequent increases and corresponding increases in supply, so long as the requirement delivered the requirement in full over the remainder of the Plan period. This would give the market 5-years to begin to deliver sites and permissions, and this issue could be re-examined at Plan review. This in our view is a fundamentally more positive approach, which may help provide confidence to the Council that it will lose its planning control in the short term.

2.20 Primary barriers to housing delivery are principally set out and summarised in Housing Evidence Paper D [Document H019]. Is there a realistic prospect that these barriers could be overcome or decreased during the plan period? Would setting a higher housing requirement incentivise action or investment to help address barriers (for example from the Council, Homes England or the development sector)?

- 2.35 There is evidence to suggest that once delivery commences, delivery rates are comparable to the mainland (Three Dragone Report). As such, with the security of suitable allocations and a critical mass of units, there is no reason why housebuilders would not engage with delivery on the island. The potential increase in build costs would ultimately be reflected in the offers for land, thus housebuilders can still advance schemes which are viable and deliverable.

2.21 Under the Council's approach to the housing requirement, how can the market shape or affect housing delivery going forward to demonstrate higher levels of growth could be sustainably delivered, including, potentially, through future plan reviews? Would higher housing growth be dependent on external factors, for example, greater levels of public investment to support affordable housing delivery?

- 2.36 Under a Plan led system, it should be the Plan which should dictate housing delivery, not just the market. Regardless, the market has demonstrated it can deliver higher levels of housing in the absence of an up to date Plan (recent delivery and projected delivery), therefore under a Plan led system with a suitable composition of sites its not unreasonable to assume that the market could not deliver this quantum moving forwards. Again, a stepped trajectory may be an appropriate tool to provide the short-term security the Council may appreciate, whilst still giving the market the opportunity to deliver the permissions and supply chains necessary to deliver the rates they have recently been achieving over an extended period of time.
- 2.37 The Council conclude that increasing housing supply would not improve affordability. However, given the anticipated migration of older people from the mainland is anticipated to continue, with the Housing Evidence Paper – Exceptional Circumstances (May 2024) stating *“It would be highly unrealistic to presume that movement around the country could be prevented through simply not making any provision for it within an area’s local housing need calculation”*, the result on a continually reducing supply of housing will be perhaps more intensive house price growth. Therefore, whilst we accept additional housing may not improve affordability in isolation, if it prevents disproportionate house growth this is clearly a benefit and will improve affordability when considered holistically. It is also material that the higher the quantum of housing delivered, the higher the chance of increased

affordable housing delivery. Again, economies of scale in terms of logistics provided by larger sites may assist in increasing the yield of affordable housing delivery.

2.22 The submitted housing trajectory (at Appendix 4 of the IPS) includes two early years where annual housing delivery would significantly exceed 453dpa and then a mid-period (c.2027-2031) averaging at circa 570dpa. What accounts for the higher delivery in those years? Could it be sustained over the remainder plan period, particularly the latter periods, if suitable land was made available through a plan-led approach?

- 2.38 This is compounded by recent examples of higher delivery including the most recent available year of delivery as available on the Housing Delivery Test (730 dwellings) and projected supply in the most recent 4-year period. Subject to a suitable composition of sites there is sufficient confidence that similar levels can be maintained over the longer term. At the very least a figure higher than the 453 dwellings per annum proposed by the Council.

2.23 If the proposed housing requirement were to be found sound as a minimum figure, is the policy framework in the IPS sufficiently flexible to support further housing delivery on the Island beyond the windfall allowance already accounted for?

- 2.39 No, we do not believe so. The importance of allocations is the security provided to enable a party to invest the significant time and money in a planning application. The Council can state that there is a sufficiently permissive policy environment to encourage applications, but ultimately a party would need to invest significant sums of capital at risk. The Council should be leading on driving increased housing delivery through allocations of land which would provide sufficient confidence to enable a planning application to come forward. Moreover, the policies identified relate solely to windfall and rural exception sites, and as such are likely to provide only limited additional supply.

2.24 Should the housing requirement at Policy H1 be expressed as a minimum figure ("at least"), consistent with paragraph 7.6 of the Plan?

- 2.40 Usual protocol is the requirement is expressed as a minimum, as this better aligns with the aims and objectives of the Framework. However, modifying this in itself would not override the concerns as raised above.

Issue 4: Whether the Plan will support sustainable economic growth.

2.25 From the evidence in the Employment Land Study, Policy E1 would appear to allocate a quantum of land that appreciably exceed what might be required under the labour demand scenarios and significantly exceed the labour supply scenario when applying the constrained approach to the housing requirement. It also exceeds historic trends. Is the amount of employment land in Policy E1 justified, effective and positively prepared?

- 2.41 Yes, there is a clear disconnect between the approach to housing and employment. As set out previously within the representations we are highly concerned that the constraining of housing supply will negatively impact economic growth. It is not clear how the Council expects to service increased employment need for labour given the demographic evidence and the approach advocated within the Draft Plan. This will likely harm the Council's economic aspirations and shows a lack of holistic consideration of residential and employment growth.