



**Isle of Wight
Council**

**Hearing Statement Matter 2:
Plan period and levels of
growth to plan for**

**Draft Island Planning Strategy
Examination in public**

Document information

Title: Hearing Statement Matter 2

Status: Final

Current version: 1.2

Version history

Version	Date	Description
1.0	14.1.25	First draft (JB)
1.1	29.1.25	Second draft (JB)
1.2	5.2.25	Final version (JB)

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Matter 2 – Plan period and levels of growth to plan for

This hearing statement represents the Isle of Wight Council's response to **Matter 2** of the Draft Island Planning Strategy (IPS) examination in public . Answers have been provided to each of the *questions* asked in document [ED4 'Inspectors Matters, issues and Questions'](#) published on 19 December 2024.

Where documents in the IPS examination library are referenced as part of the answer, the document reference and title are used, and a hyperlink provided to that document.

Where the National Planning Policy Framework (NPPF) is referenced, unless stated otherwise this refers to the [December 2023 version of the NPPF](#) that the IPS is being examined under.

Where the council's response suggests proposed modifications to the plan, these are in **blue text and shaded accordingly**.

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 adoption¹. 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?

IWC response:

The council do not consider it necessary for soundness to extend the plan period. Paragraph 22 of the NPPF states that strategic policies '**should**' look ahead over a minimum 15 year period, however this time period is not a regulatory requirement. The stated plan period does cover 15 years (2022 to 2037) but the somewhat protracted plan-preparation process, which has included two new versions of the NPPF to consider, has meant that part of that period has already elapsed. It is the council's view that clear, unequivocal mitigating circumstances existed both in the lead up to submission and currently that justify a shorter post-adoption plan period than is suggested in the NPPF and these are explained in detail in our answer to question 2.3 below. These circumstances primarily relate to the need for the council to put an up-to-date suite of development management policies in place as soon as is practicable and to the publication of the revised NPPF in December 2024 and the transitional arrangements for plan-making set out in paragraph 236 that would apply to the Isle of Wight Council. At the time of submission of [CD1 Island Planning Strategy submission version July 2024](#) at the end of October 2024, the Government had already published the draft NPPF for consultation (July to September 2024) that included the aforementioned transitional arrangements, so there was a clear direction of travel for national policy and plan-making.

¹ Anticipated to be November 2025 in the Local Development Scheme [June 2024]

In addition, as explained in response to question 2.2 below, substantial additional work would now be required to be undertaken to provide an evidence base that was sufficient to cover an extended plan period and, not only would the compilation of that evidence be likely to delay the adoption of **CD1**, but it would also be of limited value, given the need for further plan-making in any event well before that extended period will arise.

Q2.2: 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?

IWC response:

The council believe that it would not be sufficient to simply extrapolate quantitative needs if the plan period was extended and therefore it would be necessary to commission additional / updated evidence base studies. Extrapolation would not be robust for needs which are likely to change over time and in any event could not address any changes in environmental or other constraints in the extended time period. The following pieces of core evidence would require further work to extend their time period to 2040 or beyond:

- Habitat Regulations Assessment;
- Integrated Sustainability Appraisal;
- Housing Needs Assessment;
- Employment Land Study;
- Retail Study;
- SRTM modelling

This list represents a significant proportion of work, with associated time and costs. The issues of time and cost are extremely important, as the council's view is that it would be an extremely unwise use of public money and resources to commission evidence base studies to support the three final years of a fifteen year plan period from a plan that would be replaced well within that fifteen year period, given the requirements of the NPPF (December 24 version).

The council would re-iterate its view (as set out in our answers to questions 2.1 and 2.3) that the transitional arrangements in paragraph 236 of the NPPF (December 24 version) which apply to the Isle of Wight mean that should the IPS be adopted, work would be expected to start on a new plan, under the revised plan-making system, straight away and this new plan would be adopted well in advance of 2037.

The evidence base is in place to support the IPS plan period to 2037, and given the circumstances, this is considered to be both a justified, proportionate, and effective approach and consistent with national policy when read as a whole.

Q2.3: 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?

IWC response:

The council believes that the clear, unequivocal mitigating circumstance to justify a twelve-year post adoption plan period is the need for the council to have an up-to-date suite of development management policies in place as soon as is practicable and the plan-making transitional arrangement set out in paragraph 236 of the NPPF (December 24 version) that would apply to the Isle of Wight Council. The Core Strategy was adopted in 2012 (before the first version of the NPPF) and its plan period runs to 2027. Many of its development management policies are not reflective of current policy expectations or the Island's current needs, for example as regards design, dwelling mix, or affordable housing.

As the housing requirement of 453 dwellings per annum (dpa) in [CD1 Island Planning Strategy submission version July 2024](#) is less than 80% of the local housing need calculated using the December 2024 standard method of 1,062dpa (the **CD1** figure represents 43% of the December 24 standard method), post-adoption of the IPS the council will be expected to begin work on a new local plan under the revised plan-making system as soon as the relevant provisions are brought into force in 2025. The need to prepare such a new local plan will apply regardless of whether the IPS has a plan period running to 2037 (as at present) or an extended plan period running to 2040. That new local plan would be in place and so will have superseded the IPS well before the extended period (2038-2040) would arise. In that context, requiring the IPS now to address that extended period will serve little purpose because it is most unlikely to still be in place to guide the making of any development management decisions in that period.

The Deputy Prime Minister has asked all LPAs to submit an updated LDS by 6th March 2025² – the council published an updated LDS in early July 2024 ([CD3](#)) that included a projected date for the adoption of the IPS (October 2025 in the timetable in Appendix 1 of **CD3** and November 2025 in the timetable in section 5, noting that dates after submission are not in the council's direct control). Subject to progress of this examination, this date (October/November 2025) is still considered to be possible. **CD3** also highlights that future development plan document work would be dependent on the progress and content of ongoing plan making reforms. The council notes the [Government announced on 26 January 2025](#) that a Planning & Infrastructure Bill will be published in the Spring, which may include further details on the revised plan-making system.

Whilst exact details of the revised plan-making system are yet to be published, the provisions within and commentary around the Levelling Up and Regeneration Act 2023 point to a much more streamlined and quicker plan-making process of 30 months. Even if that preparation began in Q1 of 2027 (following a period of evidence gathering in 2026 once the IPS has been adopted), this would see a new local plan adopted by Q3 of 2029, some **eight** years before the end of the IPS plan period that runs to 2037. The council will publish an updated LDS by 6th March 2025 which makes clear reference to preparing a new local plan post adoption of **CD1**.

CD1 also includes, within paragraph 10.7 of Section 10, clear early review triggers related to the delivery of housing. These are in place as recognition that the approach within **CD1** of proposing a lower housing requirement on the basis of delivery challenges on the island could present a scenario at some point in the plan period where some of those challenges change / be overcome, with housing delivery increasing as a result. Paragraph 10.6 also highlights the legal requirement

² See page 5 of

https://assets.publishing.service.gov.uk/media/675c1cc0b745d5f7a053eeed/Planning_update_newsletter_13_December_2024.pdf

for all local plans to be reviewed at least every five years (see also paragraph 33 and footnote 18 of the NPPF).

The council consider that a combination of the transitional arrangements for plan-making in paragraph 236 of the NPPF (December 2024 version), the commitment within **CD1** itself to early reviews of key housing policies (and by association supporting evidence bases), the forthcoming Planning & Infrastructure Bill and the legal requirement for plan review at least every five years mean that a 13-year post adoption plan period represents a justified, proportionate, and effective approach to plan-making that is consistent with national policy. In the light of the transitional arrangements, which apply in any event as a matter of national policy, and the statements already made in paras 10.6 and 10.7 of the IPS, the Council does not consider it is necessary to expressly include any further early review mechanism in the IPS itself.

Q2.4: 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 703dpa³. 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?

IWC response:

The council does not consider that it is necessary for soundness that the plan period should be adjusted to start from 1st April 2024, but it acknowledges that this could be done to better reflect the forward-looking standard method calculation and to better ensure consistency with national policy. The NPPF does not preclude a plan-period starting when the plan begins its preparation, even if that base date has passed before the start of the examination, but the Council accepts that such an approach is not wholly forward looking. The Council would not object were the Inspectors to consider a wholly forward looking plan period is necessary. The result of this adjustment would be for the housing requirement in Policy H1 to be recalculated as set out in the proposed modification below.

For clarity, the adjusted plan period of 2024-2037 would incorporate thirteen full monitoring years (2024/25 up to and including 2036/37) therefore the sum of 5,889 represents 13 x 453.

Subsequent revisions would also be made to the indicative housing trajectories in the IPS (Table 7.1 and Appendix 4) to reflect the adjustment. Please see our answer to Matter 7, question 7.2 (and Appendix 1 to our Matter 7 hearing statement) for exact detail of the factual updates and changes proposed to the indicative housing trajectory.

Proposed modification

Policy H1

*'The council is planning for a housing requirement of **5,889** net additional dwellings over the plan period (2024-2037), at an average of 453 dwellings per year.'*

³ The council acknowledges that this approach is not considered sound by some representors, having regard to NPPF paragraph 61 and footnote 25. This matter is explored separately in Issue 2 (Questions 2.6, 2.7 & 2.8).

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?

IWC response:

Yes, documents [HO13 IOW Housing Needs Assessment 2022](#) and [HO15 IPS Housing evidence paper Exceptional Circumstances May 2024](#) do justify why the standard method is a valid advisory starting point. **HO15** in particular explores the key inputs to the standard method (household projections and the affordability ratio), discusses (and rejects) the criticisms of those inputs, with the result that the outputs generated by the standard method are appropriate as a measure of local housing need. The documents, in conjunction with further evidence work on this topic (see our answer to question 2.8 and additional document '[ED6 IWC Demographic report LSH February 2024](#)') conclude that no justifiable and defensible alternative to the standard method has been put forward. Therefore a sound approach has been taken in [CD1 Island Planning Strategy submission version July 2024](#) which is consistent with national policy by using the standard method to identify local housing need (but noting, of course, that this is a separate exercise to determining the IPS housing requirement).

Q2.6: Having regard to NPPF paragraph 61, are there the exceptional circumstances for the Isle Of Wight, including the demographic characteristics of the Island, which would justify an alternative approach to the standard method, to determine the housing need over the plan period?

IWC response:

No, the council does not consider that there are exceptional circumstances which justify an alternative approach to the standard method. The reasons for this are set out in document '[HO15 IPS Housing Evidence Paper Exceptional Circumstances May 2024](#)'. Throughout the plan-making process the council have not been provided with any evidence that would justify an alternative approach and that would also withstand the additional scrutiny it would be placed under at examination, as set out in national planning guidance. The answers to questions 2.8 and 2.9 provide further context on this issue.

Q2.7: 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?

IWC response:

The council has not been provided with any alternative methodologies other than some analysis into some aspects of a calculation within the September 2020 paper from (the then MP) Mr Bob Seely ([IPSR52](#)). Planning practice guidance is clear that any alternative approach must take into

account historic under delivery – as paragraph 4.8 of [HO15 IPS Housing Evidence Paper Exceptional Circumstances May 2024](#) sets out, this is 1,512 dwellings, or 138 dpa on the island, which would have to be added onto the outcome of any alternative methodology.

Given that paragraph 61 of the NPPF is also clear that ‘*the alternative approach should also reflect current and future demographic trends and market signals*’ and the conclusions that are set out in document ‘[ED6 IWC Demographic report LSH February 2024](#)’ the council does consider it is reasonable to conclude that any alternative methodology could result in a housing need figure for the island that is comparable to or higher than the standard method.

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?

IWC response:

The council does not consider that the September 2020 analysis paper referenced in the question (and submitted as part of the Regulation 19 response from Mr Bob Seely [IPSR52](#)) provides a reasonable basis for concluding that a lower level of housing need would be necessary for soundness. A different response paper was submitted by Mr Seely (who at the time was Member of Parliament for the Isle of Wight) to the 2021 Regulation 18 consultation that provided further analysis.

Document ‘[HO15 IPS Housing Evidence Paper Exceptional Circumstances May 2024](#)’ sets out in detail why both of the papers submitted by Mr Seely are not considered a reasonable basis to justify the Council putting forward a position under exceptional circumstance, particularly **HO15** paragraphs 4.1 (commenting on excluding net internal migration from LHN), 4.2 (no alternative data identified), 4.5 (affordability uplift is not an island specific issue) and 4.8 (requirement to consider historic under delivery).

It is also important to note that analysis in paragraphs 6.1 to 6.28 of Mr Seely’s September 2020 paper suggest some specific data adjustments to island housing need. It is suggested that removing the affordability uplift from the Isle of Wight OAN would result in an OAN figure of 525dpa and adjusting the vacancy rate would remove a further 46dpa. These two adjustments would generate an OAN of 479dpa. The IPS is proposing a housing requirement of 453dpa.

As paragraphs 4.11 and 4.12 of **HO15** outline, it is important to note that following publication of the NPPF, the council commissioned further legal and demographic work to consider whether the addition of footnote 25 to NPPF paragraph 61 justified a change in approach and both pieces of advice were unequivocal that the footnote did not justify a change in approach. The demographic work has been added to the examination library as document ‘[ED6 IWC Demographic report LSH February 2024](#)’.

Q2.9: Has plan preparation appropriately considered all reasonable options for establishing the housing need and appraised them accordingly as part of the Integrated Sustainability Appraisal?

IWC response:

There is no requirement in the NPPF or legislation for the council to consider all reasonable options for establishing the housing need and then appraise them as part of the ISA. Housing need is an evidential input to determining the housing requirement that is ultimately included in the plan. The consideration of reasonable options is part of the process of formulating the IPS, rather than part of the process of assembling the under-pinning evidence which informs the IPS. The council, in line with paragraph 61 of the NPPF and national planning guidance on identifying housing needs, has used the standard method to determine the number of homes needed as the starting point for establishing a housing requirement. The purpose of the standard method is to provide a consistent methodology for housing need, removing the historic necessity for local plan-making to carry out that work and supporting the Government's objective of significantly boosting the supply of homes.

Notwithstanding the above, as highlighted in our answer to question 2.8, the council did commission independent demographic work that considered whether 'exceptional circumstances' existed to justify a different approach to housing need and the conclusion was that they did not, supporting the position taken in the IPS. In other words, having regard to the terms of national policy, which promotes the use of the standard method unless exceptional circumstances are demonstrated, it would not be a reasonable option to have established the housing need by some alternative method.

Issue 3: Whether the proposed approach to 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?

IWC response:

Yes, it is demonstrated through [EA2 IPS Integrated Sustainability Appraisal July 2024](#) and other evidence that the proposed housing requirement of 453dpa would contribute to achievement of sustainable development on the Island. [HO18 IPS Housing evidence Paper C – Implications of not Meeting the Standard Method May 2024](#) considers the likely social, economic and environmental impacts (positive or negative and their significance), identifying any possible areas of mitigation and maximising positive impacts. Setting an unrealistic and undeliverable housing requirement would not contribute to the achievement of sustainable development. Rather, it would (by leading shortly after adoption to the lack of a five year housing land supply, as explained at paras 5.4 to 5.6 of [HO15](#)) give rise to a need for ad hoc instead of plan-led planning decisions, and whilst it might generate an increased number of planning permissions, it is unlikely to result in increased delivery of housing 'on the ground' (as explained in response to question 2.17 and in the data on completions and conversion rates in [HO16](#)).

The main policy delivery mechanism for the proposed housing requirement is the suite of policies making up section 7 Housing of the IPS. All the policies in section 7 Housing have been assessed through [EA2 Integrated Sustainability Appraisal](#). As stated in paragraph 8.2.3 of **EA2**, “A series of workshops (March 2022) between the council and the ISA lead (Hampshire County Council) were carried out to consider all recommendations made by the ISA on the consultation draft IPS. Where determined appropriate, changes to the IPS were made as a result of the ISA (see Appendix 5 ISA Island Planning Strategy Workshop March 2022 Outputs that includes changes made and reasons why).”

[HO18 IPS Housing evidence Paper C – Implications of not Meeting the Standard Method May 2024](#) acknowledges that “Planning for a lower number of houses is likely to result in social, economic and environmental impacts which need to be understood both in terms of their nature (positive or negative) and their significance.” and “In doing so the plan can be developed to ensure that the strategy taken to the provision of housing is directed to fulfilling the most urgent of housing needs and identify any possible areas of mitigation or maximising positive impacts.”

Housing policy H8 looks to address the main potential negative impacts associated with a housing requirement that is lower than the Local Housing Need, by including different preferred housing mixes within the policy for both social/affordable rent to target the needs and also low-cost home ownership dwellings. The suggested improvements to policy H8 identified through the ISA process was to change wording (‘should’ to ‘must’) to ensure the policy is robust, which has been done.

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?

IWC response:

As set out in the answers to questions 2.23 and 2.24, the housing requirement within the IPS is a ‘floor’ rather than a ‘ceiling’. For this reason, the housing requirement, in conjunction with the other policies of the IPS, would provide sufficient homes to support the plan’s economic growth. Paragraph 1.43 of document ‘[EC1 Employment Land Study Update Jan 2022](#)’ recognises this fact, and as the answer to Q2.23 sets out, there are a number of policies in the IPS that would support further housing development coming forward. Whilst there is a difference between the number of homes that EC1 identifies are needed for the ‘growth scenario’ and the housing requirement in the IPS, paragraph 1.43 of **EC1** concludes that given the flexibility of other policies in the plan “*there is no need to increase the overall level of housing being planned for.*”

There is of course a risk that the proposed housing requirement, if applied in isolation from those other policies (which it will not be) could serve to constrain economic growth in the same way that existing housing development can constrain or facilitate different types and levels of housing growth. Whilst planning policy can influence the number and location of homes, it has much less influence on who occupies them. For example, a development of 50 homes could see 45 economically active people occupy them, whilst a development of 100 homes could see only 30 economically active people occupy them depending on the demographic and social make up. In

this regard the location of new homes is extremely important, and the spatial strategy of the IPS (policy G2) focuses new development in and around existing settlements where the likelihood is that new homes will be more attractive to economically active people (as opposed to more rural locations that may be more attractive to a different, older demographic). Evidence supporting the IPS demonstrates that the housing requirement and jobs forecast work together, are aligned, and as far as local plan policy can do, will from a spatial perspective provide the appropriate and positive framework to support plan-led sustainable development. In addition the dwelling mix (secured by Policy H8) will help to ensure that the housing that is provided is reflective of identified needs.

In relation to the Solent Freeport, the real benefits and potential for the Isle of Wight remain uncertain. There are no tax or custom sites on the island itself (so employees at those sites are unlikely to be seeking to meet their accommodation needs on the island) and the benefits will likely arise from supply-chains and supporting businesses for the primary tax and custom sites. As a result of this, policy E12 has been included in the IPS to ensure that there is in principle support for economic growth and development supporting the Solent Freeport. This works in conjunction with Policy E2 of the IPS that provides in principle, pro-active support for sustainable economic development and as much as the policies in the IPS provide a framework for more housing to be delivered over and above the housing requirement identified, the same can be said for economic development.

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 trends⁴. As a methodology for establishing a housing requirement is that a reasonable and justified approach, consistent with national planning policy, including NPPF paragraph 67?

IWC response:

The methodology for the proposed housing requirement within the IPS does represent a reasonable and justified approach that is consistent with national planning policy. Paragraph 67 of the NPPF itself acknowledges that meeting identified needs in full may not be possible in a plan area.

Beyond that paragraph, there is no established methodology with national planning policy or guidance documents for the exercise that the Council has undertaken that seeks to determine the extent of housing need that can be met. As such, there is an inevitable element of planning judgment in the selection of any figure as an expectation of realistic future delivery.

The evidence base for the IPS, including document references [HO1](#), [HO2](#), [HO3](#), [HO4](#) and [HO16](#) and of course actual completions data from the past 20 years, in the council's view demonstrates that the quantum of housing set out using the standard method would not be effective or deliverable over the plan period. The standard method provides a mechanism to identify housing needs, it is not a measure of housing 'demand', as suggested in some representations, and it cannot be assumed that there is effective demand to support the delivery of all of the housing need that derives from the standard method. That is particularly the case in relation to affordable needs which are a component part of the standard method's overall housing need. Effectiveness

⁴ '...the relatively static nature of the island housing market and those operating within it' (paragraph 5.1, Housing Evidence Paper A [document HO16]).

is a key test of 'soundness' in paragraph 35 of the NPPF. Similarly, paragraph 16(b) of the NPPF advises that *"Plans should... be prepared positively, in a way that is aspirational but deliverable."*

The IPS therefore proposes a strategy that generally reflects the evidence base. The IPS housing requirement is the result of looking at the number of homes delivered per year over a series of 15 year periods within a 20 year period overall, and then expressing that information as an annual average.

Representing the results as an average of the successive 15 year periods, acknowledging that they include overlapping years, is considered to be a reasonable planning judgment to inform what is likely to be deliverable over an individual 15 year plan period. The fact that the figure is likely to be stretching is consistent with the NPPF advice (paragraph 16) that a local plan should be *"positively prepared, in a way that is aspirational but deliverable."*

It is the council's view that setting out an unrealistic and unattainable housing requirement in the IPS would not produce or enable plan-led decision making because in a short period of time the failures in actual housing delivery would make it likely that the council could not demonstrate a five year housing land supply (or six years as would be required by NPPF 78 (c) Dec 24 version) or meet the requirements of the Housing Delivery Test. These would then provide reasons for treating the IPS policies as out of date, in line with paragraph 11 of the NPPF (Dec 23).

Producing a local plan which the evidence shows is unlikely to be deliverable is the antithesis of 'soundness'.

Q2.13: 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?

IWC response:

The council has considered historic housing delivery (or the lack of versus the standard method housing need number) as the primary factor to inform the proposed housing requirement within the IPS. The council maintains this clear and evidenced position on delivery.

There may be other factors that could play a role in justifying a lower housing requirement, for example approximately 50% of the island is designated National Landscape where there is a national planning policy presumption against major development, however these do not form a direct part of the council's justification. The various environmental constraints, which limit the choice and size of suitable sites and/or require additional mitigations, may play some role in explaining why national and/or volume house-builders have not been attracted to development opportunities on the Island, but any relationship is indirect. Having established the IPS housing requirement based on delivery, the spatial strategy of the IPS (assessed as appropriate through document '[EA2 IPS Integrated Sustainability Appraisal](#)') has been used to demonstrate how that level of planned growth can be delivered in a sustainable way, taking into account land-based constraints.

Q2.14: 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)?

IWC response:

Yes – for the reasons set out in the answer to Question 2.12 the council believes the housing requirement in the IPS is aspirational but deliverable. The plan must also be justified and effective and the council strongly believes there is clear justification for taking the approach to the housing requirement that is set out in the IPS and supporting evidence base.

Whilst the current development plan (Core Strategy) predates the 2012 NPPF (albeit by only a couple of months), the policies within the Core Strategy are positive and permissive in the context of housing location and delivery. For example, policy SP1 provides in principle support to residential development on all land in, or immediately adjacent, to settlement boundaries. Therefore since adoption in 2012, some 13 years ago, all land immediately adjacent to settlement boundaries has been, in policy terms, appropriate for development. This represents a large proportion of the non-designated land on the island when considering all of the land that is located immediately adjacent to Newport, Ryde, Cowes, East Cowes, Sandown, Shanklin, Lake, Freshwater and Ventnor. Notwithstanding this favourable policy stance (which aligns with the NPPF objective of significantly boosting the supply of housing), very few sites on the edges of the island's main settlements have come forward.

In addition to this, since 2018 the Isle of Wight local planning authority been unable to demonstrate a 5 year housing land supply, nor meet the required thresholds within the Housing Delivery Test, and has therefore been making decisions having engaged the presumption in favour of sustainable development set out in paragraph 11 (d) of the NPPF.

Despite this permissive policy position for the last seven years of both the presumption in favour and all land in or adjacent to settlement boundaries being supported in principle, housing delivery rates have remained within the consistent band that the island has seen over much longer periods of time.

As set out in our answer to Question 2.16, the longevity of the time period used to calculate the housing requirement in the IPS, means that in the council's view, it represents an aspirational but deliverable position aligning with paragraph 16 (b) of the NPPF as it takes account of both different market / economic conditions and different policy positions (not just planning, but for example, on affordable housing grant), both of which have varying degrees of influence over the delivery of housing.

Q2.15: 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?

IWC response:

The Council does not believe it is reasonable to conclude that housing delivery has been suppressed over the past 10-12 years due to a lack of allocations in the Core Strategy. There are a couple of primary reasons for this, firstly the permissive local and national policy framework that has been in place since the Core Strategy was adopted. As set out in our answer to Question 2.14, the national and local policy framework in place since the adoption of the Core Strategy supports the principle of any residential development coming forward in or adjacent to settlement boundaries across the island, with the added layer of the presumption in favour over the past seven years.

Secondly, it is necessary to review the impact of the last suite of allocations in a local development plan to help demonstrate that allocating land alone is not the simple answer to increasing housing delivery on the island, nor has it been the reason delivery levels have slowly reduced. Paragraphs 7.3 to 7.5 of [HO16 IPS Housing evidence paper A - approach to housing in the IPS May 2024](#) provide analysis on this point and highlight that the UDP (adopted in 2001) allocated specific sites for just over 1,000 dwellings out of the plan total of 8,000. Those allocations were tested for their suitability and deliverability in the UDP Inquiry process but, nonetheless, twelve of the sites allocated in the 2001 UDP did not come forward for development and those sites represented almost half of the total homes that were allocated. It is not the case that the developer sector built out the allocated sites and only after that supply source had 'dried up' did completion rates start to decline.

Table 2 in **HO16** does show that average delivery rates over the six plan periods have reduced, from an average of 487dpa in the plan period 2003/04 – 2017/18 to 410dpa in the plan period 2008/09 to 2022/23. However the council would point to the very low range of figures in this table – a difference of just 77dpa from the highest plan period average to the lowest plan period average. The council would also note that even in the first plan period (03/04-17/18) which includes the three peak delivery years out of the last twenty (06/07 - 770, 07/08 - 710 & 08/09 - 620) and over half of the plan period as 'pre-Core Strategy', the average is only 34dpa higher than the housing requirement in the IPS.

The only average in Table 3 which is materially higher than the housing requirement in the IPS is the 5-year average covering the period 2003/04 to 2007/08. These five years include all three 'peak' delivery years and cover the time period up to and including the global economic crash in 2007/08. The council believes it is unrealistic to focus on a single period where many of the prevalent financial characteristics that helped support and fund development are no longer evident. Despite this, the council has not simply excluded this period from the methodology of calculating the housing requirement in the IPS as it recognises that different conditions can occur during longer plan periods.

The council firmly believes that the evidence supporting the IPS clearly demonstrates that there is a limit to the level of housing delivery that can consistently be supported on the island. There are a wide range of factors that influence this, planning policy is one of them, but the evidence shows that differing planning policy approaches over time and different local plans do not have a significant difference on the delivery of housing on the island. Therefore the IPS has placed the housing requirement in a position that seeks to carry this evidence forward to allow sustainable, plan-led development – which is at the heart of the NPPF.

Q2.16: 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?

IWC response:

Yes the period of assessment is considered to be robust and justified. Paragraphs 6.1 to 6.7 of document '[HO16 IPS Housing Evidence paper A: Approach to housing in the IPS May 2024](#)' set out in detail why the 20 year assessment period (and identifying levels of delivery for the 15 year plan periods within it) has been chosen and the key reasons it is considered to be robust. These include the ability for such a period to allow for the impacts of both economic and local plan cycles to be incorporated.

For example by looking at six different plan periods within a 20 year period overall, the Council has included older data (pre-adoption of the Core Strategy) which includes levels of housebuilding in periods before the 'credit crunch' of 2008/09. These levels are unlikely to be repeated, at least in the short to medium term, however they do form part of the analysis and calculation of the housing requirement in the IPS. This leans towards the plan being 'aspirational' as required by the NPPF.

As identified in the council response to Question 2.12, this is another area for planning judgment and in the council's view using a lengthy period that spans the full economic cycle, including periods of high growth as well as periods of low growth, is a reasonable and robust approach. Taking alternative approaches that covered shorter periods, or possibly an approach that excluded either peak delivery years or the lowest delivery years from the data (or both) would simply leave the Council open to criticisms that it had arbitrarily discarded relevant data or sought to compress the housing delivery review period to leave out historically higher delivery rates (relative to more recent levels).

The council firmly considers that the approach adopted in the IPS for calculating the housing requirement is reasonable and robust and is a sensible balance between the objective of reflecting what the evidence shows is realistically capable of being deliverable and the objective of producing a plan that is aspirational (in the context that not all the housing need will be met).

Q2.17: 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?

IWC response:

Yes, the analysis of conversion rates is robust. The council recognises the point made by the Home Builders Federation (HBF) in their [Regulation 19 representation IPSR99](#), specifically paragraph 39, and agree that the Pennyfeathers site has now lapsed (albeit has been included in the IPS as a proposed allocation). At the time of preparing the evidence paper, the outline permission was valid and therefore it would have been erroneous for the council to remove the site (and associated dwellings with outline permission) from the figures in Table 1 in document

[HO16 IPS Housing Evidence paper A: Approach to housing in the IPS May 2024](#). Large strategic sites are a rarity on the island (as noted by the HBF), and their existence can represent a significant proportion of completions (historically) and permitted homes (more recently via sites such as Pennyfeathers).

It is however interesting to note the table that the HBF provide in their response, which is effectively a 'Pennyfeathers off' assessment of conversion rates on the island and could be said to provide a 'non-skewed' picture in the context of question 2.17.

If anything this adjusted table from the HBF completely reinforces one of the key points the council is making in paragraphs 5.3 to 5.6 of document **HO16**, in that the island has a relatively high conversion rate – generally, within the context of the broad long term 'ceiling' of about 500 dwellings per annum (as referred to at para 2.25 of the IPS) what is permitted gets built by the island housing market (with extremely limited input from major national housebuilders – see our answer to Q2.19). The adjusted HBF table shows a minimum conversion rate of 62%, rising to 81% at its highest – compared to the national average of 49%. In addition, the adjusted table continues to show that an increase in the overall stock of available planning permissions does not have a material effect in terms of increasing the overall number of completions. The adjusted table also shows the consistency of the island housing market, both in terms of permissions and completions across 5 year periods.

Which leads on to a point about market saturation and competition – the HBF rightly identify in their response that the island relies on small and medium sized sites (and housebuilders) to deliver the majority of its homes. These housebuilders have capacity restrictions and due to the characteristics of the island (particularly restricted labour supply and the reduced number of contractors) cannot simply 'ramp up' rates and scale of delivery, regardless of permissions granted or sites allocation. The largest indigenous housing developer on the island, Captiva Homes, has a projected build out rate across all of its sites in total of 75-100 dwellings per year with ambitions to reach 150-200. This compares to a major national housebuilder who may deliver over 100 homes per year from a single large strategic site.

Given the recent changes to the NPPF and the general uplift of the standard method housing number across many authorities in the south of England, this will also create many more development opportunities for the major national housebuilders in areas they already operate in, meaning there is even less incentive to operate on the island, in a market with tighter margins and numerous barriers to deliver as set out in document '[HO19 IPS Housing Evidence Paper D: Barriers to delivery](#)'.

For these reasons the council believes it is reasonable to suggest that simply increasing supply and granting more permissions would not translate into a significant boost to housing delivery on the island.

Q2.18: 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 making⁵? Have any other adverse consequences of a higher housing requirement been demonstrated through the Integrated Sustainability Appraisal?

IWC response:

The council wholeheartedly agrees that the principal harm of a housing requirement at the level of the standard method, or another higher figure (than the IPS) is absolutely the potential loss of plan-led decision making. This would strike at the very heart of the primary purpose of preparing and adopting a local plan, as explained in paras 12 and 15 of the NPPF. A plan that was undeliverable, and so rapidly departed from, would not provide a “*genuinely plan-led planning system*” or a “*platform for local people to shape their surroundings*”. The council believes this situation would in fact be inevitable rather than potential, because of the following.

Using the standard method as an example to demonstrate this, as of March 2024 this figure was 703dpa. For the council to be over the 75% Housing Delivery Test threshold and not be subject to the presumption in favour, housing delivery would need to be **a minimum of 527dpa for at least three years in a row**. Evidence supporting the IPS is clear that housing delivery rates on the island are pegged within a relatively consistent band, for a wide variety of reasons explained in answers to many of these questions.

In the last fifteen years, housing delivery has not reached 527dpa. The last time housing delivery surpassed 527dpa for three consecutive years was between 07/08 and 09/10.

As set out in in the answer to Q2.15 and document [HO16 IPS Housing Evidence paper A: Approach to housing in the IPS May 2024](#) it is unrealistic on the island to plan for a level of housing growth every year across an entire plan period that was last achieved in economic conditions that simply no longer exist.

Document ‘[EA2 Integrated Sustainability Appraisal July 2024](#)’ has not specifically appraised in detail a higher housing requirement and the adverse consequences that may arise from that. The ISA has considered reasonable alternatives to the spatial strategy however it is a document that supports the level of planned growth within the IPS.

Q2.19: 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).

IWC response:

National housebuilders have been active on the island in the 20-year period from which the IPS housing requirement is generated. This has predominantly been on two major strategic (in the context of the island) sites, one on the edge of Newport (extension to Pan estate) and the other in

⁵ Inferred at paragraph 5.4 of the Exceptional Circumstances paper [Document HO15]

East Cowes (Beatrice Avenue) that pre-date the Core Strategy. Both of these sites started delivering units over 15 years ago, with the peak delivery years (referred to in our answer to Q2.15) including over 100 units per year from these sites. However, delivery rates on these sites have slowed dramatically and both sites are now completed or near completion, with the final 30 homes completed on the Barratt Homes Pan extension site (Phase 2A replan ref: 21/00470/FUL) in 2023/24 and 17 in East Cowes off Hawthorn Meadow (22/01749/ARM which reduced original outline from 30 to 17).

Aside from these two sites, there are no other major national housebuilders operating on the island, none have any live permissions or applications currently being determined, and none submitted Regulation 19 responses on the IPS. The absence of any Regulation 19 responses or appearance at examination hearings as individual companies is particularly telling. The role of national housebuilders and the reasons why they do not generally seek to undertake development on the island were explored in some detail in the documents '[HO3 UoP Phase 2 Report Housing Delivery on the Isle of Wight](#)' and '[HO1 IWC assessment of supply 2020 The Three Dragons Report](#)'. In very simple terms, development on the mainland is seen to provide greater commercial returns and so opportunities on the mainland are preferred. This situation is only likely to exacerbate with the planned level of growth across the south-east region to meet the new Government's core objective of boosting housing supply.

There is robust evidence to demonstrate that simply allocating more sites would not follow through into a significant and consistent uplift in housing delivery – and this is set out in our answers to Questions 2.14, 2.15, 2.17 and in documents '[HO16 IPS Housing Evidence paper A: Approach to housing in the IPS May 2024](#)' and '[HO19 IPS Housing Evidence Paper D: Barriers to delivery](#)', specifically the table on pages 2 and 3 of **HO19**.

Q2.20: Primary barriers to housing delivery are principally set out and summarised in Housing Evidence Paper D [Document HO19]. 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)?

IWC response:

The table 'Delivery barriers summary table based upon the 7 broad areas' in [HO19 IPS Housing evidence Paper D – Barriers to Delivery May 2024](#) sets out the identified 7 barriers to delivery, the options for removing or improving, the role of the IPS, potential actions (some of these are complete), lead parties and timescales. In short, this table summarises the prospects of the barriers being overcome or decreased.

In the view of the council, based on the evidence, setting a higher housing requirement would not incentivise action or investment to help address barriers. [HO16 IPS Housing evidence Paper A – approach to Housing in the IPS May 2024](#) summaries the potential option to increase supply in paragraph 5.3, "Simply turning on the 'supply' tap by allocating sufficient sites to meet the standard method would not suddenly see these major national housebuilders operating on the island, as the majority of the issues highlighted above would not be overcome. All of these issues are also highlighted in our evidence base reports from the University of Portsmouth around a shortage of skills and labour, development value and a restricted buying market and all would remain."

Paragraph 5.7 provides further insight in terms of supply and likely main actors in the local housing market, “Without significant public sector intervention in the funding and delivery of housing, there is unlikely to be any great degree of fluctuation from the average number of houses that the island has consistently permitted and delivered in the past, regardless of the number of sites allocated and the number of units per annum planned for. As an example, the largest ‘indigenous’ island developer, Captiva Homes, has ambitious growth plans (supported by Homes England) to significantly increase the size of the company in terms of delivery moving to up to a maximum of 200 dwellings per annum in 2024/2025, however this would be across 4 or 5 sites already benefitting from planning permission or proposed for allocation.”

Q2.21: 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?

IWC response:

It should be noted that the housing number in [CD1 Island Planning Strategy submission version July 2024](#) of 453 dpa will not be a ceiling or a target to aim for, and policies within it will allow additional development to come forward. The purpose of this is to allow for other windfall sites to come forward if they adhere to the policies of the plan and represent sustainable development, whilst also allowing flexibility and a framework for significant changes in economic circumstances or public sector interventions that could increase delivery to take place.

The IPS also includes specific plan review triggers that are focused on delivery rates – these triggers will require a refresh of the plan and associated housing numbers if delivery rates for both affordable and market housing exceed the housing requirement in the IPS on a consistent basis. Any consistent under delivery following adoption of the plan (i.e. a replication of the situation since the adoption of the Core Strategy) would result in the relevant planning sanctions being applied as set out in the NPPF – this places the onus on the IWC to review the plan ahead of the expected 5 yearly reviews or implement measures to address a lack of delivery (Paragraph 9.5, [HO16 IPS Housing Evidence paper A: Approach to housing in the IPS May 2024](#)).

Higher housing growth would be dependent on external factors, such as greater levels of public investment to support affordable housing delivery, investment in the local skills base and alternative forms of delivery such as joint ventures with modular housing providers. The external factors influencing housing growth are set out in pages 2 and 3 of [HO19 IPS Housing Evidence Paper D: Barriers to delivery](#) in the ‘Delivery barriers summary table based upon the 7 broad areas’.

Q2.22: 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?

IWC response:

An updated housing trajectory has been provided, appended to our Matter 7 hearing statement which demonstrates that some of the early years in the plan period may see potential housing supply exceed 453dpa (Years 3 to 8).

Whilst the trajectory shows that years three to eight of the plan period demonstrate a level of supply that could be in excess of the IPS annual housing requirement, this is reflective of the large number of sites that already benefit from planning permission that could deliver in these years. The split of supply between permissions and allocations in years 1 to 8 is almost 50%/50% (1,941 homes and 1,832 homes respectively). In years 9 to 13 (of the updated trajectory at Appendix 1 to our Matter 7 hearing statement) this shifts to 15%/85%, or 205 homes and 1,105 homes respectively. The council would highlight that this updated indicative trajectory provides reasonable evidence that sufficient, deliverable housing land exists for the housing requirement in the IPS to be delivered on an annual basis across the plan period (including a small buffer of just under 10%).

The decision to submit an application and then implement a permission is a commercial one based on a wide range of market conditions, and whilst these decisions are outside of the control of the council, they will impact when the sources of supply deliver homes.

The council would also point to the unexpected delays that can be experienced in implementing planning permissions which could see a proportion of the years 3 to 8 supply mentioned above move to later years in the plan period (as has been experienced more recently).

Using two particular examples, one of the largest sites with planning permission (West Acre Park in Ryde, ref: 20/01061/FUL for 472 units – Captiva Homes) was originally expected to start delivering in 24/25, and could deliver around 50 homes per year for 6+ years, however this permission is currently subject of an ongoing judicial review appeal with work yet to commence on site. Another site where delivery has not materialised includes Birch Close in Freshwater (21/00357/FUL 44 units in total, originally projected to deliver 34 units in 25/26) due to ongoing issues in securing the required traffic regulation order and the previous developer going into administration. These two sites alone make up over 500 units in total that could deliver between 50 and 85 units in a single year, therefore similar situations that see this type of supply shifting by a couple of years would have the associated reductions in years 3 to 8 and possible increases to later years.

A knock on impact of this is that a number of the proposed allocations in the IPS that were *expected* to start delivering in the early period identified in the question, may now not start delivering until later on in the plan period (for a number of reasons including applications still being prepared / determined and developers wanting to avoid market saturation in a constricted delivery market) – this would boost the indicative trajectory numbers in the latter part of the plan period but has the overall effect of equalising out across the short, medium and long term.

As set out in the answer to Questions 2.17 & 2.18, simply making more suitable land available (e.g. through allocation of a higher housing requirement) is not a viable proposition that would in turn significantly increase housing delivery on the island, whilst also ensuring local policies that remain up to date (in NPPF paragraph 11 terms) and drive sustainable, plan-led development as envisaged by the NPPF.

To be clear, the council is not saying that completions in an individual year might not be greater than 453 dwellings (or even in a number of years), but that on a sustained basis across the plan period as a whole it is not realistic to expect *average* completions to be above this level. The council would also note that housing trajectories are extremely sensitive to change and the impacts of those changes on the island are even more intensively felt where a single site could be the primary source of housing delivery in any one year – it is for this reason that the IPS includes housing policy review triggers directly related to the number of units completed versus the housing requirement in the plan. Should sites within the trajectory delivery earlier and faster, then this would trigger a review of housing policy.

Q2.23: 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 for⁶?

IWC response:

Yes, there are a number of strategic and non-strategic policies within the IPS that support further development coming forward, beyond the sites allocated within the plan. The council would also point to the answer to Question 2.24 where an adjustment is proposed the wording of policy H1 to ensure that the housing requirement within the IPS is seen as a ‘floor’ rather than a ‘ceiling’, aligning with paragraph 16 of the NPPF being positively prepared and aspirational but deliverable. These policies include:

- **G1: Our approach towards sustainable development and growth (Strategic)**
 - Provides clear support for policy compliant applications
- **G2: Priority locations for housing development and growth (Strategic)**
 - Provides in principle support for all land within settlement boundaries
- **H1: Planning for Housing Delivery (Strategic)**
 - Housing requirement ‘at least’ to be a floor rather than a ceiling
- **H3: Housing development general requirements**
 - Provides clear policy criteria to meet for any new housing development
- **H4: Infill opportunities outside settlement boundaries**
 - Provides support for infill development outside of settlement boundaries
- **H7: Rural and first homes exception sites (Strategic)**
 - Provides support for two types of exception sites
- **H9: New housing on previously developed land**
 - Provides support for housing on brownfield land both in and outside of settlement boundaries
- **H10: Self and custom build**
 - Provides in-principle support for self and custom build development in and outside of settlement boundaries

⁶ Paragraph 9.6 of the Housing Evidence Paper A references potential to reduce the ‘gap’ between the standard method housing need figure and the housing requirement through windfall/exception sites.

Q2.24: Should the housing requirement at Policy H1 be expressed as a minimum figure (“at least”), consistent with paragraph 7.6 of the Plan?

IWC response:

Yes, the council agrees that the housing requirement at Policy H1 should be preceded by the words ‘at least’ to ensure consistency within the Plan, should the Inspectors consider such a change is required to make the Plan sound.

Proposed modification to Policy H1 wording (also incorporating proposed change generated by IWC answer to Q2.4):

‘The council is planning for a housing requirement of at least 5,889 net additional dwellings over the plan period (2024-2037), at an average of 453 dwellings per year.

Issue 4: Whether the Plan will support sustainable economic growth

Q2.25: 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?

IWC response:

Yes, the council is of the view that the employment land in Policy E1 is justified, effective and positively prepared. Policy E1 allocates a total of 29.2ha of employment land across a total of six different sites. This total does appreciably exceed the total (16.4ha) that is identified as required under the labour demand scenario in document [EC1 Employment Land Study Update Jan 2022](#) (see paragraph 6.57 and Table 6.17 of EC1). However, the majority of the land allocated across the six sites (25.6ha or 88% of the total) either already benefits from planning permission, or is subject of live planning applications, with a further site (EA6) recently being refused (not on principle) which, if included, would take the aforementioned figures to 28.5ha or 98%. Further detail on the status of each site is set out in the table below:

Employment allocation	Planning application reference and description	Status
EA1 (2.8ha)	P/01373/09: Residential development of 846 residential units with an associated network of roads, public footpaths and cycleways including new junctions to St. Georges Way and Staplers Road. The creation of landscaping, public open spaces, a country park, biomass centre, visitors centre, recycling points and rangers station.	Land originally masterplanned for biomass centre and ranger station which are no longer being taken forward.

EA2 (14.7ha)	19/00922/OUT: Outline for mixed use community hub and business park comprising retail (A1), restaurant/cafe (A3), dwellings (C3), GP surgery (D1), leisure (D2), business (B1), general industrial (B2); formation of vehicular access.	Resolution to grant conditional permission, awaiting finalisation of S106 agreement
EA3 (1.9ha)	22/01720/OUT: Outline for a mix of residential and employment related development including two access points onto Newport Road.	Application awaiting determination (S106 negotiation ongoing over affordable housing)
EA4 (6.2ha)	P/00494/11: Outline for marine business park comprising office, research and development, light industrial, industrial and storage and distribution uses (Classes B1, B2 & B8); and 24/01137/FUL: Creation of new film and TV studios including four sound stages, two workshops and production support facilities.	Development approved under 24/01137/FUL due to commence imminently. Remainder of site under P/00494/11 remains extant for marine employment.
EA5 (0.7ha)	No current planning application	N/A
EA6 (2.9ha)	19/01205/OUT: Outline for new commercial and leisure park (revised scheme).	Application refused at Planning Committee in July 2024. Land use principle acceptable, refusal on three grounds: highways, landscape and hedgerow (all that could be overcome)

The amount of employment land is considered to be justified as it seeks to formalise as allocations the employment sites that are currently in the various stages of the planning process and are being brought forward by the market. Appendix 1 of **EC1** considers each of these sites in detail and provides a clear rationale for retaining all but EA5 (the smallest) as allocations. The council is retaining EA5 as the certainty of an allocation may help to provide support to funding bids that could seek to intensify the site for additional small scale employment units to serve the local area.

The approach in Policy E1 mirrors the approach to residential development where large sites with planning permission are included as part of the housing supply (see policy H1) and large sites currently in the planning process which align with the spatial strategy (policy G2) are proposed as allocations (policy H2). The council consider the approach in Policy E1 to be effective and positively prepared by aligning three key aspects: the spatial strategy of the local plan, what the market is bringing forward and current planning permissions and applications.

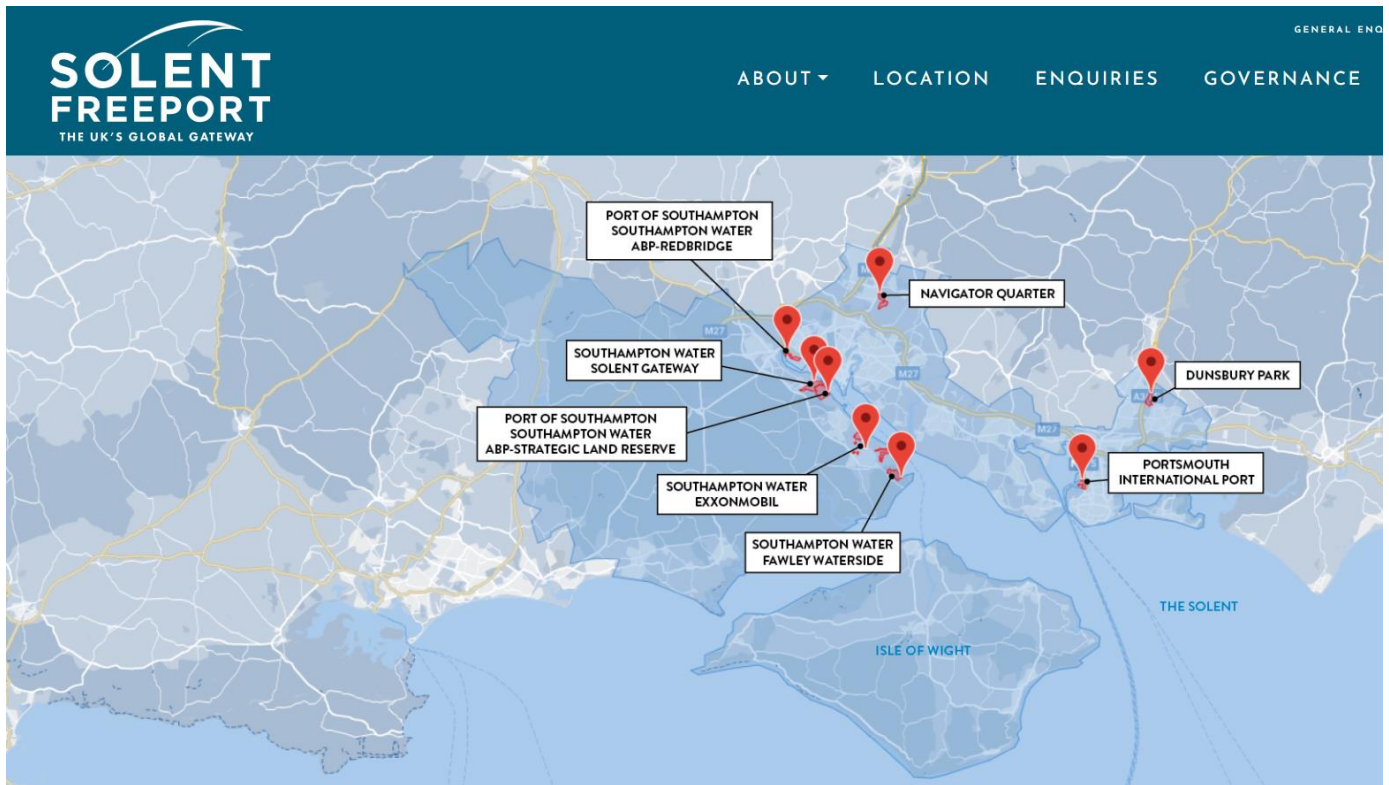
Q2.26: The Employment Land Study describes itself as “Freeport Off”, given it preceded the formal designation of Freeport Status in December 2022. Is there now developing certainty about what the Solent Freeport would mean for the Island? Would Policy E12 be an effective approach to the Freeport designation or is there evidence to support an alternative approach, for example proactively allocating land? Is the whole Island within the Freeport designation and is it host to any of the ‘tax sites’ or ‘customs sites’ described at paragraph 8.120 of the IPS?

IWC response:

As detailed in our answer to Question 2.11, in relation to the Solent Freeport, the real benefits and potential for the Isle of Wight remain uncertain. Whilst the whole of the island is within the

Solent Freeport designation (see diagram below) there are no tax or custom sites on the island itself. Therefore, the benefits will likely arise from supply-chains and supporting businesses for the primary tax and custom sites.

As a result of this, policy E12 has been included in the IPS to ensure that there is in principle support for economic growth and development supporting the Solent Freeport. This works in conjunction with Policy E2 of the IPS that provides in principle, pro-active support for sustainable economic development. These provide a framework for more economic development to be delivered over and above the allocations and existing sites identified, should the Solent Freeport materialise into real on the ground benefits for the island economy.



Source: [Location of Solent Freeport Sites - Solent Freeport](#)

Q2.27: Is Strategic Policy E1 consistent with national planning policy at NPPF paragraphs 81-83 in terms of positively and proactively encouraging sustainable economic growth on the Island?

IWC response:

***For clarity, we are linking this question to paragraphs 85 – 87 of the NPPF which is the version that the IPS is being examined against rather than 81 to 83 referred to in the question which are in the December 2024 version.**

Yes, the council considers that strategic policy E1 is consistent with national planning policy. The policy aims to help create the conditions in which businesses can invest, expand and adapt. By allocating new and protecting existing employment sites (aligning with paragraph 85 and bullet

(b) of paragraph 86 of the NPPF), this should provide confidence to the sector when making long-term investment decisions.

The policy includes a clear economic vision of ‘support the sustainable growth of the Island’s economy and proposals that deliver jobs via a range of sectors, including the Solent Freeport, while increasing local wages, skills and job opportunities’ aligning with bullet (a) of paragraph 86.

Other policies in the Environment, Community, Housing and Transport sections provide a suite of policies aimed at addressing potential barriers to investment, including the provision of infrastructure, planned housing growth and to protect the environment, which is especially key on the island where a significant proportion of the economy is rural and tourism based. This aligns with bullet (c) of paragraph 86.

Strategic Policy E2 is also important in demonstrating alignment with national planning policy as it provides the in-principle support for new economic development beyond those sites that are allocated and protected in policy E1 (bullet (d) of NPPF paragraph 86).

Paragraph 87 of the NPPF suggests that planning policies should recognise the specific locational requirements of different sectors. For this reason, the IPS includes policies **E4 ‘Supporting the rural economy’**, **E5 ‘Maintaining employment sites with water access to the River Medina’** and **E8 ‘Supporting high quality tourism’**, all of which provide sector-specific policy content for three key areas of the island economy (rural, marine and tourism).

Q2.28: Including by reference to PPG paragraphs 2a-026-20190220 and 2a-027-20190220 does the analysis and assessment of employment land required over the plan period take sufficient account of local economic strategies, market demand, the current condition and employment land stock (including losses of employment space to other uses) and local market signals?

IWC response:

Yes, document [EC1 Employment Land Study Update Jan 2022](#) that underpins the employment policies of the IPS does take sufficient account of local economic strategies, market demand, existing stock and market signals. It has also been prepared in alignment with planning practice guidance, and paragraphs 2.8 to 2.13 of **EC1** flag the PPG and confirms the approach in the document responds to that guidance.

The relevant economic strategy context, including reference to both the Solent Local Enterprise Partnership Strategic Economic Plan (SEP) and the Solent Local Enterprise Partnership Delivery Plan, is detailed in paragraphs 2.14 to 2.30 of **EC1** and has been taken account of in the island analysis. Paragraphs 2.17 to 2.27 of **EC1** provide the island-specific content from the Solent LEP SEP, whilst links to other island specific work, including document [EC2 IOW Retail Study Update](#), the IOW Economic Profile and Business Survey and the Monthly Intelligence dashboard are referred to from paragraphs 2.40 onwards in EC1.

From the market demand, existing stock and market signals perspective, Section 4 of **EC1** provides a detailed market review assessing the commercial property (office and industrial) market on the Isle of Wight. This review combines quantitative and qualitative analysis and provides a series of conclusions for both office and industrial that help inform the content of employment policies in the IPS. For example, a key consideration from market analysis was

ensuring the flexibility of new allocations in relation to use class and this has followed through into the allocations in policy E1 as in most cases the allocations are for use classes across the employment spectrum.

Q2.29: Is the submitted Plan consistent with the economic priorities for the Local Enterprise Partnership and the inclusion of the Island as part of the Solent Freeport initiative?

IWC response:

Yes, the IPS is consistent with the economic priorities of the Solent LEP (now the [Solent Growth Partnership](#)) and detailed analysis of these priorities and how they link to the island is set out in paragraphs 2.14 to 2.27 of [EC1 Employment Land Study Update Jan 2022](#).

From a Solent Freeport perspective, the answers to Questions 2.11 and 2.26 provide the detail as to how the IPS is suitably flexible to respond to the as yet uncertain benefits of the Solent Freeport status that the island is part of.

Q2.30: Does the plan provide sufficient flexibility to accommodate needs not anticipated in the Plan and to enable a rapid response to changes in economic circumstances in accordance with NPPF paragraph 86(d)?

IWC response:

As the answer to Question 2.27 details, yes the plan does provide sufficient flexibility – both Policy E1 (through the clear economic vision) and Policy E2 (in principle, pro-active support for sustainable economic development) help to provide that. The wording of Policy E2 includes specific reference to a wide range of employment types such as SMEs, flexible starter units and larger scale developments to ensure that a rapid response to different types and scale of change can be accommodated and supported by planning policy, underpinned by the over-arching support for job-creation.

Q2.31: Have any reasonable alternative employment land scenarios been considered through the Integrated Sustainability Assessment process?

IWC response:

Yes, alternative employment land scenarios have been considered through document '[EC1 Isle of Wight Employment Land Study 2022 Update, Icen Projects Ltd, January 2022](#)'. These are summarised in '[HO17 IPS Housing evidence Paper B](#)', under the 'Employment Allocations' section, in particular the 'Icen recommendation' in the final column of the table *Island Planning Strategy employment allocations*, which includes the options 'Retain Allocation', 'Review Boundary' and 'Release Allocation'.

[EA2 IPS Integrated Sustainability Appraisal ISA July 2024](#) sets out in paragraph 4.2.5 how the employment sites have been identified, "There are 6 employment sites. The selection of the employment sites has been informed by the Employment Land Study. This work identified the most suitable sites to meet demand for employment space. Section 6 of the Employment Land Study 'Site Assessments' sets out both the methodology and a series of recommendations which have been used to select the allocated employment sites." These sites have been assessed

through the ISA process, but on the basis of these being the most suitable sites and therefore other sites do not represent a *reasonable* alternative (as evidenced by **EC1**), no alternative employment land scenarios have been considered through the Integrated Sustainability Assessment process. No other alternatives have been suggested to the council through the development of the plan since work commenced in 2017.

However, the IPS Integrated Sustainability Appraisal (**EA2**) did identify a potential alternative to the main strategic economic policy E1 Supporting and Growing our Economy of the IPS, being “Consider including a statement regarding general principles of employment, explaining if employment will be allowed outside of these allocations” with the subsequent response to this being “Other policies within the employment section that deal with outside of allocations E2 and rural.” (see ISA Appendix 5 ISA Island Planning Strategy Workshop March 2022 Outputs).

Issue 5: Other development needs

Q2.32: Having regard to NPPF paragraph 63, Planning Policy for Traveller Sites (the PPTS) and the Council’s Gypsy and Travellers Paper [Document HO7], is it justified that the accommodation needs for Gypsies and Travellers in terms of site allocations are dealt with in a separate Development Plan Document (DPD) and not as part of the Island Planning Strategy?

IWC response:

The approach taken to gypsy and travellers, travelling showpeople and houseboat dwellers has been taken within the island context. There are no authorised gypsy and traveller sites on the Island and the Authority Monitoring Reports show there have been no planning applications for gypsy and traveller sites on the Island over the last five monitoring years. A call for sites did not identify any potential sites for such a use.

[‘HO20 Gypsy and Traveller, Travelling Showpeople and Houseboat Dweller Accommodation Assessment’](#) was undertaken in February 2018. This showed the accommodation needs of Gypsy and Traveller and Travelling Showpeople (GTTS) and Houseboat Dwellers (HD) and determined the level of provision of permanent and transit sites and moorings. For Gypsies and Travellers 16 permanent pitches were required now, rising to 19 by 2035. A Transit Site of 2 pitches rising to 3 by 2035 site was identified to allow for enforcement action. It is accepted that the evidence study is 6 years old.

Initial testing in the IPS SA Report 2018 identified an approach of allocating sufficient sites that met settlement boundary, accessibility and infrastructure requirements criteria. However, a further workshop in preparing the [EA2 IPS Integrated Sustainability Appraisal July 2024](#) (see Appendix 5 of EA2) identified the alternative of preparing a separate site allocation plan and including a criteria-based policy as an interim measure. Though this approach does not fully align with NPPF paragraph 63, it should be noted that the Isle of Wight is not on a gypsy and traveller route, and this is most likely to be due to the cost of crossing the Solent.

Together with the fact that no sites have come forward, that demand appears limited and the lack of representations on the issue, the council has taken a pragmatic approach given limited officer resources to allow a further call for sites and an updated Gypsy and Travellers study to be carried out. [‘CD3 Local Development Scheme’](#) sets out the timetable for preparing this document which shows the intention to commence its preparation following the examination of the IPS. Prior to the document being adopted, Policy H11 of the IPS sets out criteria against which planning applications will be assessed.

Q2.33: What assurances can be provided that the Gypsy and Travellers Site Allocations DPD would be progressed as per the milestones in the Local Development Scheme? Are steps being taken to commission an updated Gypsy and Travellers Accommodation Assessment and a call for sites?

IWC response:

The timetable set out in document [‘CD3 Local Development Scheme’](#) takes account of the limited officer and financial resources at the council and the current time commitments of the IPS examination process. Work on the Gypsy and Traveller Site Allocations DPD will not commence until the conclusion of the IPS examination, and this is reflected in the LDS. Such an approach also allows for a dedicated budget for the work to be established and built into the Council’s short and medium term budget planning.

Q2.34: Is there evidence of other specific development needs that should be addressed by the Plan, for example net additional retail floorspace and those different groups in the community with particular housing needs (older persons, self-build etc)?

IWC response:

No the council does not believe there is evidence of other specific development needs that should be addressed, albeit the supporting evidence base has considered the possibility.

From a retail floorspace perspective, paragraph 90(d) in the NPPF identifies that a development plan should:

“Allocate a range of suitable sites in town centres to meet the scale and type of development likely to be needed, looking at least 10 years ahead”.

No land is proposed to be allocated in Policy E7 and this approach follows the evidence and conclusions in [‘EC2 Retail Study Update’ and is reflective of](#) the relatively low floorspace needs from retailers. Paragraph 7.2.5 of **EC2** concludes there is no need to plan for additional convenience floorspace in the medium to long term. Paragraph 7.2.10 of **EC2** does not recommend that the Council should seek to identify any specific sites for retail allocations, but that any proposals for additional retail floorspace should be appraised on their own merits and in accordance with the sequential approach to site selection.

The supporting text to Policy E7, paragraph 8.85 makes clear that the council will support any applications where they are sequentially preferable and would allow for the expansion of the retail offer without impacting on the town centre. The policy also encourages smaller scale retailers and commercial uses into the town centres through re-using existing buildings. Given the low level of

demand identified, the approach is considered to be consistent with the NPPF paragraph 90 (d) and also represents an appropriate strategy for the island (and is therefore sound) given the critical mass of population (or lack of) that affects commercial decisions, particularly from major national retailers, and current levels of retail floorspace being commensurate to the population of the island.

Particular Housing Needs

The Island has an ageing population and with this it is recognised that there is an increased proportion of people with health conditions and disabilities affecting their daily activities. '[HO13 Housing Needs Assessment 2022](#)', paragraph 1.39 identifies a 29% increase in population aged 65 and over between 2023 and 2038 leading to an increased requirement for specialist accommodation.

Maintaining mobility is key to maintaining health and wellbeing as people age and this links to the provision of suitable housing. Through its plan policies the council seeks to ensure that future development contributes to creating high quality environments that are accessible to all generations (and people with physical disabilities and health conditions that limit mobility) and which reduce social isolation. Some of this specialist housing will be achieved through the council working in partnership with other providers. Document [CO18 Isle of Wight Independent Living Strategy 2023-2038](#) promotes a partnership approach to build new extra-care schemes and bespoke supported accommodation as required and identified through the council's [HO14 Housing Strategy](#). This approach has been particularly successful in recent years with the provision of a number of bespoke extra care facilities.

These increasing needs for housing suitable for older residents are reflected in plan policies C4: Health Hub at St Mary's Hospital, C5 Facilitating Independent Living, and C6: Providing Annexe Accommodation.

Policy H10 of the **CD1** sets out guidance on building self and custom build housing on the island. The council's website shows that as of 31 December 2024 there were 114 individuals on the Self and Custom Build Register. The data suggests there is demand for this type of housing in different island locations with Bembridge, Brighstone and Cowes being the most in demand areas. However, in the monitoring year 2022/23, no applications including self or custom build housing were given permission. As this is a relatively new product on the island this is perhaps unsurprising, but policy H10 included in the IPS covers the longer plan period so allows for the consideration of future applications.