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7066529

South Somerset Local Plan Public Examination

Response to Inspector's Supplementary Questions

Submitted by

Sellwood Planning

on behalf of

Gleeson Developments Ltd

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Regulated by RICS

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1.0 Introduction

- 1.1 This supplementary statement has been prepared by Sellwood Planning on behalf of Gleeson Developments Ltd (7066529). The Statement responds to Item 1 of the Inspector's additional Questions set out in the email from the Programme Officer on the 12th April 2013. Gleeson's land interests relate to land north of the A30 at Crewkerne.

2.0 (Question 5 : Household Statistics)

(1) "Do the latest figures identify a different level of household need in South Somerset to that established in the previously available evidence?"

- 2.1 The 2011 based interim household projections published in April 2013 replace the previous 2008 projections published in 2010. As such, it might be assumed that an instant comparison can be made between the two projections. However, whereas the 2008 based figures had a time horizon to 2033, the new projections only run to 2021 and no guidance is given on the levels of household growth after that. The only comment on the post 2021 situation is

"These interim projections only span for a 10 year period so users that require a longer time span would need to judge whether recent household formation trends are likely to continue" (p19).

- 2.2 This is singularly unhelpful for development plan purposes since the NPPF expects local authorities to plan for at least 15 years into the future and, in the particular case of South Somerset, the plan period runs to 2028. So the direct response to the Inspector's question is that there are no household projections which allow a comparison to be made.
- 2.3 The only comparison that can, therefore, be made is for the ten year period up to 2021. Even here, the figures do not precisely correspond since the 2008 projections

only give household growth for the ten years 2008 – 2018 (+8,000) or 2013 – 2023 (+9,000). However, for the purposes of this statement a mid point is selected of +8,500 households or 850 per year. In contrast, the 2011 projections indicate an increase of 6,000 households or 600 pa. So, on the basis of this limited time horizon, the level of household growth 2011-21 is lower by around 250 per year.

2.4 However, there are a number of reasons why these projections should be treated with a degree of caution

- the Government explicitly titles the new projections as ‘interim’ which did not apply to the 2008 projections. It is understood that this caution has been added by DCLG since full, long term, 25 year projections are expected to be published in 2014. These will be able to reflect the full results of the 2011 Census and the latest population projections
- the projections continue forward trends experienced in the UK economy over the last five recessionary years. As such, they perpetuate a pessimistic view on the performance of the economy to 2021. As we know, the last 5 years have been characterised by
 - o a falling housing market
 - o house prices remaining out of reach of first time buyers
 - o suppressed household demand reflected in the number of adults and married couples who are forced to live with their parents. The projections provide evidence of this in terms of the reduction in household formation in the 25/44 age group which equates to 34,000 ‘lost’ households per year
 - o increasing levels of affordable housing need.

2.5 This pessimistic trend based interim projection conflicts with national planning policy as expressed in the NPPF that seeks economic growth and a ‘significant boost’ to house completion rates. The expectation of the Government is of a gradually improving economy which is likely to unlock some of the hitherto suppressed demand for housing. Importantly, the ‘health warning’ on page 19 of the recent projections states

“... they do not attempt to predict the impact that future growth policies, strategic economic circumstances or other factors may have on demographic behaviour” (p19).

- 2.6 It is clear from this that the Government does not expect the new household projections to be used as a rationale for curtailing housebuilding or to frustrate the policy objectives of the NPPF.

(Question 5 : Household Statistics)

(2) “If there is a difference does it have any implications for the Local Plan and if so how does the Council envisage addressing those implications?”

- 2.7 Having explained why the recent household projections should be treated with caution pending the receipt of full, long term projections in 2014, the next issue is the implications for the SSDC Local Plan. In the view of Gleeson, there are no implications.
- 2.8 The reason for this view is that the Council has explicitly adopted an economic led strategy, rather than one led by housing projections. In the Gleeson Statements on Issues 1 and 4, it has been explained that there is nothing wrong with an economic led strategy as long as it is not used as a means of suppressing the housing provision. To put it another way, whilst an economic led strategy should not be used as a means of undershooting household projections, there is no reason why an economic led strategy should not be sound if it seeks to exceed household projections. SSDC has decided on an economic led strategy, so there is nothing in the latest household projections that should deflect them from this approach.
- 2.9 However, as the Gleeson Statements on Issues 1 and 4 have shown, the Council selected an economic led strategy and then adopted the mid point between the two scenarios on the basis of no sound evidence. Indeed, the Council’s own consultants recommended the higher growth option Thus, the proposed housing provision of

15.950 dwellings is likely to provide insufficient homes and workforce for the 'dynamic' SSDC economy in the period to 2028. The housing provision should be increased to a level that meets the higher economic growth scenario.

3.0 Conclusions

- 3.1 The new household projections should be treated with caution. The Government refers to them as 'interim' and, unusually, limits their horizon to only 2021. Both factors mean that they have only limited use for long term development plans.
- 3.2 In the case of South Somerset, these concerns have no material impact on the emerging Local Plan. The Council has consciously adopted an economic led strategy and have given the former household projections little weight. The focus of the debate at the public examination should be to ensure that sufficient housing is provided to support the higher level economic growth scenario.