

## COMMENTS ON ITEM 1: QUESTION 5 OF THE INSPECTOR'S QUESTIONS DATED 12<sup>TH</sup> APRIL 2013

1. On behalf of Hopkins Developments Ltd we are writing to comment on the issues that arise from the Inspector's Question to the Council on Household Statistics, set out in a note circulated to all parties on the 12<sup>th</sup> April 2012.

2. Specifically the questions asked were:

*The latest national statistics on the projected number of households in England and its local authority districts were published on 9 April. Could the Council answer the following questions please:*

- 1. Do the latest figures identify a different level of household need in South Somerset to that established in the previously available evidence?*
- 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?*

3. In respect to the first question the new household projections do identify a lower level of household growth in the South Somerset District Area.

4. The emerging Local Plan covers the period 2006-2028. The 2008 based household projections identified that over this period households in South Somerset would increase from 68,000 to 85,000. Unfortunately the 2011 based projections do not extend past 2021, however they show an increase of 67,000 households to 76,000 by 2021.

5. Therefore the average yearly increase for each set of projections can be summarised as follows:

2008 Based Projections	773 households per annum
2011 Based Projections	692 households per annum

6. In response to the Inspector’s first question, on the face of it these new provisional figures indicate a lower level of household need in South Somerset. However they need to be treated with caution because they project forward what has happened in the last few years, which has been a period of deep depression where economic circumstances are seriously depressing household formation rates.
  
7. These figures are focused entirely on the growth of new households which directly relates to the minimum number of dwellings that are required to meet household growth alone. Therefore they should be considered to be an appropriate measure of the minimum housing requirements that are required to meet South Somerset’s housing and economic needs and ambitions.
  
8. In relation to the Inspector’s second question this issue needs to be carefully considered. As we have set out the identified rates of household formation are the bare minimum housing requirements to which the following factors will increase the overall requirement need to deliver the housing that the country, and South Somerset needs:
  - Existing unmet demand;
  - Second and Vacant Homes;
  - Net migration;
  - Non-implementation of planning permissions; and
  - Economic Growth.
  
9. In connection with the issue of unmet demand I have examined this in detail as part of the appeal proceedings referenced APP/R3325/A/12/2170082/NWF which related to land at Dancing lane, Wincanton.
  
10. As part of this appeal the issue of five year land supply was examined in detail by the Inspector. As part of evidence presented to the Inquiry we identified that a significant shortfall in delivery had occurred over the 2006-2011 period. It was our contention that this amounted to 1490 dwellings. This needs to be considered in detail when setting the local plan targets for housing.

11. It should be noted that in this case the Inspector found that South Somerset did not have a five year housing land supply and found it to be highly deficient and somewhere in the order of a three year supply.
12. Secondly, allowances in the overall housing target for the district should also include flexibility to cater for second and vacant homes, and the non-implementation of some planning permissions. We would suggest that an allowance of between 10-15% would be appropriate in this regard.
13. Thirdly the 2011 figures will reflect patterns of net migration over the last five years. Over this period job opportunities have been scarce and therefore in-migration to the UK and South Somerset will have been lower than in previous five years sets of data. If and when the economy recovers in-migration is highly likely to increase significantly leading to increased household growth and consequently demand for housing.
14. Finally it is widely acknowledged that the levels of recent economic growth have led to significant pent up demand for housing, in particular the restrictions on first time mortgage finance has significantly reduced demand for this type of housing. When this changes the current pent up demand will convert into real demand further accelerating house price inflation. In this context the fact that house prices in South Somerset have stayed relatively static, rather than falling significantly through the recession needs to be carefully considered.
15. Turning to the main thrust of national planning policy it should be noted that the NPPF makes it clear that planning policies should be *'flexible enough to accommodate needs not anticipated in the plan and allow a rapid response to changes in economic circumstances'*. Setting housing growth levels at low levels based on statistics that have been influenced by the recent deep recession will fail to adhere to this aim. If levels are set too low then the supply of housing in South Somerset will be artificially depressed in any future period of increased demand, this will have serious consequences for housing availability and affordability. If housing growth is set at an aspirationally higher level, then the flexibility will be there to allow supply to react to demand, which is fully in accordance with NPPF policy. If too many houses are planned for the potentially adverse consequences are far less severe as no house builder will build houses where no demand exists.

16. In conclusion we consider that the recent household projections need to be viewed in the context of the agenda for growth and the principles of the NPPF. The consequences of housing undersupply will be severe where the consequences of oversupply will not be so. In light of this we still contend that the council are currently proposing an insufficient level of housing growth, in particular within Wincanton which offers a sustainable location for development in respect to the core principles of the NPF.