

Speech to public meeting Barnham Community Hall, 23 June 2017

ARUN DISTRICT COUNCIL: SETTING ITSELF UP TO FAIL

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1. Arun District Council and the Planning Inspectorate has decided that a house-building target of 20,000 new houses “**can be delivered**” over the 20 year period of their local plan, 2011 to 2031’, therefore a delivery of 1,000 homes per annum (Arun District Plan Main Modifications document: paragraph 12.1.5) [Note: there seem to be different versions of the Main Modifications Local Plan with dates of 2011-2031 or 2013 – 2031 and this means that it is difficult to confirm completely what the Council is proposing]
2. Notwithstanding that this is a huge number of houses, Arun District Council and the Planning Inspectorate seem to assume that once land has been allocated for development and permissions given, developers will build in numbers sufficient to meet the resulting substantial annual-build requirements specified in the plan in all years to 2031.
3. In reality, however, house-builders will not deliver more houses than can be sold at an acceptable-to-them profit and they will adjust build rates either up or down in response to market demand as they did during the Financial Crisis Recession when build rates were much reduced.
 - 3.1 The recently published House of Commons Communities and Local Government Committee report, ‘Capacity in the homebuilding industry’, 29Apr17, found that to recover their investment, developers will be more likely “*to build more slowly to maintain prices*”.
 - 3.2 This reinforces the findings of a report by Civitas, ‘Planning approvals vs Housebuilding activity, 2006-2015’, that house-builders and developers are hoarding permissions in order to push-up house prices and profits.
 - 3.3 And, as is acknowledged in the House of Commons Committee of Public Accounts’ report: ‘Housing: State of the Nation’, 24 Apr 17, housing delivery rates are dependent on “*the health of the wider economy*”
4. Arun’s District Plan does NOT, however, acknowledge that there is considerable uncertainty about the economy and therefore considerable uncertainty about the housing market and housing delivery.
 - 4.1 Instead it seems to assume that economic growth will be sufficient to sustain the required build rate in all years to 2031 when in reality there is considerable economic – and political uncertainty.
5. Uncertain, too, is the ability of house-builders to deliver new houses in the quantities required by Government and local authorities.

5.1 The House of Commons Communities and Local Government Committee report, 'Capacity in the homebuilding industry', 29Apr17, found that:

"Perhaps the biggest challenge facing the homebuilding industry is the growing skills crisis, with the size of the workforce declining and the demand for certain skills growing" and that

"In light of the existing skills crisis, we are concerned that large numbers of an already-stretched workforce face an uncertain future in light of the decision to leave the European Union".

6. And, of course, Councils cannot compel developers to meet 5 year requirements.

7. In summary, whether 20,000 can be delivered over the plan period to 2031 is doubtful.

Five-year Housing Land-supply

8. Unfortunately, the problem of housing delivery in Arun District is exacerbated by the 5 year housing supply requirement for the District.

8.1 This is cause for concern because the Arun District's local plan runs from 2011 to 2031. This means that the 1000 houses per year target has to be backdated to 2011.

8.2 Arun District Council's Authority Monitoring Report (AMR) 2015-16 (Table 1) shows that in period 2010/11 to and including 2015/16 some 3,047 houses was built.

8.3 Back-dated to 2010/11, the annual requirement of 1000 houses would result in a shortfall of 1,953 houses (5000 minus 3047), which would have to be added to the 5year requirement of 5000 houses (5 x 1000); therefore a five year requirement of 6,953 houses (if 'Sedgefield' method, whereby the shortfall is spread over five years going forward, is applied).

8.4 In addition, a 20% 'buffer' applies in Arun District (AMR 2015-16: paragraph 4.15), therefore the 6,953 houses has to be increased by 20%, therefore by 1,391 houses, therefore 8,344 houses in total over 5 years.

9. To conclude, history shows that the Council will be blamed and held to account by the Government should house-builders for whatever reason fail to build new houses annually in numbers sufficient to meet the huge housebuilding target set in the emerging local plan - and the District's 5 year requirement is not met in consequence.

9.1 In which eventuality, the Council's role as a planning authority will be undermined and much diminished, and developers will continue to seek approval at Appeal to build on sites not allocated in the District Plan.

Affordable Housing: viability assessments heavily weighted in favour of developers

10. The results of a study of 166 local authorities conducted by the Town and Country Planning Association (TCPA) are presented by the Association for Public Service Excellence (APSE) in its recently published report 'Homes for All', May 2016.

10.1 Of particular note is their finding that 61% of these Councils believed that the NPPF's viability test had 'hindered their ability to "secure sufficient social and affordable housing to meet local needs"'.

11. Turning to the Arun District Plan Main Modifications document (paragraph 12.3.9), Arun District Council advises that their

"viability evidence indicates that on the Strategic Sites there is a wide range around the viability and even within the sites themselves. Affordable housing provision within the sites may be delivered above and below the 30% target to achieve the required affordable housing needs on these sites".

(11.1 Conclusive proof that the viability test is a hindering the ability of Councils in Sussex to secure sufficient social and affordable housing to meet their needs was provided in this year in May when the majority of Horsham District's District Councillors voted to permit a developer's application to build 2750 houses and a business park on irreplaceable countryside, including ancient woodland and productive farmland, North of Horsham.

11.2 Although the site was allocated for development in the District's local plan with a policy requirement that nearly 1000 (35%) of the new homes would be affordable, the majority of the Councillors who decided the application accepted the developer's position that the development could only provide 495 (18%), on the grounds of viability – even though the viability appraisal was deemed to be out-of-date with the likelihood that a new appraisal would show that the site could deliver more than 18%.

11.3 Tellingly, the majority of Councillors were fearful that the Trust would secure permission at Appeal should they defer permitting the application to enable a reassessment to be made).

12. Clearly, there is considerable uncertainty about the number of affordable homes that can be delivered in Arun District. But we can be certain that Arun District Council's ability to secure sufficient social and affordable housing to meet local needs will be hindered by viability tests that are **heavily weighted in favour of developers.**

Infrastructure: the Horsham District experience

13 During the examination in public of Horsham district's local plan , the Horsham district Planning Framework, the examining Planning inspector advised that

13.01 Determining whether sufficient funding would be forthcoming to pay for the infrastructure and services needed in consequence of his huge interim to be increased target (18000 houses) for the District– and therefore whether his target was truly sustainable - was not required of him by the Secretary of State – and therefore not part of his brief.

13.02 And also that it was not unusual for local plans with infrastructure-funding shortfalls to be found 'sound' by the Inspectorate.

13.1 He also acknowledged that Government policies enabled developers to seek and obtain reductions in the payments required of them for infrastructure and affordable homes, either by negotiation or at appeal

14 This is symptomatic of an approach to planning for the future, your future and your children's' future, that is neither joined up nor intelligent.

Dr Roger F Smith

23 Jun 17