RSS EXAMINATION IN PUBLIC SOUTH EAST

STATEMENT BY CPRE SOUTH EAST: PARTICIPANT 7124

MATTER 1 APPROACH AND LEVELS OF GROWTH

Sub-matter 1H HOUSING LEVELS

1H.1 Is the demographic evidence, including migration assumptions, underpinning the draft RSS clear and reasonable, bearing in mind the latest Government population and household projections?

1.1 The demographic basis of the Plan is not clear or understandable. This is not to say that a wide range of evidence has not been compiled and analysed. There is an impressive amount of data assembled, including the annual monitoring reports, demographic assessments as well as a range of other research material and studies considered during the Plan preparation. The Plan is built on objectives rather than assumptions. Moreover, it is impossible to tell how household projections are turned into a housing requirement. This is less to do with robust data and more to do with policy objectives. Otherwise deriving a figure would become a mechanical process.

1.2 Not all data appears to point in one direction. For example; are projections essentially circular in nature? Is migration manipulable or immutable? How much of the unmet backlog can be met from existing stock? Why have housing completions fallen below regional figures during periods of economic buoyancy, and followed a historic downward trend? Expert opinion can differ widely over the causes and effects while house price inflation continues regardless. We conclude that trend data and projection figures should be regarded as a broad indicator of requirements, and undue reliance placed on securing numerical exactness may not be entirely fruitful.

1.3 The evidence points to an overall increase in supply of housing needed in the region. Some forecasts suggest an increase of between 724,000 and 866,000 in households for the period up to 2026. Possibly 30 per cent is derived from in migration, making for, perhaps a net population increase of 1 million during this period. The decrease in household size from 2.34 to 2.15 by 2021 is derived from historic trends; among the reasons this may be exaggerated is that longer working lives (and smaller pensions) could mean that older people will be less inclined to live in single households. Household composition is a more complex area in which representative rates can appear and disappear over time. Basing housing requirements on such fluctuating factors, even using 5% margins of error, is difficult to justify.

1.4 The changing age structure appears to show a shift to a higher number of 45-60 year olds as well as the over 75s. These changes show a smaller proportion of 25-44 year olds during the period of the Plan than was previously thought, though 65-74 year olds also decline. This scenario does not appear to follow the normal pattern of cohorts going through the system. This may, in part be due to outflows abroad and the replacement of the resident population with younger migrants that depart after a time spent in the region. There appears to be little recognition of the impact of longer working lives, perhaps because the evidence, as set out by the Pension Commission, is so recent. The latest projections need some form of audit to ensure their soundness and provide a reasonably robust groundwork.

1H.2 Is appropriate weight given to assessments of overall housing need, taking account of any housing needs outstanding at the start of the Plan period, the best available evidence on future housing demand and need, and affordability concerns?

2.1 Determining the housing requirement should take account of many aspects, beside housing need and demography. These will include housing market trends and economic changes, as well as capacity questions including the spatial objectives and environmental constraints and opportunities. The number requiring homes is the key element. Housing need is a more nebulous concept. This appears to be insatiable, despite the valiant efforts of the many housing associations to add significantly to their stock. The backlog of housing need results largely from poor performance of the market and inflationary pressures. Assessing housing needs must be a continuous process conducted by the Regional Housing Board and others. This will avoid any sense of complacency at either a regional or local level.

2.2 A strategic housing requirement should be based primarily on good demographics, but tempered by environmental capacity issues as well as overall market considerations. Housing needs can be met by social provision, but the housing market will always be the main provider. Strategic planning considerations should provide the framework for proper market mechanisms to work.

1H.3 Taking account of all relevant factors (e.g. overarching vision, demographic, economic, environmental and social factors, capacity and public opinion) does the draft strategy plan for an appropriate and deliverable total level of housing growth in the period 2006 to 2026?

3.1 It may be the central question for this Panel, and all to answer. CPRE agrees that the evidence so far suggests an increased level of provision, above the existing RSS. We do not welcome the implications in terms of land take, but we will seek to divert these pressures into positive sustainable outcomes. The new level should be based on the demographic evidence, as tempered by the market and environmental circumstances. This provision needs to be realistic, deliverable and flexible. Monitoring of completion rates will also allow adjustments to be made. There was no clear relationship between the housing provision figures in RSS and the 1996-based projections of population and households. Continued work on the latest 2003-based projections may help to improve the situation.

3.2 The RSS figure should also not be regarded as a target; it should be a framework for LDFs. Attempts have been made to push up the number of completions to match the regional figure, but all have been slow to respond. This is because the planning system does not control the market and can only allocate land for development. Housing markets have unwound, despite continued price inflation. In a buoyant economy, it might be reasonable to expect the market to reach and exceed a housing level set regionally. This has not been so and the demographics of earlier housing requirements have sometimes been based on incomplete data.

3.3 The figure in the Plan provides a modest increase over existing levels. This would largely confirm allocations already found in existing structure plans, without taking spatial planning forward much beyond 2016. This also cannot be right for many reasons. The Plan creates a new spatial framework for the region. Many of the housing allocations reflect past housing requirements and sites that do not meet the necessary criteria of sustainable development. Some of the sites allocated in development plans remain untested by the inquiry process. Many unsustainable green field sites are included in those plans. Many of these will need to be reviewed in the light of the final recommended figure.

3.4 The housing requirement should not just test the need for housing. It should also consider the physical capacity to accommodate growth given the current parameters of policy. Market performance is not the only guide to future planning. A prolonged rate of reduced completions may mean that the current RSS level was set too high. The draft Plan highlights the backlog in housing provision, continuing affordability issues in the region, a predicted labour shortfall and an ageing population. The Panel needs to weigh up all these factors be reaching a conclusion.

30 October 2006