



Isle of Wight Housing and Land Use

MP Contribution

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Cover Image: Brook Beach, Isle of Wight. Bob Seely MP.

1. INTRODUCTION

This document makes the case for Exceptional Circumstance for the Isle of Wight in relation to housing targets. It uses statistics from Central and Local Government to argue that national targets are not appropriate for an island community separated from the mainland by sea.

However, this document does not just focus on housing targets themselves, but about how we reverse fifty years of poorly thought-out housebuilding which prioritised mainland house-buyers over the needs of Islanders, young and old. It is also about how we protect the landscape of the Isle of Wight for future generations, for our social and economic benefit, and how we provide a positive future for Islanders in line with the Island's status as a UNESCO biosphere.

Whilst there is some variance with the work being done by the IW Council, this document is designed to complement that work. The authors of this document thank the IW Council officers for their feedback.

2. KEY HEADLINES IN RELATION TO THE HOUSING TARGETS AND THE ISLAND PLAN

The Problems and the Facts

- 2.1. **Politically, we have failed to prioritise the needs of Islanders.** Our most urgent housing needs are, broadly, for affordable one- and two-bedroom homes for Islanders young and old. Last year (2018-19) zero of 350 completions were affordable. We continue to prioritise three- and four-bedroom properties for a wider mainland market. There are not enough affordable homes “to meet even the most acute needs of [our] most vulnerable or disabled residents.”¹ [For more, please see Section 4]
- 2.2. **The Island faces exceptional constraints in housing delivery due to its separation by sea from the mainland. As a result, the Island’s building industry is overwhelmingly focused on, and scaled to, the Island.** Our own Government-driven housing target is currently unachievable. The housing need methodology used by the Island Plan to determine our housing target - the Standard Method - does not take this into account. Even with moderate imports of labour from the mainland, we know that “there has been a delivery ceiling of around 400 dwellings per year since the adoption of the Core Strategy in 2012.”² The Island can comfortably build about 200-300 units per year. Larger, mainland-based housing firms have given up trying to build on the Island. The likely result of our unachievable target will be a failure to meet the housing delivery test and therefore loss of planning control by the Council. [For more, please see Section 5.1]
- 2.3. **The Island faces exceptional circumstances in infrastructure delivery due to island status.** As the Island is separated by sea from the mainland, the so-called Green Book calculations do not serve the Island. Electricity and sewage are under pressure. The Standard Method target does not take these circumstances into account. As a result, it will put potentially unsustainable pressures on the Island’s infrastructure. Roads, hospital and public services are under pressure. [For more, please see Section 5.5]
- 2.4. **The Island needs to produce its own assessment of housing need, rather than rely on a consultant to use a national methodology.** The Standard Method relies too heavily on historic trends to determine housing need. It does not consider the Island’s unique demographic and housing market circumstances, or delivery limitations. It does not consider the Island’s policy aim to shape a more sustainable future for Islanders, whilst protecting our natural environment.
- 2.5. **The Isle of Wight’s projected population growth is entirely dependent on migration within the UK (internal migration).** Our projected population growth of around 9000 persons between 2017 and the end of 2033 (2016 SNPP) - which drives new households, and thus our requirement for new dwellings according to the Standard Method - is entirely driven by projected net migration of around 20,300 persons (2016 SNPP). Therefore, the Island’s own need is markedly lower than the national target set. The Island Plan prioritises building homes for mainland migrants at the expense of Islanders, young and old. [For more, please see Section 6.3]

¹ *Draft Isle of Wight Housing Strategy 2020-2025*, Isle of Wight Council, Undated, p.19 (Para 39), <https://iwightinvest.com/wp-content/uploads/2020/01/IW-draft-housing-strategy-2020-for-consultation.pdf> (Accessed 17 August 2020)

² *Planning for Sustainable Development and Growth Policies Background Paper*, Isle of Wight Council, November 2018, p. 7 (Para 5.6), <https://www.iow.gov.uk/azservices/documents/2981-Explainer-Planning-for-Sust-Dev-and-Growth.pdf> (Accessed 18 September 2019)

- 2.6. **The Isle of Wight is recognised as a UNESCO Biosphere and must fulfil its respective environmental obligations.** The UK Government's responsibilities in supporting UNESCO Biospheres include the conservation of biodiversity and support for sustainable development. It is difficult to see how this aligns with the Government's housing targets for the Island.
- 2.7. **Overdevelopment damages our economy, our quality of life, and our ability to attract new work-from-home industries in future.** First, the Island's economy is, in part, dependent on a tourism economy. People holiday on the Island because of its beautiful and historic landscape. The economic worth of the visitor economy to the Isle of Wight is estimated at £520 million annually. The more greenfield development is permitted, the greater the damage to our visitor economy. Second, overdevelopment damages the ability of both the local population and visitors to enjoy our beautiful landscape. Third, the better the quality of life on the Island, the more we will be able to attract new jobs and more opportunities to the Island. [For more, please see Section 5.9]
- 2.8. **By allowing the current nature of development, we significantly exacerbate our current problems with community health and financing of adult social care, which is under consistent and growing pressure.** All household growth projected is in the over 65-age group. The HNA finds that age bands 70-74, 75-79, 80-84 and 85+ are projected to change by 23.3, 48, 58.9 and 101.9 per cent respectively in the 2016-2034 period. There is a projected increase of 58 per cent of persons with mobility problems and 72 per cent in persons with dementia. This is driven by our combined ageing profile of internal migration and ageing of the local population. The result of this trend is to increase the already high pressure on adult social care as well as funding. [For more, please see Section 6.5]
- 2.9. **All the indications show that the overwhelming majority of new housing will not be affordable.** The Island Plan calls for 35 per cent affordability, a figure it has failed to reach for the past few years. Whilst there is an improvement in the mix of housing, 60 per cent of **market housing** will be three- or four- bedroom. Again, based on past trends, these have been low-density developments. This is not the housing that the Island needs. [For more, please see Section 4.13]
- 2.10. **Island housing plans damage our environment.** We continue to build low-density, greenfield developments. These are generally car-dependent, on busy roads, away from shops and services. They cause communities to coalesce. They are the very model of unsustainable development at precisely the time when the Island, and the rest of the UK, should be planning for sustainable housing.

- 2.11. **The proposed new Standard Method will see the Island's current Standard Method target increase by over 50 per cent to 1,045 dwellings per annum (dpa).** In this scenario, the Island, 50 per cent of which is designated AONB³ and 84 per cent of which is rural,⁴ will build more houses per year than either neighbouring Portsmouth or Southampton, both cities with major infrastructure and services, and populations at least 68 per cent larger than the Island.⁵ This is unacceptable. [For more, please see Section 7]
- 2.12. **The new Standard Method exacerbates an existing trend of inequality between North and South.** The Isle of Wight's population has grown by more than 40 per cent since 1961.⁶ Manchester, Liverpool, and Newcastle upon Tyne districts have declined in population by -22.9 per cent, -36.8 per cent and -15.8 per cent respectively since 1961.⁷ Levelling up means rejuvenating overlooked towns by supporting housing growth near jobs and infrastructure. There are strong indications that the new Standard Method does the opposite: LPA targets for Manchester, Liverpool and Newcastle upon Tyne are set to be 30 per cent, 48 per cent and 56 per cent lower than the 2018/19 delivery rate in each area – fewer homes than are already being built.⁸

A Solution

- 2.13. The Council and MP should accept that the current targets are wrong for the Island, and that methodology reinforces decades of prioritising Government housing targets, not the needs of our own people.
- 2.14. The Isle of Wight should argue for 'Exceptional Circumstance' due to the Isle of Wight's status as an island separated by sea from the mainland. As the Ministry of Housing, Communities and Local Government (MHCLG) accepts, Exceptional Circumstance may be used to "justify an alternative approach which also reflects current and future demographic trends and market signals."⁹ It is patently obvious that an Island, separated by sea is, by its nature, an exception.

³ *Isle of Wight Area of Outstanding Natural Beauty Management Plan*, Isle of Wight AONB, 2019-2024, <https://www.iow.gov.uk/azservices/documents/2981-AONB-Management-Plan-20192024.pdf> (Accessed 8 September 2020)

⁴ *Island Plan Isle of Wight Core Strategy*, Isle of Wight Council, March 2012, p.6 (Para 2.4), <https://www.iow.gov.uk/azservices/documents/1321-Core%20Strategy%20-%20Adopted%20Mar%202012.pdf> (Accessed 8 September 2020)

⁵ *How many homes? The new Standard Method*, Lichfields, August 2020, <https://lichfields.uk/media/6084/govt-planning-reform-tables-aug20-7.jpg> (Accessed 8 September 2020)

⁶ 2011 vs. 1961. GB Historical GIS / University of Portsmouth, Population Statistics | Total Population, A Vision of Britain through Time, available at: www.visionofbritain.org.uk (Accessed 15 September 2020)

⁷ Ibid.

⁸ Proposed new Standard Method vs. Net additions to housing stock, 2018/19, by Local Planning Authority. Stantec Analysis in *The implications of the proposed standard housing need method*, Adam Branson, Planning Resource, 20 August 2020, available at: <https://www.planningresource.co.uk/article/1692395/implications-proposed-new-standard-housing-need-method> (Accessed 14 September 2020)

⁹ *National Planning Policy Framework*, Ministry of Housing, Communities and Local Government, February 2019, p. 17 (para 60), https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/810197/NPPF_Feb_2019_revised.pdf (Accessed 21 September 2019)

- 2.15. The Island should make the strongest case it can to the Government for significantly reduced housing numbers but ensure that almost all are built for current Islanders and are genuinely affordable. This has not been the case for years. The Island should produce its own Housing Needs Assessment which, for the first time in decades, reflects the needs of the Island.
- 2.16. The Island should block low-density greenfield development unless it is of strategic importance to the future of the Island.
- 2.17. The Island should block loopholes such as 'adjacent development' and use compulsory purchase powers more assertively to shape housing policy on the Island.
- 2.18. This approach is dependent on the Island's success in accessing more Government funding for social housing, and championing a rent-to-buy programme which keeps public housing in the public domain but supports young Islanders aspirations to own their own homes.
- 2.19. The Council must continue with its ambition to set up an Island housing company to build genuinely affordable homes for Islanders. As part of that, the MP and Council must work together to gain access to funds offered for council-house building.
- 2.20. To make sure the Island builds the right type of housing, the Island Plan should ringfence house types within the overall allocation to ensure that one- and two-bed homes are built first and within that affordable housing is prioritised. This is required to avoid many 'easy win' commercial properties which will be brought forward first, whilst the affordable housing target will inevitably be missed.
- 2.21. New homes should be built, where reasonably possible, in a recognised Island style, using traditional Island materials rather than generic off-the-peg designs.

In Addition

- 2.22. As part of a wider review of how we protect the Island for the future, the MP and the Isle of Wight Council should work with conservation groups as well as IWALC to ensure more land is protected or designated. Options include:
- Extending the Area of Outstanding Natural Beauty designation to cover more of the Island
 - Island Park designation
 - National Park designation (with planning guarantees)

Summing Up

- 2.23. We need to reverse the failings of the past 50 years. We need to protect the Island for Islanders now, and for generations to come. We need to accept that the Government's targets in the Island Plan are flawed. We need to build for Islanders, in modest numbers, in already-existing communities. We need to ban low-density greenfield development for our quality of life and our environment. To do all this, we need to argue for Exceptional Circumstance.

3. BACKGROUND

Under the Planning and Compulsory Purchase Act 2004, local planning authorities must produce a development plan to assess planning applications in accordance with the National Planning Policy Framework (NPPF).¹⁰ The development plan sets out local planning policies that determine future development in the area.

Planning applications are currently assessed against the Island Plan Core Strategy 2012 (Core Strategy). This document dictates a housing target of 520 dwellings per annum (dpa).

In 2018, the Isle of Wight Council (IWC) published the Draft Island Planning Strategy Development Plan (Island Plan) for consultation, outlining key development policies including housing targets for the next 15 years. It will be submitted to the Secretary of State for inspection and, pending approval, adopted. It is an important document that will shape our future. The plan uses the Ministry of Housing, Communities and Local Government's (MHCLG) Standard Method to assess local housing need. Based on this method, the plan's Housing Needs Assessment (HNA) demands an objectively assessed need (OAN) of some 9,615 extra houses over the next 15 years (641 dpa).¹¹

Since the publication of the Island Plan, new data feeding into MHCLG's current Standard Method of calculating housing need results in a target of 688 dpa.

In August 2020, the Government published the 'Changes to the current planning system' consultation, setting out changes to the Standard Method.¹² For the Island, the new Standard Method updates the household projections used by the current Standard Method and adds a new multiplier based on the trend in housing affordability. The proposed new Standard Method results in a target of 1,045 dpa.¹³

The Government also published the 'Planning for the Future' White Paper, including Proposal 4, another future change to the Standard Method of calculating housing need.¹⁴ The paper proposes a future Standard Method which for the first time would set a binding housing requirement as a means of distributing the national housebuilding target. This future method, unlike current iterations, would build on the Standard Method proposed in the 'Changes to the current planning system' consultation, considering land constraints and other factors.

¹⁰ *Guidance on Plan Making*, Ministry of Housing, Communities and Local Government, updated 21 July 2020, <https://www.gov.uk/guidance/plan-making> (Accessed 17 August 2020)

¹¹ *Draft Island Planning Strategy Development Plan*, Isle of Wight Council, November 2018, p. 7, <https://www.iow.gov.uk/azservices/documents/2981-Final-Draft-IPS-for-Consultation.pdf> (Accessed 21 September 2019)

¹² *Changes to the current planning system*, MHCLG, August 2020, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/907215/200805_Changes_to_the_current_planning_system_FINAL_version.pdf (Accessed 7 September 2020)

¹³ *How many homes? The New Standard Method*, Lichfields, August 2020, <https://lichfields.uk/media/6084/govt-planning-reform-tables-aug20-7.jpg> (Accessed 8 September 2020)

¹⁴ *White Paper: Planning for the Future*, MHCLG, August 2020, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/907956/Planning_for_the_Future_web_accessible_version.pdf (Accessed 7 September 2020)

4. REASONS FOR CONCERN OVER THE ISLAND PLAN AND HOUSING FOR ISLANDERS

The planning system to date, certainly the way that we have interacted with it, has failed Islanders. The following includes comments from the Council's *Delivering Affordable Homes for Island Families* report:

- 4.1. "The Isle of Wight faces a perfect storm where material costs are higher, skills are in short supply, land is overvalued and rent returns and sale values are lower than the mainland."¹⁵
- 4.2. "Without some form of alternative subsidy, it is difficult to see how the needs of Isle of Wight families for affordable housing will ever be met."¹⁶
- 4.3. "The supply of affordable and specialist housing on the Isle of Wight is in crisis and the available means of delivery do not function."¹⁷
- 4.4. The Island has failed to build affordable housing for Islanders. "At the heart of the problem is the ratio between the cost of building and the return on that investment [...] Few organisations or developers are interested in investing in the delivery of specialist and affordable homes on the Isle of Wight."¹⁸
- 4.5. There were over 1,800 on the housing register at the time of publication of the Island Plan.¹⁹ Yet of the 417 dwellings completed in 2015/16, 35 were 'affordable' in planning and housing terms.²⁰ Of the 321 dwellings completed in 2016/17, 34 were affordable.²¹ Affordable deliveries declined to 18 in 2017/18,²² and zero affordable homes of 350 delivered in 2018/19.²³
- 4.6. On average since 2003 just 23 per cent of completions have been affordable.²⁴

¹⁵ 'Delivering Affordable Homes For Island Families' - Report of the Task and Finish group on Affordable Housing for the Policy and Scrutiny Committee for Regeneration, Housing, Planning and the Environment, Undated, p. 4,

<https://www.iow.gov.uk/azservices/documents/2981-Delivering-Affordable-Homes-For-Island-Families.pdf> (Accessed 17 September 2019)

¹⁶ Ibid.

¹⁷ Ibid.

¹⁸ Ibid.

¹⁹ DELIVERING THE HOUSING WE NEED Policies background paper, Isle of Wight Council, November 2018, p. 8 (Para 3.7),

<https://www.iow.gov.uk/azservices/documents/2981-Delivering-the-Housing-We-Need-Explainer-Document.pdf> (Accessed 23 September 2019)

²⁰ 2015/2016 Monitoring Report 'Lite', Isle of Wight Council, <https://www.iow.gov.uk/azservices/documents/2776-Monitoring-Report-Lite-2015-16.pdf> (Accessed 24 September 2019)

²¹ 2016/2017 Monitoring Report 'Lite', Isle of Wight Council, <https://www.iow.gov.uk/azservices/documents/2776-IWC-Planning-Monitoring-Report-Lite-201617-v1.pdf> (Accessed 24 September 2019)

²² 2017/2018 Monitoring Report 'Lite', Isle of Wight Council, <https://www.iowight.com/azservices/documents/2776-IWC-Monitoring-Lite-Report-2017-18-Final.pdf> (Accessed 7 July 2020)

²³ 2018/2019 Monitoring Report 'Lite', Isle of Wight Council, <https://www.iowight.com/azservices/documents/2776-IWC-Monitoring-Lite-Report-2018-19-Final.pdf> (Accessed 7 July 2020)

²⁴ Housing Need Assessment Final Report, GL Hearn, April 2018, p. 49 (Para 3.47), <https://www.iow.gov.uk/azservices/documents/2782-IWC-HNA-April-2018.pdf> (Accessed 18 September 2019)

- 4.7. The Strategic Housing Market Assessment (SHMA) 2014 identifies that the need for affordable housing, as of the Core Strategy, is 58 per cent, not 35 per cent of the overall requirement set.²⁵ It is no wonder that the report states that it is: “difficult to see how the needs of Isle of Wight families for affordable housing will ever be met” – our targets are flawed.
- 4.8. Affordable houses are by definition less profitable than higher-value market homes - It is more attractive to developers to build for a mainland housing market, generally for retirees. The Island Plan does not ringfence housing delivery – allowing developers to pick the most profitable sites and sizes to build first instead of those which most benefit the community.

²⁵ *Island Plan Affordable Housing Consultation Draft Supplementary Planning Document*, Isle of Wight Council, May 2015, <https://www.iow.gov.uk/azservices/documents/2779-Affordable-Housing-Draft-SPD-May-2015.pdf> (Accessed 8 September 2020)

5. ISSUES WITH CURRENT HOUSING TARGETS

The current housing target is not achievable

- 5.1. The scale of the Island's building industry is insufficient to build the target set. Even with moderate imports of labour from the mainland, we know that "there has been a delivery ceiling of around 400 dwellings per year since the adoption of the Core Strategy in 2012."²⁶

Developments built for population increase are not designed for local people, but market mainland demand²⁷

- 5.2. Too many three and four-bed houses are being built when Islanders, young and old, need one and two-bedroom properties. This is both historic reality and current intention²⁸ - despite some improvement, which we will see below. The current HNA reinforces this current, negative projection.
- 5.3. For Market Housing (65 per cent), the HNA states: "The data suggests that housing need can be expected to reinforce the existing profile, but with a slight shift towards a requirement for smaller dwellings relative to the distribution of existing housing."²⁹ The existing profile of owner-occupied housing, which will be reinforced by the Island Plan, is around 4.5 per cent one-bedroom, 30 per cent two-bedroom, 45 per cent three-bedroom, and 20 per cent 4+ bedrooms.³⁰ This is at a time when the overwhelming priority for Islanders in need of affordable homes is for one and two-bed properties.

Not brownfield, not high density

- 5.4. The majority of homes allocated by the Island Plan are on greenfield sites.³¹ These are very often car-dependent, on busy roads, and away from shops and services. They are the very model of unsustainable development at precisely the time when the Island, and the rest of the UK, should be planning for sustainable housing.

The Island faces exceptional factors in infrastructure delivery

²⁶ *Planning for Sustainable Development and Growth Policies Background Paper*, Isle of Wight Council, November 2018, p. 7 (Para 5.6), <https://www.iow.gov.uk/azservices/documents/2981-Explainer-Planning-for-Sust-Dev-and-Growth.pdf> (Accessed 18 September 2019)

²⁷ Housing need will be determined based on trend projections of future population growth. Components of population change show net internal migration as almost the entirety of gain, whilst natural change is consistently negative between mid 2001 and mid-2016. *Housing Need Assessment Final Report*, GL Hearn, April 2018, p. 24 (Figure 7), <https://www.iow.gov.uk/azservices/documents/2782-IWC-HNA-April-2018.pdf> (Accessed 18 September 2019)

²⁸ Our housing need is calculated using projections, which are calculated using past trends. Therefore, future trend follows historic reality.

²⁹ *Housing Need Assessment Final Report*, GL Hearn, April 2018, p. 125 (Para 6.62), <https://www.iow.gov.uk/azservices/documents/2782-IWC-HNA-April-2018.pdf> (Accessed 18 September 2019)

³⁰ *Ibid*, p. 143 (Table 85)

³¹ Based on housing allocations in the *Island Plan*

- 5.5. The Standard Method used by the HNA does not take these exceptional factors into account. As a result, it will put potentially unsustainable pressures on the Island's infrastructure. **Hospital and public services are under pressure** - there is an estimated increase in demand for primary medical care services of 35 per cent to 2022 due to population growth and the ageing population according to the Isle of Wight infrastructure delivery plan.³²
- 5.6. **The so-called Green Book calculations do not serve the Island.**
- 5.7. The Isle of Wight Infrastructure Delivery Plan's investigation outlines the following responses from stakeholders:³³
- "One-third of drinking water supply is pumped in from the mainland"
 - "Sewerage treatment is nearing capacity in most places"
 - "Water and electricity providers cannot supply infrastructure for development they are not certain will happen so provision is quite a reactive process."
 - "Public transport provision is not good enough and is costly" - low-density and greenfield developments will worsen this trend.
 - "The effects of a seasonal population make it hard for emergency services to plan for demand."

The Island's landscape and rural nature is worth preserving in its own right

- 5.8. Isle of Wight coastline is famed for painters and cultural heritage. Between 1780 and the 1940s it became one of the centres of landscape painting, poetry and writing. It is difficult to see how the Government's stated desire to protect and nurture the environment sits with development plans that will continue to see parts of the Island significantly over-developed.

Visitor Economy

- 5.9. More broadly, the Island's economy is, in part, dependent on a tourism economy. People enjoy holidaying on the Island because of its beautiful landscape. The economic impact of the visitor economy on the whole of the Isle of Wight has been estimated at £520 million annually.³⁴ The more greenfield development is permitted, the greater the damage to our visitor economy, and to the ability of both the local population and visitors to enjoy our beautiful landscape.

Environment

³² Ibid, p. 37 (Para 7.2)

³³ *Isle of Wight Infrastructure Delivery Plan*, Troy Planning + Design, October 2018, <https://www.iow.gov.uk/azservices/documents/2981-2018.10.26-IoW-IDP--2.pdf> (Accessed 19 September 2019)

³⁴ *The Medina Estuary Visitor Economy*, Tracioneers Ltd., 28 February 2017, p. 1, http://www.naturalenterprise.co.uk/uploads/content_documents/1019/Medina_Valley_Visitor_Economy_Background_Report.pdf (Accessed 19 September 2019)

5.10. **Nitrate pollution.** Natural England has published advice that “There are high levels of nitrogen and phosphorus input to the water environment with sound evidence that these nutrients are causing eutrophication at these designated sites. These nutrient inputs are currently caused mostly by wastewater from existing housing and agricultural sources. The resulting dense mats of green algae are impacting on the Solent’s protected habitats and bird species.”³⁵ It adds: “there is uncertainty as to whether new growth will further deteriorate designated sites.”³⁶ Portsmouth, Fareham, Gosport, Havant and East Hampshire councils have all placed some developments on hold.³⁷ The position on the Isle of Wight is unclear.

5.11. **Island-wide updated coastal defence strategy.** The Island plan states the Coastal Change Management Areas (CCMAs) are defined based on the policies and principles of the adopted Isle of Wight shoreline management plan 2011.

5.12. Since then, significant ageing of the population and adverse effects of climate change have been predicted. As a result of climate change, coastal towns with older populations will be at higher risk of temperature and flooding-related events. Such events will be exacerbated by these towns’ health vulnerability, typically weaker economies, and spatial proximity to rising sea levels.

All the indications show that the overwhelming majority of new housing will not be affordable

Table 1: Island Plan Table 5.4/DHWN 6 Housing Mix

641	Market		Affordable Home Ownership		Affordable housing (rented)		TOTAL dpa	Mix
DWHN 6 Type Mix	65%		10.5%		24.5%		100%	
Size	Island Plan Table 5.4		Island Plan Table 5.4		Island Plan Table 5.4			
1 Bedroom	5%	21	25%	17	30%	47	85	13%
2 Bedroom	35%	146	45%	30	40%	63	239	37%
3 Bedroom	40%	167	25%	17	25%	39	223	35%
4+ Bedroom	20%	83	5%	3	5%	8	95	15%
TOTAL		417		67		157	641	100%

9615	Market		Affordable Home Ownership		Affordable housing (rented)		TOTAL dpa	Mix
DWHN 6 Type Mix	65%		10.5%		24.5%		100%	
Size	Island Plan Table 5.4		Island Plan Table 5.4		Island Plan Table 5.4			
1 Bedroom	5%	312	25%	252	30%	707	1272	13%
2 Bedroom	35%	2187	45%	454	40%	942	3584	37%
3 Bedroom	40%	2500	25%	252	25%	589	3341	35%
4+ Bedroom	20%	1250	5%	50	5%	118	1418	15%
TOTAL		6250		1010		2356	9615	100%

Source: Draft Island Planning Strategy Development Plan

³⁵ Advice on achieving nutrient neutrality for new development in the Solent region, Natural England, 2 June 2019, p. 1 (Para 1.1), <https://www.havant.gov.uk/sites/default/files/documents/SolentNutrientAdviceV2June2019.pdf> (Accessed 19 September 2019)

³⁶ Ibid, p. 1 (Para 1.2)

³⁷ Article: Hampshire housing developments on hold over nitrates, 14 June 2019 <https://www.bbc.co.uk/news/uk-england-hampshire-48634596> (Accessed 24 September 2019)

- 5.13. The Island Plan calls for 35 per cent affordability, a figure it has failed to reach for the past few years. Whilst there is an improvement in the mix of housing, 60 per cent of **market housing** will be three- or four-bedroom. Again, based on past trends, these have been low-density developments. This is not the housing that the Island needs.
- 5.14. For affordable housing the figures are better although, given historic trends, affordable homes are unlikely to be built first, leading to continued and significant under-delivery of already low numbers of affordable homes for genuine Island demand.
- 5.15. Overall, this calculation contributes to an opportunity for developers to build 3,341 3-bedroom homes and 1,418 4+-bedroom homes within the Island Plan delivery target. The scope of this is such that developers have the potential to build more market, four-bed homes than all affordable owned homes combined between 2016 and 2034.³⁸

³⁸ The mix contains 1250 4+ bedroom market houses, while a total of 1010 houses will be for affordable home ownership (not including affordable rented).

6. ISSUES WITH THE CURRENT METHODOLOGY

Background

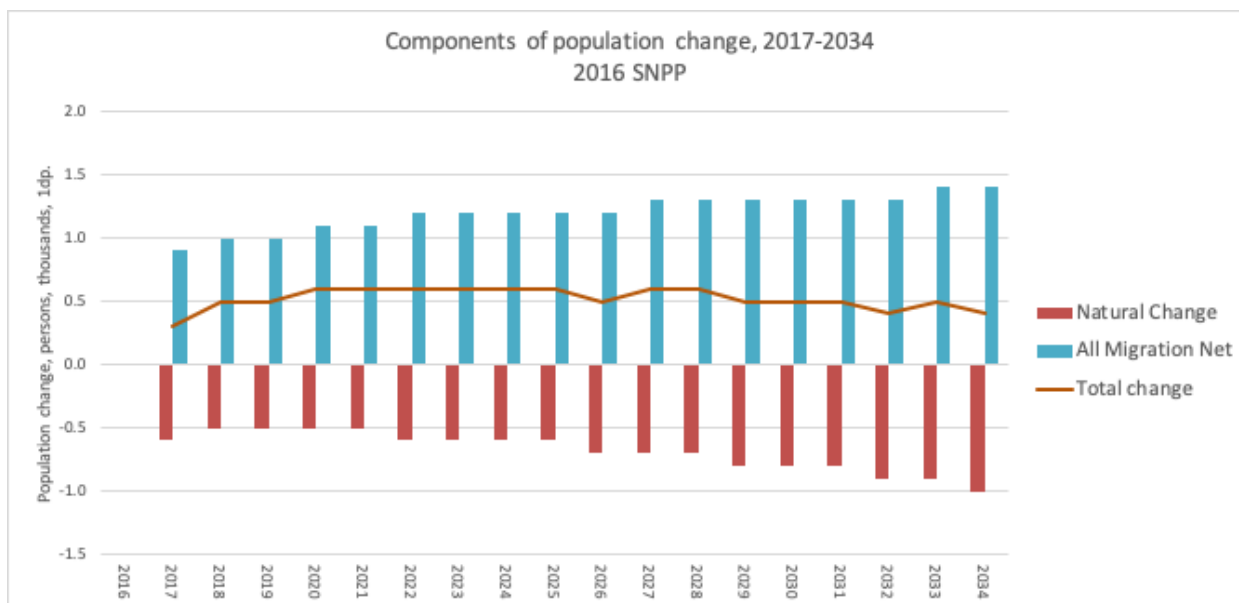
6.1. The Standard Method housing need methodology is based on the ONS' 2014 Subnational Population Projections (SNPP), disseminated by the Department for Communities and Local Government (DCLG). The methodology to determine housing need is based on a three-stage process:³⁹

- Setting a baseline of national population growth projections and subsequently determining household growth. Household growth is equated to dwelling requirement with no conversion (the baseline).
- Setting an adjustment to take account of affordability and market signals (the affordability adjustment).
- Setting a cap to ensure that the new housing figure does not exceed a set level above the existing local policy (the cap).

6.2. The Island Plan HNA calculates the Island's OAN using the Standard Method methodology. IWC subsequently use the OAN as the housing delivery target.

Our population growth - which drives new households, and thus our requirement for new dwellings according to the Standard Method – is entirely driven by net internal migration to the Island

Chart 1: Components of population change, Isle of Wight, 2017-2034



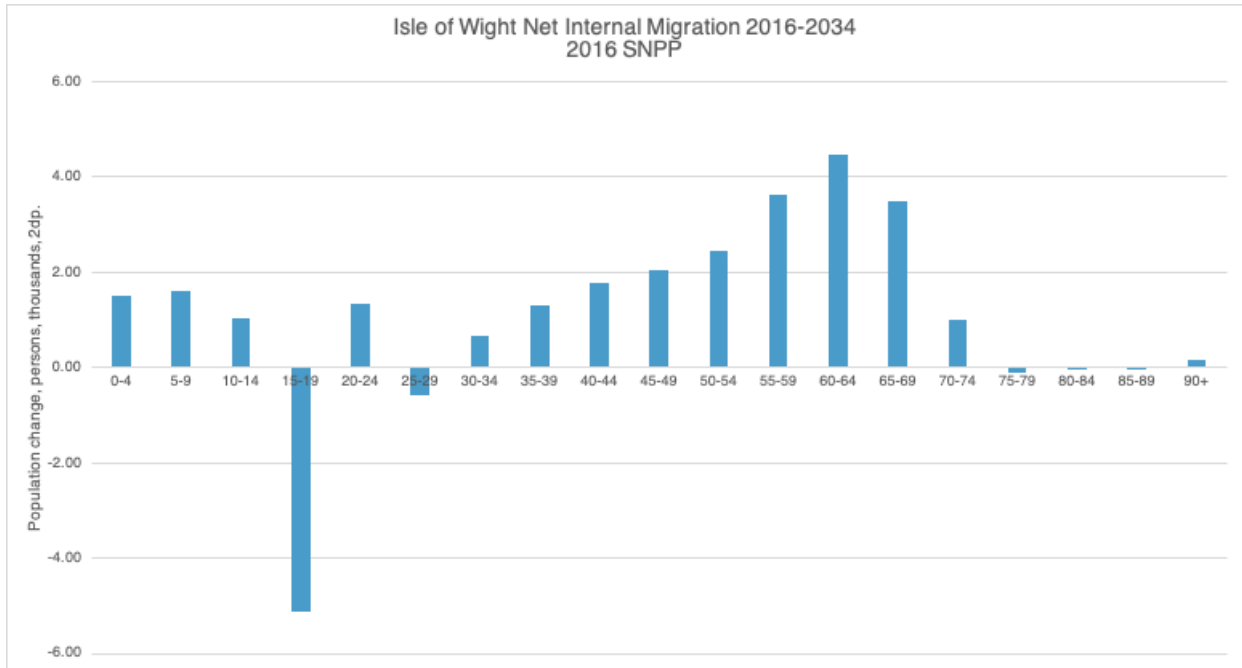
Source: ONS, 2016 SNPP

³⁹ Guidance: Housing and economic needs assessment, Published 20 March 2015, Last Updated 22 July 2019, <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments> (Accessed 21 September 2019)

- 6.3. The Island's population is projected to increase by around 9000 persons between 2017 and 2034 (2016-based SNPP). This increase is entirely driven by net migration of around 20,300 persons to the end of 2033. The Island's natural change (including births and deaths) is around -11,300 persons to the end of 2033.
- 6.4. Therefore, the Island's own need is markedly lower than the national target set. The Island Plan prioritises building homes for mainland migrants at the expense of Islanders, young and old. In my opinion, the Island's population growth is in essence entirely fed up mainland over 40s.

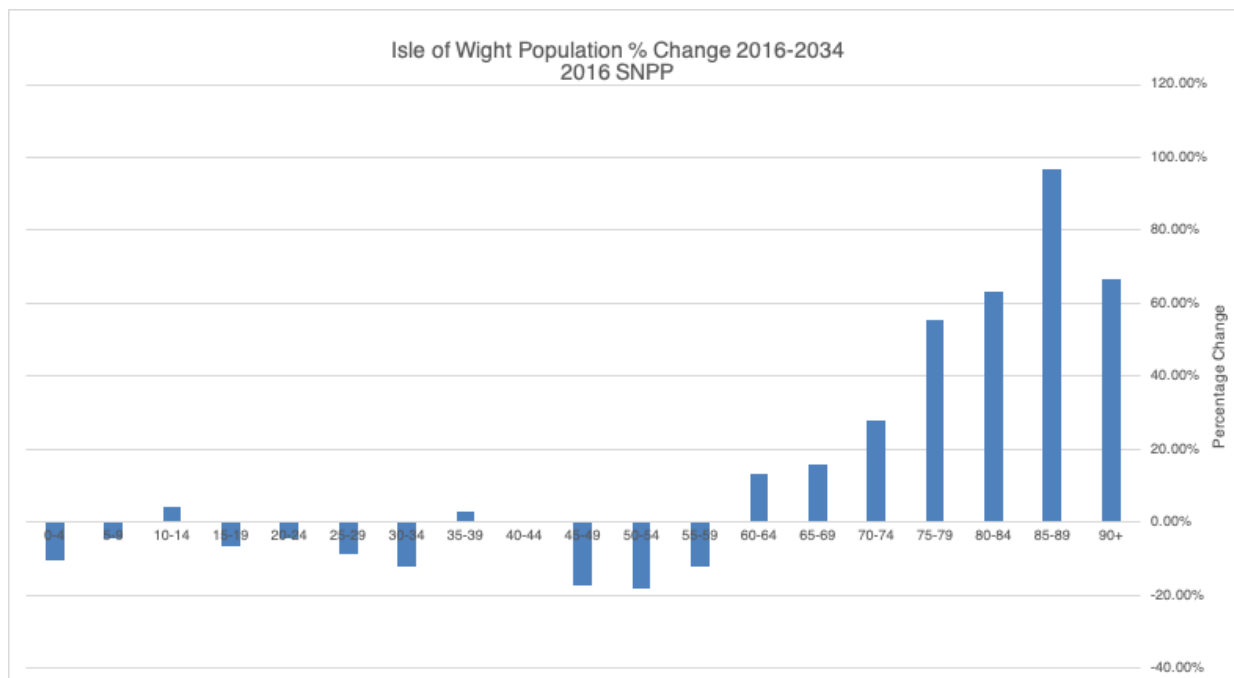
The methodology exacerbates the Island’s exceptional age profile

Chart 2: Projected Net Internal Migration, Isle of Wight, 2016-2034



Source: ONS, 2016 SNPP

Chart 3: Projected Percentage Population Change, Isle of Wight, 2016-2034



Source: ONS, 2016 SNPP

- 6.5. Whilst the Island's population is ageing naturally, that trend is significantly boosted by internal migration from the mainland UK.
- 6.6. There is projected to be a 58 per cent increase in people with mobility problems and increase of 72 per cent in persons with dementia in the plan period according to the HNA.⁴⁰
- 6.7. The HNA quotes the number of people 70-74, 75-79, 80-84 and 85+ is projected to increase by 23.3 per cent, 48 per cent, 58.9 per cent and 101.9 per cent respectively between 2016 and 2034.⁴¹
- 6.8. The entirety of projected household growth is in the over 65 age group.⁴² This is significant as the Standard Methodology converts household growth directly to dwellings required.
- 6.9. Whilst in migration at the current rate would see the population increase across most age bands, the net increase is overwhelmingly skewed to the 50+ age band, peaking around 55-69, due to an imbalance of in migration and out migration.

⁴⁰ *Housing Need Assessment Final Report*, GL Hearn, April 2018, p. 156 (Table 96), <https://www.iow.gov.uk/azservices/documents/2782-IWC-HNA-April-2018.pdf> (Accessed 12 August 2020)

⁴¹ *Ibid.*, p. 28 (Table 5)

⁴² *A review of demographic change in the context of housing Need for the Isle of Wight*, Piers Elias, September 2019, p. 5 (Para 3.10), www.housingnet.co.uk/pdf/PE_Report_IsleofWight_FINAL_05092019ZCPREZFORZRELEASE.pdf (Accessed 14 August 2020)

The vacancy rate used by the HNA should be revised

- 6.10. As identified by the independent demographer Piers Elias, the vacancy rate used in the HNA produced by GL Hearn is 9.2 per cent.⁴³ However, the long-term vacancy rate stated in the 2014 SHMA, also produced by GL Hearn, is 1.2 per cent.⁴⁴
- 6.11. Using a vacancy rate of 2.1 per cent to exclude holiday and second homes, as Piers Elias suggests, reduces the OAN by 46 dpa.⁴⁵

The methodology is based on projections, which are not an accurate representation of housing need

- 6.12. The core determinant of the number of houses built is the 2014-based subnational population projections for England, which are converted to household projections by DCLG (now MHCLG). The household growth is then equated to a demand for dwellings.
- 6.13. The methodology relies too heavily on **projections** to assess the future housing need. The ONS projections used are based on the continuation of recent demographic trends. They are not forecasts and generally take no account of policy or development aims that have not yet had an impact on observed trends.
- 6.14. The methodology, therefore, does not serve the Island because it does not assess future need, merely reflect past trends. If the Government insists on our past being the same as our future, that is not a scenario that the Island supports because it is a scenario which has failed the Island over the past fifty years.
- 6.15. Looking at the Core Island Strategy SHMA,⁴⁶ the housing need is based on a combination of two 'flaws': first, projections are used which take no account of future change or policy change, and second, it equates need with demand, in particular with in-migration. Effectively, the methodology is circular. The SHMA admits "migration figures can be somewhat variable over time", and "could be linked to factors such as completion levels, year-on-year changes to specific parts of the population."⁴⁷ Migration figures, which are being used to determine completion levels, depend on completion levels.
- 6.16. Using projections is a policy decision to continue our imbalanced migration. The methodology isn't about what is best for the Isle of Wight. It ignores the Isle of Wight's development aims. It simply indicates what will continue to happen, if no action is taken.
- 6.17. This methodology is, in effect, a treadmill. The more houses we build now for the mainland market, the more we will have to build in future. It is a vicious circle of future low-density, greenfield housing built to satisfy targets based on past building rates of low-density, greenfield housing.

⁴³ Ibid., p. 4 (Para 3.2)

⁴⁴ Ibid., p. 50 (Para 4.22)

⁴⁵ Ibid., p. 4 (Para 3.2)

⁴⁶ *Isle of Wight - Strategic Housing Market Assessment Final Report*, GL Hearn for Isle of Wight Council, June 2014, p. 83 (Table 25), <https://www.iow.gov.uk/azservices/documents/2782-Isle-of-Wight-SHMA-Final-Report-120614-v1.pdf> (Accessed 23 September 2019)

⁴⁷ Ibid, p.82 (Para 6.38)

6.18. Why do we wish to change our current situation? Because we need to prioritise jobs, not mainland housing. Here are some statistics to explain why:

- The Island's GVA is 75 per cent UK average [2017].⁴⁸
- Full-time workers on the Island earn 87 per cent of UK average gross weekly pay [2019].⁴⁹
- The proportion of professional occupations is 16.9 per cent on the Island, compared to 23.2 per cent in South-East [April 2019- March 2020].⁵⁰
- The Island is ranked 111 of 152 districts for IMD employment deprivation, 120/150 for education-related deprivation.⁵¹
- The Council has been under extreme financial pressure, saving £76m between 2011/12 and 2019/20.⁵²
- Although now improving, the Isle of Wight NHS Trust was until 2019 recently rated 'Inadequate' and unsafe, in financial special measures.
- The Island has historically had the highest dementia prevalence in England, almost double the England average [2011/12].⁵³
- 33.3 per cent of GCSE students achieved grades 5-9 in English and Maths vs. 43.3 per cent in the UK [2017/18].⁵⁴
- 31.8 per cent have NVQ4 and above, compared to 40.3 per cent in the UK.⁵⁵
- 27.3 per cent of the population is over 65 on the Isle of Wight, compared to 18.2 per cent in England and Wales⁵⁶
- 22.6 per cent had a long-term health problem vs 15.7 per cent in South East at the point of the 2011 census⁵⁷

6.19. Given the existing effects of this demographic model, the current HNA is a highly undesirable projection and requires policy intervention.

The Planning Department on the Island should diversify planning targets

⁴⁸ *Isle of Wight Economic Profile 2019*, Isle of Wight Council, p.68, <https://www.iow.gov.uk/azservices/documents/1433-Isle-of-Wight-Economic-ProfileFinalFebruary2020.pdf>, (Accessed 14 August 2020)

⁴⁹ Source: Nomis, <https://www.nomisweb.co.uk/reports/lmp/la/1946157281/report.aspx> (Accessed 14 August 2020)

⁵⁰ Ibid.

⁵¹ Source: 2015 IMD

⁵² *Isle of Wight Council budget proposals*, Isle of Wight Council, 31 October 2019, <https://www.iow.gov.uk/news/Isle-of-Wight-Council-budget-proposals> (Accessed 14 August 2020)

⁵³ *Living Well With Dementia on the Isle of Wight*, https://www.iow.nhs.uk/Downloads/Strategies%20and%20Policies/PR030914-Dementia_Strategy_Document.pdf (Accessed 14 August 2020)

⁵⁴ Source: Department for Education, <https://www.ethnicity-facts-figures.service.gov.uk/education-skills-and-training/11-to-16-years-old/a-to-c-in-english-and-maths-gcse-attainment-for-children-aged-14-to-16-key-stage-4/latest#by-ethnicity-and-area> (Accessed 14 August 2020)

⁵⁵ Source: Nomis, <https://www.nomisweb.co.uk/reports/lmp/la/1946157281/report.aspx> (Accessed 14 August 2020)

⁵⁶ *Joint Strategic Needs Assessment*, Isle of Wight Council, January 2019, <https://www.iow.gov.uk/azservices/documents/2552-Equality-Diversity-Factsheet-Jan-2019-v2.pdf> (Accessed 14 August 2020)

⁵⁷ Source: ONS, Table QS303EW, 2011 Census, https://www.ons.gov.uk/file?uri=/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/2011censuskeystatisticsandquickstatisticsforwardsandoutputareasinenglandandwales/r22ewrttableqs303ewladv1_tcm77-296680.xls (Accessed 14 August 2020)

6.20. Monitoring Statistics consist largely of the ‘number of applications’, ‘number of dwellings’, ‘number of legal agreements’ or ‘number of jobs created’ through planning permissions.⁵⁸ Even when considering ‘future-proofing digital infrastructure’, policy performance indicators remain ‘number of applications.’ This is inappropriate for an Island which is over 80 per cent rural and 50 per cent AONB.

The affordability adjustment is flawed

Table 2: Standard Method HNA Methodology

Stage	Component	Method
1	Baseline	2014 DCLG Household Projections
2	Affordability Adjustment	$\text{Adjustment factor} = \left(\frac{\text{Local affordability ratio} - 4}{4} \right) \times 0.25 + 1$
3	Cap	40 per cent above projections
	Total (OAN)	Baseline * Adjustment with cap

Table 3: Standard Method OAN for the Isle of Wight LPA

Component	Outcome	Year/Source
Baseline	<p>Projected Households (2020) = 65,056 Projected Households (2030) = 70,409</p> $\frac{70409 - 65056}{10} = 535.3$ <p>535.3 households per annum, 2020-2030</p>	<p>2014-based, (Live Table 406)</p> <p>2020-2030</p>
Affordability Adjustment	<p>Local affordability ratio₂₀₁₉ = 8.56</p> $\text{Adjustment Factor} = \left(\left(\frac{8.56 - 4}{4} \right) \times 0.25 \right) + 1$ <p>= 1.285</p> <p>(28.5 per cent)</p>	2019
Cap	None	
Total (OAN)	= 535.3 × 1.285	

⁵⁸ Draft Island Planning Strategy Development Plan, Isle of Wight Council, November 2018, p. 148, <https://www.iow.gov.uk/azservices/documents/2981-Final-Draft-IPS-for-Consultation.pdf> (Accessed 21 September 2019)

	= 688 <i>dpa</i>	
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- 6.21. For the Isle of Wight, the current Standard Method⁵⁹ target sets a baseline of 535dpa based on 2014-based household projections; applies an affordability adjustment of 28.5 per cent based on the affordability ratio between workplace-based median earnings and house prices;⁶⁰ and does not apply a cap. This results in a current Standard Method target of 688 dpa.
- 6.22. The affordability adjustment intends to identify housing need where household formation is constrained by supply, or in migrants are unable to find appropriate affordable homes. It aims to boost supply to “ensure that housing need starts to address the affordability of homes.”⁶¹
- 6.23. The policy intention of the affordability ratio is flawed due to the Island’s economic circumstances. The Island has structurally lower wages and house prices than the majority of the South of England. The adjustment assumes a poor affordability ratio is indicative of undersupply, when for the Island, due to the use of an earnings-based ratio, it is also in large part dictated by the Island’s structurally lower average income compared to the South East.
- 6.24. As Piers Elias points out, many out migrants move to local authorities which are less affordable than the Isle of Wight.⁶² **The majority of the top 15 areas out migrants from the Isle of Wight move to are less affordable. The Island is more affordable than the majority of the top 15 areas in migrants move from.**⁶³ This is indicative of a scenario in which demand for homes is in part *due* to overall affordability, whilst out-migration to different housing markets is *despite* the Island being more affordable. This would suggest that there is little undersupply due to in migrants being unable to find appropriate affordable homes. Our true need, as identified by the housing register, is for affordable *classes* of homes.
- 6.25. The Island’s circumstances make it a highly attractive location for retirees to move to with proceeds from the sale of a house in a higher value area. As such, many buy with asset wealth, yet the affordability adjustment is based on local median workplace-based earnings.
- 6.26. Assuming most of the need originates from net internal migration, the adjustment applies local earnings-based affordability calculations to mainland income internal migrants. In fact, migrants may be investors, wealthy retirees, or simply looking for a cheaper house.

⁵⁹ *Housing and Economic needs assessment*, gov.uk, 22 July 2019, <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments#housing-need> (Accessed 10 September 2020)

⁶⁰ Source: House price to workplace-based earnings ratio, ONS, <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian> (Accessed 10 September 2020)

⁶¹ *Housing and Economic needs assessment*, gov.uk, 22 July 2019, (Paragraph: 006), <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments#housing-need> (Accessed 10 September 2020)

⁶² *A review of demographic change in the context of housing Need for the Isle of Wight*, Piers Elias, September 2019, www.housingnet.co.uk/pdf/PE_Report_IsleofWight_FINAL_05092019ZCPREZFORZRELEASE.pdf (Accessed 14 August 2020)

⁶³ *Ibid.*, p.9 (Para 5.2)

6.27. Regardless of the intent of the affordability adjustment, increasing the housing target as a means to increase the affordability ratio between local median workplace-based earnings and house prices is flawed due to the unique circumstances of the Island's housing market.

- Due to the Island's natural delivery ceiling of c. 400 units per year, simply increasing the housing target, and thus the number of permissions, has not led to an increase in delivery. Thus, any decrease in house prices due to increased supply (and any subsequent increase in affordability) will likely be null.
- Increasing the housing target has not led to the delivery of affordable homes. Zero affordable homes were delivered in 2018/19. Even with the current target of 520 dpa, the Council have failed the 5-year land supply test and are expected to fail the housing delivery test. This will dictate a loss of planning control through the presumption in favour of sustainable development (presumption).
- Increasing the housing target has the potential to decrease affordability. The unachievable target, whilst not leading to housing delivery at the set level, has led to the liberalisation of permissions. This will be exacerbated by the presumption. All of this allows cherry-picking and land banking of profitable sites by developers. Thus, with more liberal permissions, the most profitable, opposed to affordable sites can be developed first, leading to a decrease in affordability. Development consisted solely of profitable market sites in 2018/19; none of the 35 per cent of 520 dpa target for affordable homes was met.

6.28. Without the affordability adjustment, our total would be 525 dpa.⁶⁴

⁶⁴ Ibid, p. 172 (Para 10.4)

7. THE NEW STANDARD METHOD METHODOLOGY

Background

The proposed new Standard Method of assessing housing need published for consultation would see the housing target set out in the Island Plan of 641 dpa (dwellings per annum) increase by over 50 per cent to 1,045 dpa.⁶⁵ In this scenario, the Island would be required to build 25 per cent more homes per year than Southampton, and some 40 per cent more than Portsmouth,⁶⁶ both cities with populations more than 68 per cent larger than the Island. This amounts to 15,600 homes in 15 years, adding 23 per cent of the Island's current total housing stock of c. 67,500 homes.⁶⁷

Table 4: Proposed 'new Standard Method' HNA Methodology

Stage	Component	Method
1	Baseline	Whichever is highest of 'Latest' ONS Household Projections or 0.5 per cent of Housing Stock
2	Affordability Adjustment	$\text{Adjustment Factor} = \left[\left(\left(\frac{\text{Local affordability ratio}_{t=0} - 4}{4} \right) \times 0.25 \right) + \left(\text{Local affordability ratio}_{t=0} - \text{Local affordability ratio}_{t=-10} \right) \times 0.25 \right] + 1$ <p>Where $t = 0$ is current year and $t = -10$ is 10 years back.</p>
	Total	Baseline * Adjustment

Table 5: Proposed 'new Standard Method' OAN for the Isle of Wight LPA

Component	Outcome	Year/Source
Baseline	Household projections are higher <i>Projected Households (2020) = 65,591</i> <i>Projected Households (2030) = 71,731</i> $\frac{71731 - 65591}{10} = 614.0$ 614.0 households per annum, 2020-2030	<u>2018</u> -based (Table 406) 2020-2030
Affordability Adjustment	<i>Local affordability ratio</i> ₂₀₁₉ = 8.56	$t_0 = $ <u>2019</u>

⁶⁵ How many homes? The New Standard Method, Lichfields, <https://lichfields.uk/media/6084/govt-planning-reform-tables-aug20-7.jpg> (Accessed 27 August 2020)

⁶⁶ Ibid.

⁶⁷ 2011 Census, in *Joint Strategic Needs Assessment*, Isle of Wight Council, September 2013, p.1, <https://www.iow.gov.uk/azservices/documents/2552-Housing-Accommodation-Dec-2013-Final-Version.pdf> (Accessed: 27 August 2020)

	<p><i>Local affordability ratio</i>₂₀₀₉ = 6.89</p> $\text{Adjustment Factor} = \left[\left(\frac{8.56 - 4}{4} * 0.25 \right) + ((8.56 - 6.89) * 0.25) + 1 \right]$ <p>= 0.285 + 0.4175 + 1</p> <p>= 1.7025</p> <p>(70.25 per cent)</p>	
Total (OAN)	<p>= 614.0 × 1.7025</p> <p>= 1045 <i>dpa</i></p>	

- 7.1. The new Standard Method uses a new two-stage process of calculating housing need. It replaces the use of the 2014-based projections to set the baseline with a new test of housing stock, with a top-up based on the latest household projections (2018-based as of publication). It adds a new adjustment for the 10-year trend in affordability to the affordability adjustment. No cap is applied.
- 7.2. For the Isle of Wight, the new Standard Method results in the use of the 2018-based projections to set the baseline housing need. The 10-year trend multiplier increases the affordability adjustment from 28.5 per cent to 70.25 per cent. No change is made to the capping procedure as no cap was previously applied. The final target increases from 688 to 1045 *dpa*.
- The change in household projections increases the OAN baseline by c. 80 *dpa*.
 - The addition of the ten-year affordability trend multiplier to the affordability adjustment combined with the change in projections increases the overall target by c. 350 *dpa*.

The new Standard Method gravely exacerbates the flaws of the affordability adjustment

- 7.3. The new affordability adjustment artificially inflates our housing need by more than 70 per cent, compared to the current 28.5 per cent. Although the latest, 2018-based household projection data only shows an increase of c. 80 *dpa* compared the 2014-based projections currently used, the new Standard Method increases the overall target by c. 350 *dpa*.
- 7.4. The new affordability adjustment exacerbates the flawed application of local earnings-based affordability ratios to internal migrants buying with asset wealth. The sole addition to the affordability adjustment is an affordability trend multiplier based on median workplace-based earnings affordability. The Island's housing market circumstances - population growth is driven solely by internal migration - mean this flaw may apply to much of our household baseline.

- 7.5. Due to the Island's exceptional circumstances, a 70 per cent inflation in the target to increase affordability is neither directly linked to housing supply, affordability, nor delivery of affordable homes. Given zero affordable deliveries in 2019 and the identified natural supply cap of c. 400 homes per year on the Island, the affordability adjustment will likely not increase affordability.
- 7.6. Nationally, the affordability adjustment is considered to have little to no impact on affordability or supply of homes for those in housing crisis.⁶⁸
- 7.7. As before, the policy objective to increase affordability is misguided due to the Island's circumstances in regard to internal migration. Given the demand from inward migrants is in part *because* our prices are lower than the areas migrants move from, a greater housing target to increase affordability is flawed. Instead, social and affordable homes are required in specific size and price brackets in order to meet the unmet need on the housing register. Specialised housing is required to meet the projected increase in those over 65. A general increase in affordability through saturating the market and lowering house prices will not solve these problems.
- 7.8. As before, the affordability adjustment is circular due to the Island's housing market circumstances. Without further investigation, it is not possible to rule out that supply, or affordability, are drivers of the Island's housing market. Thus, if the adjustment is successful in increasing supply or affordability, it is self-defeating, as doing so will *increase demand*, thus *increasing house prices*. The greater the multiplier, the greater the inward demand, the greater the household projections, the greater the delivery target, and the greater the absolute impact of the relative multiplier.

The new target gravely exacerbates issues arising from the existing delivery target in relation to affordable homes

- 7.9. By inflating the delivery target without ringfencing by housing type, or a secured land supply, the adjustment invites development of greenfield sites.
- 7.10. The inflated target is undeliverable. However, it will liberalise permissions and thus cherry-picking and land banking of sites by developers.
- 7.11. The new target will likely result in the Council failing the housing delivery test and thus invoking the presumption in favour of sustainable development. Where local policies do not apply, this will allow developers to start with delivery of market executive homes as a means of meeting the housing target whilst social housing is in crisis and the housing register is unfulfilled.

⁶⁸ *England planning shake-up provides few affordable housing guarantees*, George Hammond, FT, 3 September 2020, https://www.ft.com/content/02d5f06e-fd84-4942-906a-7e522f6c59b6?accessToken=zWAAAXRYfywokc8C1fBu_YRJQtOQan5SL2xZtg_MEYCIQDNShdUb3_5vUs0IDxhY9HCIPfK6P6GOHtGRhdhOib_vAIhAJ599Xe7iPFIVMwu_dWVMvh1hd9F6R5bsw773c2yiFsfr&sharetype=gift?token=12cddca6-6486-46c3-9234-835b469a3bc3 (Accessed 8 September 2020)

8. THE SOLUTION

We need to produce our own Housing Needs Assessment which reflects the needs of the Island. For the first time in fifty years, we need to prioritise the needs of Islanders. So, what do we know and what do we need to find out?

The Council does not have to use the Standard Method for assessing local housing need

8.1. The minister for Regional Growth and Local Government said

*“In exceptional circumstances an alternative approach to the Standard Method of assessing local housing need may be used, provided that the approach also reflects current and future demographic trends and market signals”.*⁶⁹

8.2. MHCLG also states that the use of the Standard Method for strategic policy-making purposes is not mandatory. Their guidance states that the Standard Method is not required

*“If it is felt that circumstances warrant an alternative approach[,] but authorities can expect this to be scrutinised more closely at examination. There is an expectation that the Standard Method will be used, and that any other method will be used only in exceptional circumstances.”*⁷⁰

8.3. The NPPF states that ‘exceptional circumstances’ may be used to “justify an alternative approach which also reflects current and future demographic trends and market signals.”⁷¹

The Council does not have to use the OAN as the housing delivery target

8.4. The HNA states:

*“For the avoidance of doubt, an OAN figure is not the housing target. It is an input to determining or reviewing housing targets in local plans alongside wider evidence. Housing targets in local plans will be informed by the OAN but will also take into account wider factors such as sustainability, infrastructure constraints and land availability; together where appropriate with unmet needs of other areas, primarily within the relevant housing market area.”*⁷²

⁶⁹ Letter to MP from Minister for Regional Growth and Local Government, 29 June 2020.

⁷⁰ *Guidance: Housing and economic needs assessment*, Published 20 March 2015, Last Updated 22 July 2019, Paragraph: 003 Reference ID: 2a-003-20190220, <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments> (Accessed 21 September 2019)

⁷¹ *National Planning Policy Framework*, Ministry of Housing, Communities and Local Government, February 2019, p. 17 (para 60), https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/810197/NPPF_Feb_2019_revised.pdf (Accessed 21 September 2019)

⁷² *Housing Need Assessment Final Report*, GL Hearn, April 2018, p. 12 (Para 2), <https://www.iow.gov.uk/azservices/documents/2782-IWC-HNA-April-2018.pdf> (Accessed 18 September 2019)

8.5. The NPPF states strategic policies should be “informed” by a local housing need assessment.⁷³

Exceptional Circumstances

8.6. It is critical to note that this methodology can be challenged, but the Council initially chose to accept it.

8.7. No one has calculated the true local figure for housing need. Therefore, a critical outcome is to produce an HNA taking into account increases due to internal migration. We need to know our genuine need, rather than need based on projections devised from imbalanced migration to and from the mainland.

8.8. We need an Island-focused Methodology. We do not need to blindly accept targets.

8.9. I strongly believe that the Isle of Wight needs to argue for exceptional circumstance based on Island need. The Shetland Islands have produced a Need and Demand Assessment developed with local bodies.⁷⁴

8.10. We need a policy that builds housing that Islanders need. The beauty of our Island is at risk under the housing targets which would see our green Island become increasingly grey as more is concreted over for development. We need to preserve as much of our landscape as possible for our quality of life and our visitor economy.

8.11. To make sure the Island builds the right type of housing, the Plan should ring-fence house types within the overall allocation to ensure that one- and two-bed homes are built first, and within that affordable housing is prioritised. This is required to avoid many ‘easy win’ commercial properties which will be brought forward first, whilst the affordable housing target will inevitably be missed.

8.12. Fewer houses should be built but almost all of those should be affordable homes for Islanders. The Council needs to become more engaged in shaping an Island-first market on the Island. The Council must continue with its ambition to set up Island housing company to build genuinely affordable homes for Islanders.

8.13. The MP and Council must work together to gain access to the billions offered for council-house building.

⁷³ *National Planning Policy Framework*, Ministry of Housing, Communities and Local Government, February 2019, p. 17 (Para 60), https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/810197/NPPF_Feb_2019_revised.pdf (Accessed 21 September 2019)

⁷⁴ *Shetland Islands Assessment of Housing Need and Demand*, Shetland Islands Council in partnership with Hjaltland Housing Association and NHS Shetland, August 2010, <https://www.shetland.gov.uk/housing/documents/APPENDIX1HNDAAugust2010.pdf> (Accessed 17 August 2020)

9. SUMMING UP

- 9.1. The Isle of Wight should argue for 'Exceptional Circumstance' due to the Isle of Wight's status as an island separated by sea from the mainland. As the Ministry of Housing, Communities and Local Government (MHCLG) accepts, Exceptional Circumstance may be used to "justify an alternative approach which also reflects current and future demographic trends and market signals."⁷⁵ It is patently obvious that an Island, separated by sea is, by its nature, an exception.

Strategy

- 9.2. The Council and MP accept that the current targets are wrong for the Island and that the methodology reinforces decades of prioritising Government housing targets, not the needs of our own people.
- 9.3. The Island makes the strongest case it can to the Government for significantly reduced housing numbers but ensures that almost all are built for current Islanders and are genuinely affordable. This approach is dependent on the Island successfully accessing more Government funding for social housing and championing a rent-to-buy programme.
- 9.4. The Island blocks greenfield development unless it is of strategic importance to the future of the Island.
- 9.5. The Island produces its own Housing Needs Assessment which, for the first time in decades, reflects the needs of the Island.
- 9.6. The Council continues with its ambition to set up an Island housing company to build genuinely affordable homes for Islanders. As part of that, the MP and Council work together to gain access to the billions offered for council-house building.
- 9.7. To make sure the Island builds the right type of housing, the Island Plan ring-fences house types within the overall allocation to ensure that one- and two-bed homes are built first, and within that affordable housing is prioritised. This is required to avoid many 'easy win' commercial properties which will be brought forward first, whilst the affordable housing target will inevitably be missed.
- 9.8. New homes are built, where reasonably possible, in a recognised Island style, using traditional Island materials rather than off-the-peg designs.
- 9.9. As part of a wider review of how we protect the Island for the future, the MP and the Isle of Wight Council work with conservation groups as well as IWALC to ensure more land is protected or designated. Options include:
- Extended AONB designation
 - Island Park designation

⁷⁵ *National Planning Policy Framework*, Ministry of Housing, Communities and Local Government, February 2019, p. 17 (para 60), https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/810197/NPPF_Feb_2019_revised.pdf (Accessed 21 September 2019)

- National Park designation (with planning guarantees)

To achieve this, we will need

- 9.10. To produce our own HNA and a new Island Plan. Within that must be stipulations and ring-fencing to ensure that the Island gets the housing it needs, not the housing developers want.
- 9.11. To access to Government funds to support the Island's Council-house building programme.
- 9.12. To secure Camp Hill for high-quality, high-density public housing of the kind needed by Islanders.
- 9.13. To work with housing associations to seek the best options for buying houses on the open market for Islanders.
- 9.14. To identify empty properties and use what powers are available to encourage these properties to be used or put onto the market.
- 9.15. To encourage property above shops to be repurposed for housing and to develop and champion other schemes such as bungalow buy-backs whereby low-density properties can be refurbished and repurposed for mildly higher density use.

Conclusion

- 9.16. **Summing up, we need to reverse the failings of the past 50 years. We need to protect the Island for all of us, and for generations to come. We need to accept that the Government's targets in the Island Plan are flawed. We need to build for Islanders, in modest numbers, in already-existing communities. We need to ban low-density, greenfield development. To do all this, we need to argue for Exceptional Circumstance.**

10. GLOSSARY

Acronyms used:

AONB: Area of Outstanding Natural Beauty

DCLG: Department for Communities and Local Government

DPA: Dwellings per Annum

HNA: Housing Needs Assessment

IMD: Index of Multiple Deprivation

IWALC: Isle of Wight Association of Local Councils

IWC: Isle of Wight Council

LPA: Local Planning Authority

MHCLG: Ministry for Housing, Communities and Local Government

MP: Member of Parliament (for the Isle of Wight)

NPPF: National Planning Policy Framework

OAN: Objectively Assessed (housing) Need

ONS: Office for National Statistics

SNPP: Subnational Population Projections

SHLAA: Strategic Housing Land Availability Assessment

SHMA: Strategic Housing Market Assessment