

The Rt. Hon Stuart Andrew MP
Minister of State for Housing
Dept for Levelling Up, Housing
and Communities
Fry Building
2 Marsham Street
London SW1P 4DF

Working Group against Over Development
c/o Clerk to Chiddingly Parish Council
Springwood
Back Lane
Cross in Hand
East Sussex
TN21 0QA

16th June 2022

Dear Minister,

On behalf of the Working Group against Overdevelopment, we thank you for your response dated 3 May 2022 to our letter of 3 April 2022.

Since our 3 April 2022 letter, the number of tertiary councils in Wealden supporting the aims and objectives of this working group has risen to 39 (out of a total of 42). Only one parish council has declined to support our aims as they consider that their position within the South Downs National Park insulates them from the levels of development demanded by the standard method.

On 8 April 2022 the working group held a meeting that was attended by representatives from the majority of the tertiary councils in Wealden at which all reinforced their opposition to the continued use of the standard method. The meeting was also addressed by Cllr. Ann Newton, who has subsequently become leader of Wealden, who expressed her full support for the group's aims. Great concern was raised by the attendees over the current level of development, but of course, this does not reflect the quantum of development demanded by the standard method, as those developments driven by the method have yet to start on site. In the five years to March 2021, the period considered by residents representing gross over-development, 3,610 new units were built in Wealden at an average rate of 722/year. In comparison, the standard method has increased the local housing need (LHN) to 1,218 units/year, almost a 70% increase on the historic build rate. But, when compared to the current 2013 development plan, (the 2019 submission plan being withdrawn) this required an increase of 450 units/year, meaning that the standard method requires a rate that is 2.7 times greater than that in the current plan.

In your 3 May 2020 letter, you detail the restrictions that your position entails that prevents you commenting on local issues or specific plans. Yet although acknowledging these restrictions, we do not consider that your answers satisfactorily address many of the points raised in our letter, the majority of these being not just specific to Wealden but relevant to all rural LPAs, and could well have been answered in that context.

We've held this reply to your letter in order to better understand the changes contained in the Levelling up and Regeneration Bill. However, we are very disappointed as this Bill does nothing to address the issues inherent in the standard method which surely by now, both you and the government must appreciate is both erroneous and is incapable of achieving any improvement in affordability.

In your third paragraph, you state that the government is conscious of striking a balance between enabling development and continuing to protect and enhance the natural environment. We are unable to comprehend how this balance can ever be achieved in rural areas with the two concepts being mutually exclusive with development of greenfield sites clearly greatly degrading the natural environment. Please could you explain exactly how you believe that greenfield housing development protects and enhances the natural environment? I would hope that your answer will not need to cite the forthcoming requirement for a 10% improvement in biodiversity net gain as the parameters upon which that is predicated are unfortunately partial and unconvincing (whilst biodiversity itself forms only one part of our natural environment).

You wish to make it clear that the planning system is to contribute to the achievement of sustainable development. But we expect that your understanding of the meaning of sustainable will be not the same as that understood by the vast majority of people who live in rural areas who would not consider such a rapid increase in population could ever be sustainable. We anticipate your understanding would not be too dissimilar to the one in the NPPF, but this is the document whose main aim is to significantly boost the supply of housing. We prefer the definition contained in the Cambridge English Dictionary of: "causing, or made in a way that causes, little or no damage to the environment and therefore able to continue for a long time". Using this definition, development on green field sites cannot ever be considered sustainable.

You say in your fourth paragraph, that we have not been building enough homes to meet our country's needs for too long. This brings us to another issue, what is meant by need? We agree that houses are unaffordable to many, but this is a question of the price, not the supply. With developers operating in a market largely devoid of any competition and by controlling both the price and the supply, market forces alone will not bring down the price when the suppliers are deliberately restricting the supply. Furthermore, a large element of the increase in house prices over the last decade has been driven by low interest rates and government schemes like Help to Buy, which has assisted some to get on the housing ladder but at the expense of raising prices for all.

We acknowledge the 300,000-housing target is a manifesto commitment, but this number was based on data that has long since been updated, although your target has remained unchanged. The number first came to the fore in 2016, largely driven by reports from pressure groups with an interest in increasing the supply of dwellings. At this time, ONS was predicting (2014 Population Projections) that the UK population, then at 65 million, would be reaching 70 million in 2027. Now ONS is suggesting that this figure will not be reached until 2037. Furthermore, these 2014 Population Projections predicted a positive rate of natural change throughout the period covered by the projections to 2113, although now, ONS has estimated that this will become negative after 2024. However, the 300,000 number "has stuck" despite these subsequent lower population forecasts. Surely, new and better-quality data should provide the catalyst for a rethink on the 300,000?

We accept that the standard method is a simple, quick transparent process, but unfortunately the number it produces can never be regarded as representing the LHN, certainly not in a rural south eastern authority'. Therefore, it is not fit for purpose. The natural rate of population growth in Wealden is negative and has been for many years. The ONS 2018 subnational population projections suggest an average increase in Wealden's population of 0.5% a year to 2032, (the increase beings solely as a result of in-migration), but this 0.5% increase is most likely to be substantially lower when the next release of the predictions is belatedly released in 2024. However, over the same period to 2032, the

standard method would require an increase in Wealden's housing stock of 1.7% a year (totalling 18% over the decade and 40% over the anticipated life of the new plan). We acknowledge that in Wealden there are some homeless households and some hidden households, but with a large proportion of older residents much less likely to be either homeless, hidden or overcrowded, this will only account for a very small part of the difference between the 0.5% population increase and the 1.7% housing increase. Thus, should Wealden be required to use the standard method in its new local plan, the population of the district will be dramatically increased through sucking in people from outside and the rural surroundings of much of the district considerably degraded through urbanisation.

For many years, the household projections have formed the basis of the housing need, and this continues within the standard method. But the standard method also introduced the affordability factor, which for most rural authorities in the south east requires a capped 40% uplift to the output from the household projections.

The July 2018 notes issued with the standard method stated the rationale behind the affordability factor was to increase supply in order to ease affordability. However, within a month, this explanation was widened to also address any previous undersupply. But there remains an inherent weakness in this theory, developers will not build more homes than they can sell at their chosen price – anything else is contrary to their business model. Should you consider that the affordability factor would be effective in achieving the stated aims, we would be very interested to see the supporting empirical data and in what part of the country the desired result has been attained?

One other effect of the affordability factor is to increase the LHN in the rural south east districts whilst reducing it in much of the midlands and the north – quite the opposite of the levelling up agenda as acknowledged by Michael Gove. However, this impact is a further example of the impartibility of this inappropriate one-size fits all standard method formula.

Thus, housing delivery for the rural authorities in the south east driven by the standard method will lead to a population increase at around three times the rate predicted by the population projections. For Wealden, the standard method LHN need will result in an increase in the district's housing stock of a massive 40% over the 20-year life of the new plan. It is inconceivable that this level of increase in a rural area could ever be considered sustainable and should this increase occur, then much of our present rural surroundings will become urbanised. Clearly, the government will then have totally failed to protect and enhance the natural environment.

In your fifth paragraph, you state that the 2014-projections are used in the standard method for stability, to improve the historic undersupply and declining affordability and achieve your objective of significantly boosting the supply of homes.

When the standard method was first introduced in July 2018, it was made clear that the latest release of the household projections (at that time, these being the 2014 based projections) should always be used in the formula. It was also explained that the second part of the formula, the affordability factor, was intended to address declining affordability. Then just two months later in September 2018, the release of the 2016 household projections showed a considerable reduction in new household formation with the result that the countrywide summation of the LHN would fall well short of the desired 300,000. The "solution" was to ignore the latest projections and maintain the use of the superseded 2014 projections to provide a better chance of getting to the "right" answer.

We suggest that it is abundantly clear that had the 2016 household projections been at a similar or greater level than the 2014 projections, that the ONS standing advice to always

use the latest release of its data would not have been overridden by the requirement to continue to use the 2014 projections. Don't you agree?

But now, as well as the use of the affordability factor in the standard method, we are expected to believe that the use of the 2014 household projections also help to address historic undersupply and declining affordability. This is an irrational suggestion and we believe is quite disingenuous. Simply to use out of date data because it gives a result that is more attractive to the government makes a mockery of the LHN being based upon sound data. It is clear to all, even those with only a limited understanding of the standard method, that the government requires the sum of the outputs from every planning authority to approximately equal 300,000 and is fully prepared to modify the inputs to the formula to achieve this aim (as was proposed in the now dropped August 2020 Changes to the current planning system consultation).

Citing a different context, the Government has continually stressed that in its dealings with Covid, that it has been following the data. We are very disappointed that for assessing the LHN, the Government is simply casting aside the relevant data.

In your seventh paragraph you state that the housing need is not the housing requirement. We agree that this is in line with the PPG, but consider that PINS are reluctant to accept any local plan with a housing requirement less than the LHN unless a neighbouring authority has agreed to make up the difference. The single exception could be authorities with Green Belt land, but as there is none in Sussex, this potential exception is of no use to those authorities. There are examples of rural authorities in Sussex who have been required to raise their housing requirement by the examining inspector to accommodate the unmet need from an adjacent urban authority, despite large areas of land in that rural authority being protected. Thus, not only is that rural authority expected to meet its LHN by allocating housing largely on the unprotected area, these allocations have to be then further increased under the duty to co-operate.

We are not aware of any rural (non-Green Belt) authority's plan submitted since February 2019 containing a housing requirement less than their LHN has been found sound by PINS. Perhaps you could provide examples of where this has happened?

The proposal to remove the duty to co-operate is potentially welcome, but we reserve our judgement until the detail of its replacement becomes apparent and whether or not it will remain to be the de facto duty to agree that PINS require (although they deny this, their actions indicate the contrary). However, you must recognise that the duty to co-operate really only came to its current prominence with the introduction of the standard method requiring authorities to plan for considerably more units than they ever previously had done. Had this step-change increase not occurred, many more authorities would have been able to find the necessary sites to meet their LHN and not be then required to seek assistance from their neighbours.

We note that the Bill proposes the replacement of the duty to co-operate and this is welcome, but the Bill still has to receive the assent of Parliament and any details of the replacement remain unclear. Therefore, until a satisfactory replacement is in place, the comments above on your seventh paragraph remain extant.

In your eighth paragraph, you state that you are monitoring the effect of the standard method. we can envisage several negative effects of this method such as:

- LPAs being required to plan for a much increased, unsustainable level of development

- LPAs in rural areas having to allocate a large number of unsuitable green field sites for development
- LPAs being at greater risk of failing the housing delivery test
- LPAs being at greater risk of not being able to demonstrate a five-year supply of land
- Even with an up-to-date plan, the LHN is considerably increased through the ludicrous requirement to apply the affordability factor to the adopted housing requirement (which for new plans, their housing requirement will already include a LHN containing the affordability factor).
- As a result of the above, developers are seeking and being granted permission for unsuitable sites by using the presumption
- Developers prioritising the more profitable (normally green field) sites rather than develop and/or build out the allocated sites
- For rural areas, the increase demanded by the standard method is urbanising these rural areas
- The standard method appears to require the reverse of the Levelling up agenda by requiring greatly increase housing numbers in the south-east and lower numbers in the north than was contained in the existing/previous plans

With the standard method now approaching its fourth birthday, we would be interested to understand from your monitoring what effect that you consider the standard method has had and whether the loss of a large amount of green field land to development is what you anticipated and are content with.

In our 3 April 2022 letter, we did mention one of Sir Oliver Letwin's findings from his review. But we did not mention speculative land banking, which for some reason, you have chosen to include in your reply. However, you have not responded to our point that Sir Oliver concluded that the delivery rate depended on market absorption. Having commissioned Sir Oliver to undertake a review, it is noteworthy that the government has not taken any steps to adopt his recommendations to improve the rate of delivery. I would anticipate that Sir Oliver's proposed solution would not gain favour from the developer's and wonder whether this is the reason for it not being taken forward?

Whilst on the subject of Letwin, he acknowledged that "it would not be sensible to attempt to solve the problem of market absorption rates by forcing the major house builders to reduce the prices at which they sell their current, relatively homogenous products." This indicates that an over-supply, leading to an easing of prices being the rationale for the affordability factor, will never happen. But to require authorities to plan for up to 40% more units (the capped level) on that basis that it will address affordability, simply increases the loss of green field sites in the south east.

You mention in your ninth paragraph that an announcement is to be made shortly on the issue of slow build out rates. I note that the subsequent Levelling up Bill contains the requirements for a commencement notice and a completion notice. The underlying theory behind these measures may have some merit, but whether or not they will be effective depends on the detail. For example, will the build-out rate be subject to negotiation or will it be imposed by the planning authority? If it is negotiated, we would anticipate that the build-out rate will be very relaxed as no developer will sign up to a rate restricts their ability to match the market absorption rate. If a rate is to be imposed, then we anticipate that developers will look to the courts for relief.

We are not quite sure of the purpose of your tenth paragraph. We are familiar with the concept and requirements of the 5-year housing land supply and your answer does not

appear to relate to any of the points we raised in our letter. However, we did raise the inequity of a council's 5-year supply being totally dependent on developers building out the permissions that they have been granted and should they fail to do this expeditiously, then a council is faced with the presumption through absolutely no fault of their own. Of course, developers find these rules attractive, but to all others, they do seem to be against the spirit of natural justice. Don't you agree?

You have broadly explained the workings of the presumption in your eleventh paragraph, for which we are already aware, but as we have stated above, the presumption is becoming far more prevalent since the introduction of the standard method because of the large increase in so-called LHN. For most rural authorities in the south-east, this increase is in the order of 40%, which is quite a punitive increase. The government quite rightly drew back from the monstrous requirement contained in the 2020 Changes to the current planning system consultation of removing the 40% cap on the affordability factor, but this does not mean that the standard method has in any way now become acceptable.

You state that the presumption does not lead to an automatic grant of permission, which we accept as applications are required to be determined against the development plan. But the NPPF permits a reduced weighting to be given to restrictive policies in the plan and where a site has no specific levels of protection like AONB, flooding etc. it becomes difficult not to grant permission. Should, however, an authority refuse permission, a developer can and do try again via PINS or then the High Court to find an alternative decision maker who will take a different view from the authority trying to not urbanise its green field areas.

On the final page of your letter, you acknowledge the importance of infrastructure, but don't provide any solution to the impact that the very large increase in standard method driven housing will bring. Developer contributions via CIL or s106 can provide some funding, but this is limited to that that is integral to the operation and physical design of a site. However, this funding is not permitted to address the current large infrastructure deficit or ameliorate the impact of additional residents on the current inadequate infrastructure. This will require additional government funding, which is in very short supply. Thus, the result of the large increase in new residents in the south east arising from the use of the standard method further degrades the current inadequate infrastructure. Existing businesses and residents are now becoming aware of the effect of a large increase in population arising from the use of the standard method will entail and the effect this will have on productivity and efficiency due to their over-stretched infrastructure.

Using Wealden as an example, as a new draft plan is due to be issued any day, the standard method requires a 40% increase in housing stock over the 20-year life of the new plan. Whether it is the current CIL and s106, or the new infrastructure levy or a combination, these contributions will be unable to fund anywhere near an increase of 40% in the current infrastructure in Wealden. Even before the advent of the standard method, the Highway Authority was stating that due to the amount of development then planned, they would be unable to maintain the status-quo in terms of congestion and journey times. Their solution was to require residents to undergo a modal shift. To basically state that road journeys are going to be continually degraded due to ongoing and future development and the "solution" is for residents to avoid car use is a dramatic illustration of the impact of overdevelopment on our surroundings. The government's belief that communities are happy to accept development as long as it is well designed clearly may be relevant in urban areas but does not apply in rural areas who decry the loss of countryside and the degradation of their way of life. In these rural areas, with minimal public transport and roads that are dangerous for pedestrians and cyclists, to expect residents not to use their cars is an anathema (or as one

member of the working group said, “is the Conservative Party now seeking means of an exit from government” whilst a Conservative local councillor considers that the party has a death wish over its pursuit of the standard method).

Unfortunately, the Levelling up Bill is proposing to leave the standard method unchanged. The accompanying Policy Paper is silent on the standard method indicating that it is not the intention to modify the method of establishing the housing “need” in the forthcoming revision to the NPPF. Thus, it appears that the government is content with the standard method. Most rural dwellers have taken a deliberate decision to live in a rural area despite the price premium for so doing, the ensuing transport difficulties and remoteness from everyday services. In short, they like their rural surroundings and have chosen this over the convenience of urban life. Thus, they do not welcome any urbanisation of the countryside and are quite likely to follow the lead of the voters last year in Chesham and Amersham when they are next given the opportunity to decide upon the nature of the government.

One further point with regard to the Levelling up Bill, this reconfirms the wish for a plan-led system. However, due to the excessive housing numbers required from rural authorities by the standard method and the very large increase when compared to historic rates of delivery, authorities are at far greater risk of losing their 5-year land supply and/or fail the Housing Delivery Test whereby planning immediately becomes planning by appeal (or authorities cave-in and grant permission for unsuitable sites). Clearly, the standard method is not conducive to a plan-led system.

Our 3 April 2020 letter contained many questions that were not Wealden specific, but you chose not to answer. This letter raises further questions which may be considered of increased importance now it is apparent that the government, through the Levelling up Bill, has no intention to change the standard method. The members of this working group, the supporting councils and all the people they in Wealden they represent, will be horrified should their new local plan be based on the LHN derived from the standard method. On behalf of all the people these 39 tertiary councils represent, we therefore request that you revisit our 3 April 2020 letter and provide answers to the points raised plus the further points in this letter. We would hope that in preparing these answers, that the full impact of the standard method on rural authorities becomes apparent to you and your officials and you then accept the need to ditch this iniquitous method of establishing the LHN.

We look forward to your reply.



Miranda Dart

Chairman, Laughton Parish Council,

On behalf of the Working Group against Over Development

Mdart.laughtonpc@outlook.com

cc. Rt Hon Nusrat Ghani MP, Rt Hon Maria Caufield, Rt Hon Huw Merriman and Rt Hon Caroline Ansell

Attached is list of town and parish councils in Wealden District who formally support the Working Group against Over Development.

Alciston, Alfriston, Arlington, Berwick, Buxted, Chalvington with Ripe, Chiddingly, Crowborough, Cuckmere Valley, Dane Hill, East Hoathly with Halland, Fletching, Forest Row, Framfield, Frant, Hadlow Down, Hailsham, Hartfield, Heathfield and Waldron, Hellingly, Herstmonceux, Horam, Isfield, Laughton, Little Horsted, Long Man, Maresfield, Mayfield and Five Ashes, Ninfield, Pevensey, Rotherfield, Selmeston, Uckfield, Wadhurst, Warbleton, Wartling, Westham, Willingdon and Jevington, and Withyham.