ASSESSMENT OF HOUSING NEED

IN THE

HASTINGS AND ROTHER HOUSING MARKET AREA

MAY 2012

Hastings Borough Council and Rother District Council

CONTENTS

A. EXECUTIVE SUMMARY

i. This background paper relates the housing targets in the Hastings and Rother planning strategies to an objective assessment of housing need, prepared in accordance with the National Planning Policy Framework (NPPF). It draws together information contained in the evidence base for the two Authorities' planning strategies, notably the Hastings and Rother Strategic Housing Market Assessment (SHMA), the Hastings and Rother Employment Strategy and Land Review, and its Update, the Councils' respective Strategic Housing Land Availability Assessments (SHLAAs) and Annual Monitoring Reports (AMRs).

ii. This work demonstrates that the Councils have taken a strategic view in planning for development across their Local Authority areas, which constitute a single housing market area.

iii. This paper suggests that assessing housing 'need' is not a science, but requires careful weighing of the different considerations, and of their inter-relationship.

iv. The NPPF indicates that critical factors to be taken into account in the context of assessing need are:

- Local need for housing
- Housing demand implied from trend-based household projections
- Housing demand implied from housing market trends
- Housing needed to support economic growth

v. These are considered in turn. A key reference point for the assessment is considered to be the vision that the Councils have, on behalf of their local communities, for their areas. The main priority for Hastings and most if not all of Rother, including Bexhill, is to improve economic conditions for residents. Therefore, particular regard is given to the need to take account of the area's economic vision and potential.

vi. Housing growth can be used to support economic growth not only by helping to enable the development of new employment space, but can also be used to encourage higher skilled people to move to the area and to create opportunities for younger people to remain.

vii. The broad range of housing growth initially put forward, of 250 - 500 dwellings a year, is refined by increasing the lower end of the range in recognition of its contribution to assisting the provision of much needed affordable housing in the housing market area.

viii. The paper concludes that the two respective planning Strategies, which are essentially derived from the South East Plan housing targets (but also take account of further evidence on local supply and infrastructure issues) are compatible with the broad range of housing need, of between 350-500 dwellings/year, considered to represent reasonable parameters within which a house building target for the housing market area should fall.

ix. Finally, brief attention is given to the delivery of development, and the robustness of the Councils' approach in respect of their, albeit limited, reliance on windfall sites. It highlights that there is the potential for windfall development to supplement proposed allocations and/or act as a contingency to help meet housing targets.

B. INTRODUCTION AND PURPOSE

1. This Paper sets out an assessment of housing need across the Hastings and Rother local housing market area, as required by the National Planning Policy Framework (NPPF). This informs the respective planning strategies for Hastings and Rother District.

2. It draws together information contained in the evidence base for the two Authorities' new Local Plans, and should be read in conjunction with the existing Hastings and Rother Strategic Housing Market Assessment (SHMA), the Hastings and Rother Employment Strategy and Land Review, and its Update, the Councils' respective Strategic Housing Land Availability Assessments (SHLAAs) and, for Rother, its 'Housing Provision in Rother District' background paper and the respective Town/Area Studies.

3. This paper can be seen as part of the two Councils established approach to taking a strategic view in planning for development across their Local Authority areas, which constitute a single housing market area. As such, this assessment also contributes to demonstrating the Authorities' co-operation on strategic planning matters, as required under the Localism Act 2011.

4. A particular aim is to provide an objective assessment of housing need for the wider housing market area in the context of the NPPF, and to assess the housing provisions set out in the emerging planning strategies for Hastings and Rother against this, as well as against the still extant South East Plan. The respective national and regional/strategic policy frameworks are outlined below.

5. In the final section which concludes on housing need, regard is also given to supply factors and to the overall delivery of housing development across the area.

C. NATIONAL PLANNING POLICY CONTEXT

6. The main requirements of the NPPF in relation to housing are outlined below.

7. The NPPF's 'core planning principles' at paragraph 17 look for local plans to set *"a positive vision for the future of the area", "finding ways to enhance and improve the places in which people live their lives".*

8. It adds that "*every effort should be made objectively to identify and then meet the housing, business and other development needs of an area*", and to "*take account of market signals, such as land prices and housing affordability"* as well as *"the needs of the residential and business communities".*

9. Overall, the NPPF seeks *"to boost significantly the supply of housing"* and requires Local Planning Authorities (LPAs) specifically to *"use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in this Framework*". (paragraph 47)

10. The NPPF continues to look for an identifiable supply of sites or broad locations for up to 15 years. However, it now also seeks a supply of deliverable sites sufficient to provide for five years' worth of housing *"with an additional buffer of 5% (moved forward from later in the plan period) to ensure choice and competition in the market for land."* Also, this buffer should increase to 20% where there has been persistent under-delivery.

11. At the same time, it now provides some scope to make allowance for windfall sites even in the first 5 years *"if there is compelling evidence that such sites have consistently become available in the local area and will continue to provide a reliable source of supply".* (paragraph 48)

12. In respect of planning for housing, paragraph 159 reaffirms the need for a SHMA for the local housing market area. It also requires LPAs to: *"identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which:*

  - *meets household and population projections, taking account of migration and demographic change*

  - *addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as,* *but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes); and*

- *caters for housing demand and the scale of housing supply necessary to meet this demand"*

13. It is evident that the NPPF maintains the position in the earlier Planning Policy Statement 3 (PPS3) in terms of:

    - Looking at housing market areas as a whole
    - Identifying local needs and demands, including for affordable housing
    - Considering demographic projections
    - Having regard to the capacity to meet need and demand sustainably

14. In addition, the NPPF is explicit in the presumption in favour of sustainable development, and expects local planning authorities to work together to meet development requirements which cannot be met wholly within their own areas (paragraph 179).

15. At the same time, it is clear that housing supply should not be viewed in isolation, but that LPAs should pursue both national and local economic, social and environmental objectives in an integrated way to achieve sustainable development. For example, other 'core principles' require regard to "*conserving and enhancing the natural environment*", as well as heritage assets, and to *"recognising the intrinsic character and beauty of the countryside".*

D. STRATEGIC/REGIONAL PLANNING PERSPECTIVE

16. The provision of housing across the South East has been determined through the South East Plan process. This takes a region-wide perspective on meeting the need for development, including housing. It has regard to the relative economic buoyancy of different parts of the region, as well as to respective environmental constraints and infrastructure factors.

17. Hence, the level of housing identified for each District/Borough includes an element of redistribution between different parts of the region, to reflect these considerations. This distribution was subject to a Sustainability Appraisal/ Strategic Environmental Assessment as part of the process.

18. The South East Plan identifies '*sub-regional housing market areas'* (Diagram H1). Locally, this covers the combined district areas of Hastings and Rother. Hence, this is the most relevant area over which to consider the distribution of sub-regional housing growth.

19. The housing target in the South East Plan for this area over the period 2006 -2026 is:

Hastings -	4,200 dwellings (210 pa)
Rother -	5,600 dwellings (280 pa)
Total -	9,800 dwellings (490 pa)

20. Further consideration of the South East Plan's housing target for Rother is set out in its Background Paper entitled 'Housing provision in Rother District'.

21. It is also noted that the South East Plan identifies a number of sub-regions where particular policies are put forward to address common issues. One of these is the 'Sussex Coast Sub-region', which extends from Rye in the east, through Hastings and Bexhill, and as far as Chichester in the west.

22. This area was identified due its major structural economic weaknesses. Within this area, the over-riding priority is '*sustainable economic growth and regeneration'*, rather than housing growth per se. (Policy SCT1) Hence, the development strategy for the Sussex Coast area is to meet the housing needs arising from the local population and contribute towards meeting wider regional demand. This is seen as supporting regeneration and sustainable growth and to *'create a better balance between jobs and homes'*.

23. Hastings and Bexhill are identified as one of the areas in the sub-region with greatest economic need (policy SCT2). The release of major business sites as part of mixed-use developments to the north-east of Bexhill are identified as being strategically significant in addressing this need. (Policy SCT3)

E. HOUSING NEED

24. This section looks to identify, as objectively as possible, the need for market and affordable housing in the housing market area, in line with paragraphs 47 and 159 of the NPPF. The issue of consistency with other policies of the NPPF is addressed in the concluding section.

25. Four distinct approaches to determining housing need have been identified:

   a) Local need for housing
   b) Housing demand implied from trend-based household projections
   c) Housing demand implied from housing market trends
   d) Housing needed to support economic growth

26. There is considered to be merit in each of these approaches:

   - the first reflects the NPPF requirement to identify the scale of housing that the local population is likely to need, taking account of demographic change (but excluding need that may arise from net in-migration);
   - the second reflects the potential demand from migration movements;
   - the third and fourth respond to the need to take full account of relevant market and economic signals, and
   - the fourth approach also links to supporting sustainable economic development.

27. The findings of each of these approaches are presented in turn below.

28. Local needs are defined as those arising from the local population. Building on the Office for National Statistics (ONS) population forecast data, East Sussex County Council produce population, households, dwellings and workforce projections. The County Council's modelling is based the latest mid-year population estimates and trends for fertility, mortality and migration produced by the ONS. The County Council uses the POPGROUP Model, developed by the Local Government Association (LGA), to produce demographic projections.

29. These local level demographic projections may differ from the ONS and CLG projections, but as the assumptions, notably around household formation, better reflect local demographic circumstances, they are regarded as more reliable than the ONS figures, although there is normally only a limited variation between the results.

a) Local need for housing

30. Without factoring in net migration, the level of household growth in Hastings, based on past trends, is relatively modest, being an increase of 6.7% from 2011 to 2028. Due to the older age structure of Rother's population, its local need alone is negative; that is, all household growth could all be housed in the existing stock without factoring in provision for net in-migration.

Household growth forecasts (zero net migration based) 2011 -2028[1]

	2006	2011	2028	2011-2028
Hastings	38,839	39,896	42,554	2,658
Rother	39,504	40,318	38,223	-2,095
Total	78,343	80,214	80,777	563

31. East Sussex Council converts the zero net migration household figures into dwellings, as below:

Dwelling requirements (zero net migration based) 2011 -2028

	2006	2011	2028	2011-2028	Annual average
Hastings	41,950	43,091	45,962	2,871	169 pa
Rother	43,446	44,341	42,037	-2,304	-136 pa
Total	85,396	87,432	87,999	567	33 pa

32. For Hastings, it can be seen that the "local dwelling need" (169 dwellings pa) is about 80% of the South East Plan allocation to the Borough (i.e. there is a 20% increase to cater for net in-migration).

33. For Rother, this shows that there is actually no need, mathematically, for additional dwellings to meet purely local needs, and that all new housing is, numerically, to provide for net in-migration to the District.

34. Given the current weakness of the local economy, especially in the Hastings area, new housing can also support a local need for economic growth. This is considered further under Section (d) below. It can also contribute to providing affordable housing to meet the needs of people who currently cannot afford their own home. Although house prices are lower than the South East average (although higher in rural Rother), the low wage economy means that the affordability of housing is on a par with

[1] Using ONS 2010 based projections

many areas in the South East. The contribution to affordable housing is discussed in the Conclusions section.

b) Housing demand implied from trend-based household projections

35. The latest (2010 based) household projections, and the County Council's estimates for dwelling requirements[2] that relate to them, are presented below:

Household growth forecasts (trend-based) 2011 -2028

	2006	2011	2028	2011-2028	Annual average
Hastings	38,839	40,104	47,042	6,938	408
Rother	41,369	41,058	50,132	9,074	534
Total	80,208	81,162	97,174	16,012	942

Dwelling requirements (trend based) 2011 -2028

	2006	2011	2028	2011-2028	Annual average
Hastings	41,950	43,316	50,809	7,493	441
Rother	43,446	45,155	55,134	9,979	587
Total	85,369	88,471	105,943	17,472	1,028

36. Clearly, this level of trend-based growth well exceeds what is being planned. Aside from supply constraints, which have a major bearing on this scale of growth, it is noted that there is inevitably considerable uncertainty as to future patterns of migration, due to uncertain financial conditions and the relative economic position of the local area.

37. More detail about the nature of past migration is contained in joint Strategic Housing Market Assessment (SHMA).

38. It is noted that the level of house building implied by the trend-based projections would require an unprecedented rate of house building – more than double that seen in the Hastings and Rother area in the past, as set out in the next section.

[2] The translation of households to dwelling requirements is likely to be on the high side for Hastings, because the modelling cannot take into account the exceptionally high levels of empty homes and steps being taken by Hastings Borough Council to bring these back into use.

c) Housing demand implied from housing market trends

39. Past rates of housing completions have been presented in the SHMA and in the Authorities' respective Annual Monitoring Reports (AMRs).

40. Over the last 20 years (1991-2011) 4,451 net new dwellings have been completed in Hastings; this gives an annual average of 223 units per year. The comparable figure for Rother is 4,892, giving an average of 245 units per year.

41. These house building levels can be compared with the South East Plan targets:

	SE Plan average	20 years average (1991-2011)	Draft local Strategy average
Hastings	210 dwellings pa	223 dwellings pa	200 dwellings pa
Rother	280 dwellings pa	245 dwellings pa	218-241 dwellings pa
Total	490 dwellings pa	468 dwellings pa	418 -441 dwellings pa

42. It is seen that the proposed combined house building rate (draft local strategy average) is 89%-94% of the long term house building rate (20 years average 1991-2011) for the area, i.e. close to and only slightly lower than the long term rate.

Distribution of demand

43. In relation to Rother, it is worth noting the distribution of housing completions relative to planned supply, as it is evident from ward house prices (see Core Strategy Figure 6 and the SHMA) that housing demand is greater in the inland rural areas than in the coastal towns.

44. These differences in house prices are reflected to a degree by the distribution of completions over the last 20 years. The table below shows the split between the coastal area (Hastings and coastal parts of Rother) and inland parts of Rother, and compares this to both the South East Plan and local planning strategy targets:

	SE Plan average	20 years average (1991-2011)	Draft local Strategy average
Sussex Coast[3]	410 dwellings pa	223 +158 381 dwellings pa	350-371 dwellings pa
Inland areas[4]	80 dwellings pa	87 dwellings pa	68-70 dwellings pa
Total	490 dwellings pa	468 dwellings pa	418-441 dwellings pa

45. The table shows that the South East Plan housing target is higher than the long-term house building rate in the Sussex Coast (i.e. covering all of Hastings and Bexhill and Rye), while the planning strategies provide for a level of housing close to the long-terms building rate. In the inland areas, which are wholly an High Weald Area of Outstanding Natural Beauty (AONB), both the South East Plan target and the long-term building rate are higher than is planned, although this may be seen as consistent with the priority to conservation of the AONB.

d) Housing requirements needed to support economic growth

46. As stated in Section C, the priority for Hastings and Rother, at least outside the High Weald Area of Outstanding Natural Beauty, is economic regeneration and growth.

47. The issues around economic improvement, and the development of an employment land strategy for addressing this, are set out in the Councils' joint Employment Strategy and Land Review (ESLR), 2008 and its Update, 2011. Further reference can now also be made to the East Sussex 'Local Economic Assessment'.

48. These studies have highlighted the relatively poor economic health of the area. Housing is seen as both a facilitator of new business sites and an opportunity to provide new housing for an expanded workforce.

49. The ESLR Update identifies (in section 5) the prospect of a forecast labour demand, based on work for SEEDA in 2007, of some additional 10,000 jobs from 2006 to 2028. Again assuming a straight line calculation, this is equivalent to 7,900 jobs over the period 2011-2028.

[3] Hastings, Bexhill, Rye and adjacent villages
[4] Shown in Rother Core Strategy Figure 1

50. More recent workforce forecasts undertaken for the County Council[5] show the increase in employment across the area 2011- 2020 of some 4,944 jobs.

Employment	**2006**	**2011**	**2020**
Hastings	34,019	32,811	35,166
Rother	28,757	29,375	31,964
Total	62,776	62,186	67,130

51. There is inevitably some uncertainty around economic forecasts, more so when looking further ahead and at a district scale. Also, it is noted that while the above are the very latest available (and at least take some account of the recession – whereas earlier forecasts prepared for the South East Plan do not), they were last run 2 years ago and do not fully reflect economic conditions since then. Therefore, in considering the figures given below, they must be viewed as indicative rather than exact.

52. The main point to appreciate with this forecast is that, given the local planning strategies' aim to move towards full employment, get more people into the workforce and reduce the level of net out-commuting (as set out in the ESLR and its Update), the above quantum of labour demand does not translate into a need for additional housing to accommodate growth in the workforce.

53. This is illustrated simply by the fact that there are currently 3,450 JSA claimants in Hastings and 1,520 claimants in Rother, totalling 4,970 people. Hence, on past performance, the forecast growth in labour demand (c 4950 jobs) is only enough to give all the existing workforce jobs before increasing the workforce through new housing. However, it is recognised that this is something of an oversimplification, since the skills, abilities and attributes of those unemployed may not match those required for the new jobs. In reality a greater number of jobs would need to be provided.

54. Of course, there will always be a degree of unemployment, but a greater level of job creation than that forecast is needed in order to enable increased economic activity and reduced out-commuting of the existing workforce.

[5] East Sussex Economic Forecasting Report access via East Sussex County Council, Strategic Economic Development and Skills. Acknowledgement is also given to Cambridge Economics (CE) for the development of the model. East Sussex County Council, CE do not guarantee the quality or accuracy of the model or its results.

55. This difference between jobs need and labour demand is central to the strategic emphasis on economic regeneration by all the relevant local authorities. There have been notable successes in these endeavours in terms of improving skills (including through establishment of the University College Hastings and new Sussex Coast College Hastings) and the creation of new job opportunities locally including through the development of new firms (including at the Innovation Centre, Hastings and at the Media Centre, Robertson Street), as well as well as Saga, as a major employer being attracted to Hastings. Further details regarding new employment space are detailed in the ESLR.

56. While the Councils share a positive view of the future, and are active in realising the potential for economic growth to exceed the expectations based on past performance, they are also realistic and recognise that Governmental support has changed and will continue to change. A significant amount of funding has been directed towards specific matters such as a commitment to the Bexhill Hastings Link Road, and funding such as the new “Growing spaces” to progress office development in Hastings town centre. However there still remains significant need for major investment; - economic regeneration is therefore likely to be a long process.

57. New housing is seen as part of this process, in that it can facilitate business space, notably through mixed-use developments, and provide a choice of homes attractive to economically active households.

58. At the same time, and bearing in mind the above labour demand forecasts, it is viewed as counter-productive to promote a rate of house building that would run well ahead of job growth, contrary to the objective of a better balance between homes and jobs. Indeed, it may be that the limited availability of jobs would either dampen housing demand or encourage more retirement housing (especially in Bexhill) or Houses in Multiple Occupation (HMOs) (especially in central St Leonards). Both of these prospects do not accord with the Councils’ visions in their respective planning strategies.

F. CONCLUSIONS

59. The outcomes of the different approaches is shown below:

Annual average housing requirement

	Hastings	Rother	Hastings/Rother
Local (zero net migration)	171	-154	17
Trend based projection	436	600	1,036
Housing market trends	223	245	468
Trend-based labour demand[6]	0	0	0
South East Plan	210	280	490
Draft local Strategies	200	218-241	418-441

60. The first point to note is the huge contrast in the levels of house building that each assessment suggests, ranging from zero to over 1,000 dwellings/year.

61. This indicates that assessing housing 'need' is not a science, but requires careful weighing of the different considerations, and of their inter-relationship.

62. It is believed that the key reference point for the assessment should be the vision that the Councils have, on behalf of their local communities, for their areas.

63. It is argued that, for Hastings and most if not all of Rother, including Bexhill, the main imperative is to improve economic conditions for its residents. For the rural inland areas of Rother, the priority is more towards meeting local need, which aligns with the AONB designation.

64. However, a zero or very low housing growth would almost certainly frustrate employment development, by not providing the opportunity (by increasing land value) to increase and improve the current stock of business premises. In the same way, housing can also contribute towards the establishment and improvement of key infrastructure and amenities to complement commercial investment.

[6] This purely considers the need for housing to meet the projected labour demand. It does not take account of the potential supporting role of new housing to economic development.

65. However, as stated in the last section, a high rate of housing, such as implied by the trend-based household projections, would be highly unsustainable in economic terms. This recognises that notwithstanding a positive regeneration strategy, both Hastings and Bexhill in particular remain relatively less buoyant. Further details of the condition of the local economy are contained in the Hastings and Rother ESLR update 2011.
.

66. The extent to which housing supply should be promoted to reflect the economic ambitions should perhaps be optimistic, but not unduly so. This suggests a broad range, considered to be of the order of some 250-500 dwellings/year.

67. While this broad scale of housing growth would require the area to be highly effective in growing and attracting a significant number of new jobs, it could be used to encourage higher skilled people to move to the area and to create opportunities for younger people to remain. The latter is especially important in the context of the need for affordable housing.

68. There are currently (March 2012) 2,392 people on the Hastings housing register and 1,991 people on the Rother housing register, expressing a preference for public sector housing. It is notable that these have remained at a persistently high level in both districts. For comparison, the equivalent figures in the SHMA for 2008 were 2,180, and 2,390.

69. It is considered that the affordable housing need provides a justification for increasing the bottom of the range in order to help provide more affordable homes (complementing other methods, including improving the existing housing stock through grants and loans, home ownership initiatives, assisting households to access the private rented sector and bringing empty homes back into use). This may be refined depending on the economic potential to secure new affordable housing from new developments in each of the districts – which is discussed in the respective Affordable Housing Viability Papers.

70. **At this broad level of assessment, a target range of housing to meet local needs, sustainably, is considered to be 350-500 dwellings/year.**

71. It is noted that this range embraces that achieved in the past, assessed over a 20 year period to cover a complete economic cycle (and not to be unduly influenced by current conditions.

72. It is also noted that the South East Plan is consistent with this target range, as are the emerging planning strategies of the two Councils.

73. Further refinement in terms of actual targets in the strategies must also have regard to the capacity for delivering development, which is briefly reviewed overleaf.

Delivery of housing development to meet the assessed need

Hastings

74. The Council's Strategic Housing land Availability Assessment (SHLAA) demonstrates that choices with regard to the location of new housing in Hastings are very limited.

75. Hastings is now getting close to its limits in terms of further outward growth and development. The town's environmental assets, the nationally important Area of Outstanding Natural Beauty to the north and east of the existing built-up area, the internationally important Hastings Cliffs on the eastern boundary, and the network of important greenspaces across the town including Hastings Country Park to the east and Combe Valley Countryside Park to the west, act as restraints to major outward growth.

76. The SHLAA has revealed that there is no potential to meet housing requirements through a strategic greenfield release on the town's urban edges[7]. Instead, future housing requirements will need to be met essentially through urban sites, and again the SHLAA indicates that development opportunities here are limited. The starting point for the Hastings target (3,400) is one based on the amount of development that is already committed (that is, sites already allocated for development or with planning permission), together with some new development opportunities and an allowance for windfall development[8]. The potential for higher density development has also been explored.

77. Past rates of delivery from windfall development have been strong, and based on research we expect it to remain so. However, in line with earlier guidance, no allowance for windfall development has been included in the first 10 years of the Plan period. The implications of windfall sites coming forward in earlier years of the Plan, which is expected in reality, is considered alongside figures for Rother below.

---

[7] http://www.hastings.gov.uk/meetings/meetings_docs/100301~cabinet~report06~Hastings_Local_Development_Framework_-_Strategic_Housing_Options.htm

[8] Windfall sites are those which have not been specifically identified as available for development

Rother

78. Consideration of an appropriate scale of development, taking account of supply and well as 'drivers' for development is set out in the Council's 'Housing Provision in Rother District' paper, supplemented by 'Town Studies' for Bexhill, Battle and Rye, as well as a 'Rural Areas Study'.

79. The Council's SHLAA demonstrates that there is the potential to meet the Core Strategy commitments (albeit that further work is needed on both suitability and deliverability), and the Council is currently working with the relevant Town/Parish Councils to identify suitable sites in the market towns and villages.

80. In Bexhill, one strategic site is identified as being critical to the strategy. This is to the north east of the town and is planned to accommodate some 1,300 homes as well as over 50,000sqm of business floorspace. Delivery of this has been dependent upon the construction of the Bexhill Hastings Link Road, but now this has funding approval, this risk to achieving the house- building target is removed.

81. The fact that the Core Strategy promotes relatively limited development in the Area of Outstanding Natural Beauty, and maintains the existing settlement pattern, should avoid issues of fundamental incompatibility with the primary objectives of designation and the national policy expectation that the conservation of such areas should be given "great weight".

82. The Council's housing target is calculated in a similar way to Hastings, with allowance for windfall sites, but only in the last five years of the plan. Further consideration of the degree of reliance on windfall sites in terms of delivery of the strategies for both areas is given below.

Windfall sites

83. As stated above, the Councils both take a cautionary approach to windfall sites in setting their housing targets. Neither Council makes any allowance for 'large' windfall sites (i.e. of 6 or more dwellings) on the basis that they have assessed the potential for such sites to come forward through their SHLAAs, and would anticipate allocating sites of this size in their site plans.

84. Past evidence indicates that other larger sites can still come forward, but their occurrence is not predictable. Any such sites would still become part of the identified supply when they gain planning permission.

85. Both Councils take account of small windfall sites – those of only 5 or less dwellings – but only for the last five years of their plan period following adoption (i.e. 2023/24 – 27/28).

86. Information on past developments on both large and small sites is contained in the Councils' Annual Monitoring Report, and, in Rother's case, it its Housing Provision paper.

87. The table below shows the contribution that small windfall sites could make to overall supply in earlier years. It is noted that, for Rother a reducing rate of occurrence is assumed, for Hastings a reduced rate of windfall delivery has been assumed from the outset. Also, the figures do not make any allowance at all for new housing on garden land.

	Years following Adoption		
	0-5	**5-10**	**10-15**
Hastings	80+	200+	200+
Rother	116*	235**	225***
Total	196	435	425

* Based on small site completion average 2006 - 2011 excluding completions on garden land of 291dwellings x 2 years, (i.e. taking account of extant permissions with pp for up to 3 years)
** Based on 80% of past five years windfall sites rate excluding garden land
*** Based on rate of small site windfalls at 50% of rate over period 2000 – 2010
+ Based on small site completion average 2006 - 2011 discounted by 1/3 and also excluding completions on garden land

88. It can be seen that the contribution of a small sites windfall allowance in the last five years only equates to only a small proportion 425 of the 7,100-7,500 dwellings planned across the housing market area.

89. It can also be seen that there is a prospect of some 196 in 2013/14 – 17/18) and 435 dwellings in 2018/19 - 22/23 from windfall developments on small sites alone. This potential additional supply can be seen as either increasing the total amount of house building, and hence bring it closer to the South East Plan, and/or as a contingency if allocated sited do not come forward as planned for any reason.

Nature and timing of supply

90. The anticipated timing of housing delivery is continually assessed as part of the Councils AMRs. Subject to the construction of the Link Road, there are no major infrastructure factors that impact on delivery. Nevertheless, it

is anticipated that the economic recession, combined with the on-going improvement in local economic performance, will mean that house-building rates are likely to increase over time.

91. The types of housing provided, including affordable housing, in both Council areas have been guided by a shared evidence base and are therefore considered to be complementary.