

East Devon District Council Response to Housing Questions (Numbers 1 to 4) - June 2015

This Paper provides a response to questions 1 to 4 set by the Inspector. Tabled below is the full set of new evidence and supporting documents submitted to the Inspector and available on the Council web site. Key documents are referred to in response to the questions.

| Ref No | Title | Lead Author | Date | Web Link |
|------------|--|-----------------------------|------------|---|
| PSD 2015 a | Tracked Changes draft of the Local Plan | East Devon District Council | March 2015 | http://eastdevon.gov.uk/media/1060693/PSD2015a-Local-Plan-Tracked-Changes-Consultation-Apr-2015.pdf |
| PSD 2015 b | Summary schedule of Plan Changes | East Devon District Council | March 2015 | http://eastdevon.gov.uk/media/1060696/PSD2015b-Table-of-Changes-to-Local-Plan-Final-Version.pdf |
| PSD 2015 c | Report and Minutes to Council Committees | East Devon District Council | March 2015 | http://eastdevon.gov.uk/media/1059802/DMC230315andCouncil260315.pdf |
| PSD 2015 d | Strategic Housing Market Assessment (SHMA) | David Couttie Associates | 2015 | http://eastdevon.gov.uk/media/996504/Exeter-SHMA-Final-Report-16-03-15.pdf |
| PSD 2015 e | Employment Projections report for East Devon | Ash Futures | Feb 2015 | http://eastdevon.gov.uk/media/996504/Exeter-SHMA-Final-Report-16-03-15.pdf |
| PSD 2015 f | East Devon 'Policy-on' Demographics Report | Edge Analytics | Feb 2015 | http://eastdevon.gov.uk/media/962208/Edge-Analytics-Ltd-Policy-on-Housing-Figures.pdf |
| PSD 2015 g | Housing Monitoring Update Report to 30 Sept 2014 | East Devon District Council | March 2015 | http://eastdevon.gov.uk/media/990740/Housing-monitoring-update-to-30-Sept-2014-ver02.pdf |
| PSD 2015 h | Employment Land Review 2013-2014 | East Devon District Council | July 2014 | http://eastdevon.gov.uk/media/990761/Employment-Land-Review-2014.pdf |
| PSD 2015 i | Small Towns and Villages Development Suitability Assessment 2014 | East Devon District Council | Sept 2014 | http://eastdevon.gov.uk/media/990902/Small-Town-and-Village-Assessment-2014.pdf |

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|------------------|--|--|---------------|---|
| PSD 2015 j | Sustainability Appraisal Addendum for East Devon's Local Plan Additional Options | LUC | Feb 2015 | http://eastdevon.gov.uk/media/990764/SA-Addendum-for-Additional-Options-Feb-2015.pdf |
| PSD 2015 k | Habitat Regulations Assessment of the Exmouth Town Centre and Seafront Masterplan | Footprint Ecology | June 2014 | http://eastdevon.gov.uk/media/990743/Exmouth-Masterplan-HRA-2-6-14-final-report.pdf |
| PSD 2015 l | Draft Economic Development Strategy for Cranbrook | Ash Futures | 2015 | http://eastdevon.gov.uk/media/990961/Cranbrook-Econ-Devt-Strat-draft-Doc-2015.pdf |
| PSD 2015 m | Joint duty to cooperate update statement on cross boundary issues at Uplyme/Lyme Regis | East Devon District Council and West Dorset District Council | Nov 2014 | http://eastdevon.gov.uk/media/999097/West-Dorset-and-East-Devon-Final-141118.pdf |
| PSD 2015 n | River Axe SSSI/SAC Diffuse Water Pollution Plan | Environment Agency and Natural England | Dec 2014 | http://eastdevon.gov.uk/media/1015926/Axe-DWP-Plan-post-QA-final-10-02-15.pdf |
| PSD 2015 o | Devon Partnership Gypsy and Traveller Accommodation Assessment 2015 | RRR Consultancy Ltd | 2015 | http://eastdevon.gov.uk/media/1072089/PSD2015o-DevonPartnership2015GTAA-Final-Report.pdf |
| PSD 2015 p | East Devon Local Plan: Proposed Changes Sustainability Appraisal Addendum | LUC | April 2015 | http://eastdevon.gov.uk/media/1059184/SA-Addendum-for-Proposed-Changes.pdf |
| PSD 2015 q | East Devon Local Plan - Schedule of Local Plan Land Allocations | East Devon District Council | April 2015 | http://eastdevon.gov.uk/media/1060702/PSD2015q-Status-of-allocation-sites-in-the-plan.pdf |

1. *The National Planning Policy Framework (NPPF) advises that Local Plans should 'be drawn up over an appropriate time scale, preferably a 15-year time horizon'. It is proposed that the Plan period change from 2006 to 2026 to 2013 to 2031.*

a) *Is the proposed change appropriate and is it supported by the new evidence produced by the Council?*

Local Plan start and end dates

1a.1 The changed start and end dates of the local plan are appropriate as they ensure that the plan will be forward-looking to cover 15 plus years and will start from the evidence based point in time. The starting date will align with key new evidence documents:

- PSD2015d - Strategic Housing Market Assessment
- PSD2015e - Employment Projections report for East Devon
- PSD2015f - East Devon 'Policy-on' Demographics Report

National Planning Policy Framework (NPPF) and the 15 year time horizon

1a.2 Whilst it is noted that it is not an absolute requirement of the NPPF that plans cover a 15 year time horizon it is seen as desirable. In changing the plan end date to 2031 it ensures that with plan adoption in either 2015 or early 2016 there will be a forward-looking 16 or 15 year period to 2031. This will put the plan into alignment with best practice.

1a.3 The new SHMA work has a start date of 2013 and it, alongside related studies, establishes a forward-looking housing requirement from this point in time. It is appropriate, therefore, to adjust the start date of the plan to this up to date point in time and in so doing align with the most up to date evidence. It should be noted that with a former start date of 2006 the plan, in previous drafts, was aligned with the start date of the South West Regional Spatial Strategy (RSS). The RSS was, however, never adopted and the Government that came into power in 2010 swiftly moved to abolish it. The previous 2006 start date was therefore arbitrary; the RSS has no policy relevance and a very dated evidence base.

b) *What are the implications, if any, of changing the start date from 2006 to 2013 on meeting any un met need for housing?*

New SHMA evidence on housing need

1b.1 The key point about producing a new SHMA is that it forms the starting point for establishing forward-looking need. In respect of the detailed modeling that was undertaken for the Exeter Housing Market Area and the East Devon 'policy-on' scenario it is not relevant to look backwards, (other than in respect of affordable housing), when considering future housing requirements. The nature of the modelling process is such that there is no un-met need component at the start of the projection period because all people and households are accounted for within the overall starting point data. It is what happens to the people and therefore households, looking forward, that is the critical consideration. Therefore the future need for housing, as modelled through the SHMA and policy-on modelling work, will capture the requirements for all when looking forward.

Past housing provision

1b.2 Notwithstanding the issue of there not being un-met past need the SHMA, at Table 9-4, specifically considers the issue of housing provision from 2006 to 2013. Planning Practice Guidance at: <http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/methodology-assessing-housing-need/>

in Paragraph 19 advises in respect of Market Signals - Rates of Development - that:

“If the historic rate of development shows that actual supply falls below planned supply, future supply should be increased to reflect the likelihood of under-delivery of a plan.”

1b.3 Whilst there is no 'planned supply' level to look to the SHMA compares supply against a retrospective application of the forward-looking trend based average housing requirements generated by the SHMA work (average of 2008 and 2011 outputs). This generates a retrospective indicator level (not a planned level) of 584 dwellings per year. In respect of past house building the SHMA advises:

“9.6.10 The inability to deliver to target has been due to the effect of the economic conditions on housing market demand as opposed to a problem of supply.”

9.6.11 The scale of development fairly reflects the market demand for new homes over this period, highlighted in the increasing level of completions in the last year as the economy recovers and government initiatives have improved access for new forming households.

9.6.12 Comparison of house price increases to the rates of increase in the region and nationally shows that the divergence is slight and there is therefore only limited evidence to suggest previous planning policies have constrained the housing market and that any upward revision to housing need projections is justified.”

- 1b.4 The SHMA is therefore highlighting that past levels of supply have been a product of low demand/low building aspirations by the development industry. Low demand is not surprising given that Britain was in deep recession in the recent past. In respect of potential for development it should be noted, for example, that by 2006 adopted planning policy in both the Devon Structure Plan and the East Devon Local Plan provided for development of Cranbrook (by far and away the biggest housing site in East Devon). Developer intent to build at Cranbrook existed well before this date and policy compliant development could have come forward under Structure Plan policy adopted in 1999.
- 1b.5 It is relevant to note, as well, that the Devon Structure Plan had a total planning policy target across the 15 years of 2001 to 2016 of 8,450 dwellings; an average of 563 per year (i.e. lower than retrospective trend based figures). Of the 563 annual total 235 per year would, under policy, have been ‘at the Exeter PUA’ (the equivalent of the West End) and 330 elsewhere in the District.
- 1b.6 The 563 Structure Plan policy figure (and explicitly 253 PUA element) was a figure that was specifically and explicitly arrived at through Structure Plan choices about where to accommodate new housing development to meet the needs for a ‘greater Exeter area’ (i.e. across parts of a number of local authorities) rather than just East Devon. Under current planning guidance provision for housing across District boundaries, and notably accommodating one planning authorities housing needs in another authority area, is invoked through cross-boundary agreement. An objectively defined East Devon housing need figure, in/for past years, would therefore have been lower than past Structure Plan requirements.

Past economic performance

1b.7 In respect of further understanding issues of past need, especially in comparison with future projected provision under a jobs led agenda, it is relevant to look at housing need to support workers. Accelerated future housing growth in East Devon is responding to a projected substantial increase in job numbers, future housing growth is driven by the need to provide sufficient dwellings to provide homes for future workers. This future position accords with the NPPF wishes to see more houses built in the future than were built in the past. But in contrast to future job projections justifying higher housing numbers it is relevant to also look back at past economic performance.

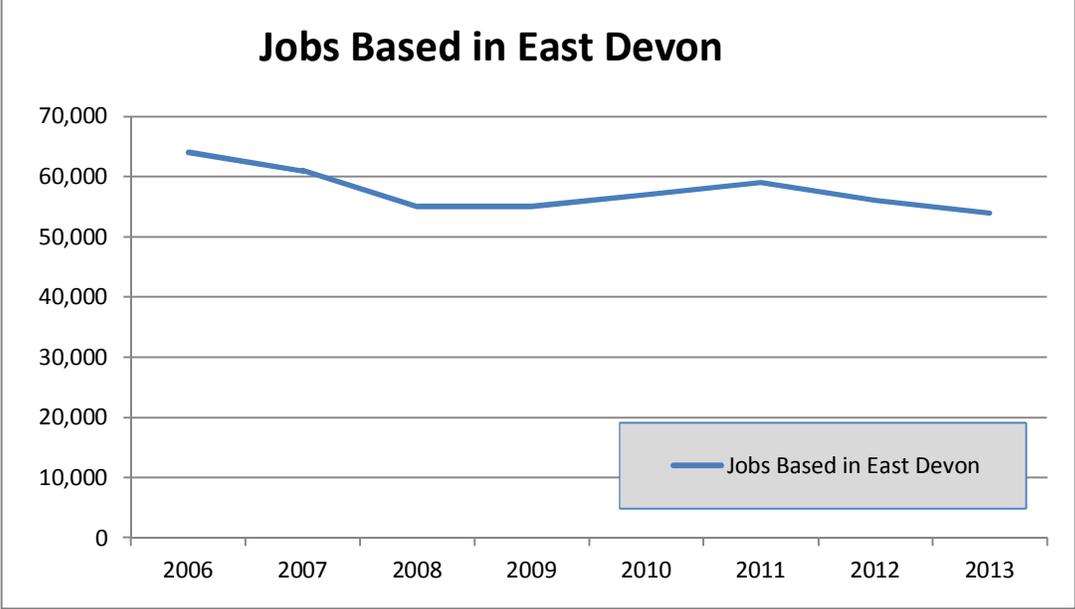
1b.8 In order to understand more about past job levels (and to see if past levels and changes might have pointed to higher house building levels) the authoritative data to look at is set out on the Office for National Statistics (NOMIS) web site. See:
<https://www.nomisweb.co.uk/reports/lmp/la/1946157358/report.aspx?#tabjobs>
 The table below shows Office for National Statistics - NOMIS data on past job levels in East Devon since 2006.

| Year | Jobs Based in East Devon |
|------|--------------------------|
| 2006 | 64,000 |
| 2007 | 61,000 |
| 2008 | 55,000 |
| 2009 | 55,000 |
| 2010 | 57,000 |
| 2011 | 59,000 |
| 2012 | 56,000 |
| 2013 | 54,000 |

Nomis advise; The total number of jobs is a workplace-based measure and comprises employee jobs, self-employed, government-supported trainees and HM Forces.

1b.9 This data, in graphical form, is set out below/over. The critical issue about the above table and the graph is that they illustrate that over recent years total job numbers in East Devon have seen a clear pattern of decline from 2006 to 2013. There was not, therefore, past job growth to have justified higher house building rates. To align with recorded past declining job numbers, past house building rates should have been much lower than previous policy targets or current future trend projections (theoretically they could have been negatives). The future trend based housing projections generate a future work force sufficient to support an additional (plus) 146 net new jobs per year. But the

past workforce did not grow at this rate, quite the opposite, it declined (it fell) at a far higher rate. Retrospective application of trend projections, measured against declining job numbers, would have generated an over-provision of housing in respect of seeking to align homes with jobs.



1b.10 Past unemployment data, from Office for National Statistics (NOMIS), see: https://www.nomisweb.co.uk/reports/lmp/la/1946157358/subreports/ea_time_series/report.aspx?

also demonstrates the case of there being available residents workers but not the jobs. Over recent years, and especially around the turn of the decade, there were increasing numbers (and percentages) of unemployed people available for work to fill jobs; a decline in working people was not linked to unavailability of workforce. The table below shows unemployment numbers and rates in East Devon expressed as rolling averages (it should, as well, be noted that some people that are **not** working may want to work but they are not recorded as unemployed).

| Rolling Year | Unemployed in East Devon | % Unemployment |
|--------------|--------------------------|----------------|
| 2004/05 | 1,575 | 2.7 |
| 2005/06 | 1,725 | 3.1 |
| 2006/07 | 1,775 | 2.8 |
| 2007/08 | 1,900 | 2.9 |
| 2008/09 | 2,175 | 3.6 |
| 2009/10 | 2,475 | 4.1 |
| 2010/11 | 3,000 | 5.1 |
| 2011/12 | 2,975 | 5.0 |
| 2012/13 | 2,225 | 3.7 |
| 2013/14 | 2,075 | 3.5 |

1b.11 The availability of people to do work is also underpinned by economically active population levels, from Office for National Statistics (NOMIS), see: https://www.nomisweb.co.uk/reports/lmp/la/1946157358/subreports/ea_time_series/report.aspx

| Rolling Year | Economically Active | Economically Active as % of 16 to 64 year olds |
|--------------|---------------------|--|
| 2004/05 | 58,650 | 77.2 |
| 2005/06 | 56,300 | 75.3 |
| 2006/07 | 62,950 | 80.0 |
| 2007/08 | 64,950 | 81.3 |
| 2008/09 | 61,450 | 80.2 |
| 2009/10 | 61,525 | 78.4 |
| 2010/11 | 59,475 | 73.9 |
| 2011/12 | 60,075 | 76.1 |
| 2012/13 | 60,325 | 79.0 |
| 2013/14 | 59,750 | 79.2 |

1b.12 The declining percentage of economically active persons in East Devon, notably from the boom years of the middle/latter part of the last decade to the early years of this decade, reflects the fact that some working age people (in the 16 to 64 age group) will have left employment/lost jobs and not been able to secure new jobs and in some cases jobs that may have be available are insufficiently attractive to encourage people to take them. It is relevant to note that economic activity rates were at their lowest at around 2011.

1b.13 The clear conclusion is that past economic performance and past jobs data does not support a case that more houses should have been built in the past. The housing market was not performing well in past years and past market signals do not indicate that more houses should have been built. What was built, or more precisely not built, was a product of low levels of consumer

demand for housing; with a failing economy and with people leaving the workforce it would be expected that consumer demand would fall. Because demand for housing in the past was low is not a reason to increase supply in the future.

Future house building

1b.14 Looking into the future the house building projections for East Devon show a marked increase in delivery over the years ahead. The graph on page 38 of the tracked change draft of the plan (April 2015) clearly shows the very substantial projected house building rates, across the lifespan of the local plan, but particularly over the next ten years. Within a ten year timeframe the next two plan reviews/new plans could well have been completed.

1b.15 In looking at past housing provision matters it is useful to look at experiences elsewhere. As part of the Examination of the Amber Valley Local Plan Part 1 Core Strategy, in a letter dated 12 May 2014, see:
<http://opengov.ambervalley.gov.uk/docarc/docviewer.aspx?docguid=5325f3d1fe374be9834a25589720abfa>
the Inspector's commented:

"I have considered the views expressed about requiring further additions to the supply to make up for the deficit in house-building which occurred in 2008-11. However, in my view the Strategic Market Assessment (SHMA), subject to the sensitivity testing undertaken in March 2014, can be considered an adequate base point for capturing and then projecting forward the overall needs existing at around the time of the 2011 Census. Although the census may have reflected an element of suppressed household formation resulting from the economic downturn, the sensitivity tests allow for a phased return to less suppressed levels.

The land requirement summarised above includes an allowance to enable the shortfall in 2011-14 to be made up by 2018/19, in accordance with national PPG as well as a 20% buffer for persistent under-delivery in accordance with the NPPF. Provision on that scale should ensure that land supply in Amber Valley would not be a constraining factor preventing either the significant boost to house-building sought by the NPPF or the potential for increased household formation.

I conclude that no further addition to the above supply is necessary to compensate for deficits in 2008-11 against the former Regional Spatial Strategy. Although those years were nominally the first 3 of the plan I

am not convinced that any other aspects of the strategy, such as its retail and employment land policies, would be undermined or made unsound in any identifiably material way by rebasing the housing provision from 2011. In any case, alongside the content of the core strategy major retail proposals often require the preparation of impact studies based on data current at the time, while the detailed review of employment land allocations has been delegated to the forthcoming part 2 plan so any necessary revisiting of the broad-brush data behind the Employment Land Review could be undertaken in that context.

By the time of its adoption the plan's forward view would be less than the 'preferably 15-year time horizon' indicated in the NPPF. However, I do not consider it essential to lengthen the plan's time horizon at this point in the process since monitoring of the plan is bound to point to the need for its review well within its period to take account of housing outputs and future household projections and to provide a firm basis for rolling forward the 5-year supply."

- 1b.16 The Amber Valley case parallels considerations in East Devon in respect of both past supply and also basing plan provision around the starting date of new evidence, a new SHMA.

2. ***According to National Planning Practice Guidance (PPG), the starting point when assessing need should be the household projections published by the Department for Communities and Local Government. The latest projections (2012 – 2037) were published in February 2015. The authors of the 2014/15 Strategic Housing Market Assessment (SHMA) admit that the latest projections were not used as they came too late to inform the assessment and that the estimates of need in the SHMA may be higher than would be case had the 2012 based rates been used¹.***
 1. ***Do the SHMA, the Employment Projections Report and the East Devon Demographic Scenario ‘Policy on’ Report provide robust and reliable evidence to support the revised housing target of a minimum of 17,100 new homes between 2013 and 2031?***

Overall Approach to Housing Provision

- 2a.1 The careful, thorough and detailed work that has gone in to the SHMA and associated documents has ensured that the Council has a robust evidence base to determine appropriate housing numbers. Drawing from Planning Practice Guidance, specifically in respect of the section of guidance on **‘Housing and economic development needs assessments’** the key stages in establishing an objectively assessed future housing requirement for East Devon are:
- Assessing household projections (para 015);
 - Employment trend assessment (para 18); and
 - Market signal adjustment (para 19).

Household projections

- 2a.2 The overall SHMA report (see Appendix vi – Exeter HMA Local Modelling Report) sets out a fully reasoned and robust trend based assessment of future needs factoring in specific considerations relevant to the HMA area.

Market signals

- 2a.3 Section 9 of the SHMA report explicitly looks at market signals and the bullet pointed sections in Paragraph 19 of the Planning Practice Guidance. Measured against the paragraph 19 ‘tests’ the SHMA report does not set out grounds to increase housing provision in response to market signal considerations. It is, therefore, not appropriate to increase the East Devon housing requirement figure against this consideration.

The jobs led agenda

2a.4 In East Devon it is recognised that there is a jobs led agenda that will impact on requirements for additional housing. The critical reports used in determining the jobs led extra housing needs for East Devon are those produced by:

- Ash futures (PSD2015e) and
- Edge Analytics (PSD2015f).

2a.5 Taken from the work by Ash Futures there is an annual average projected increase in jobs in the District that averages out an extra 549 net new jobs per year. Our interpretation from the Ash Futures work, informed by clear aspirations for economic growth, is that there are projected to be:

- a) 309 extra East Devon jobs per year as a product of trend based growth;
and
- b) in addition to these are an average of 240 net extra jobs per year as a product of strategic 'policy-on' jobs at the West End

2a.6 A significant part of this growth (see table 7 of the Ash futures work for a summary) is a product of the Growth Point agenda and East Devon and partners promotion of this, and its major employment site provision.

2a.7 The Ash Futures work, and specifically our interpretation in respect of future policy making, takes a positive (higher level) view of future job growth. The assumption is that from trend based growth the Experian, rather than the lower Office for Budget Responsibility projections, are the appropriate ones to use. The assumption in respect of the 'policy-on' work is that Skypark, the Science Park and the Inter-modal will be fully occupied over the 2013 to 2033 period. The hope and expectation is that these levels of job growth will occur, though it is more likely to be a slow build up of jobs in early years with a more accelerated pattern in later years. Over the April 2013 to March 2015 period the following gross full time equivalent new job numbers are estimated to exist:

- Intermodal site has seen zero jobs,
- Skypark around 40 jobs that are the relocation of jobs from Exeter to a new ambulance command centre; and
- Science Park under 100 new jobs - some relocated from Exeter and around 60 from the relocation of Blur group into East Devon from London.

There has, therefore, been an estimated 60 net new jobs over two years from 2013 to 2015, an average of 30 per year (compared against an annual average expectation of 240). Prior to 2013 the job figures for all these sites was zero.

- 2a.8 Positive planning indicates that taking an optimistic view of growth is appropriate; but in real world terms it is recognized that the full growth levels planned may not occur in the time frame of the local plan.

Net in-migration of workers to fill jobs

- 2a.9 The Edge Analytics work translates the overall job growth into a future housing requirement (PSD2015f). This work uses POPGROUP modeling to establish the number of dwellings that are needed to house the work force required to fill the projected additional jobs. Where the trend based working age population is insufficient to fill available jobs the modelling ‘imports’ additional people into East Devon in order to increase the population. In reality, the projected additional jobs will be filled by some extra people moving into East Devon from elsewhere and some people who are already resident in East Devon not leaving who would have otherwise left the District to find work.

- 2a.10 The modelling ‘imports’ the extra people to a point at which there is a sufficient workforce to fill the jobs. The ‘importing’ is done on the basis of applying existing migration patterns to raise population levels. An implication of this is that the modelling is, therefore, ‘importing’ in some people that will be retired or otherwise not economically active as part of the additional population needed to fill jobs. An assumption is that there will actually be people that are available and will want to move to East Devon to take jobs, if the UK economy as a whole expands this cannot be guaranteed as other areas may be equally or more appealing.

Use of consistent assumptions in the East Devon ‘Policy-on’ modeling and the wider Exeter HMA modelling

- 2a.11 The overall HMA modeling applies assumptions around economic activity levels, unemployment rates and commuting ratios. In the specific policy-on modeling for East Devon it was chosen not to recalibrate these assumptions in order to:
- a) ensure that there was statistical compatibility between the overarching work and the specific East Devon work; and
 - b) generate outcomes or changes from East Devon modeling that would result in impacts or implications on other authorities that might,

therefore, contradict or render the overall SHMA modeling for their area as invalid.

Commentary on the assumptions used is detailed below and referred to in Paragraph 4.4, through to 4.7, of the Policy-on report from Edge Analytics. To not recalibrate, or sensitivity test, clearly means that we were being cautious in approach and as such housing requirement outputs generated can be seen to be at a higher rather than lower level.

Economic activity rates

2a.12 Economic activity rates fluctuate over time, see data in response to Question 1, in more buoyant times economic activity rates increase. Edge Analytics modelling assumes that the economic activity rates increase for males and females 60-69 over the 2011-2020 period. However, under a job growth agenda, especially with an expectation of better jobs, it could be expected that economic activity rates amongst the already resident population in general (and also among in-migrants) may go up as might rates specifically for the over 60s/65s. Increasing economic activity rates would result in need for lower net in-migration of workers, and therefore lower housing needs. At the time of the 2011 census, the base date data source of the modeling, economic activity rates were low.

Unemployment rates

2a.13 Unemployment rates also fluctuate over time and under a high jobs growth agenda it could be expected that unemployment rates would fall. If there were lower unemployment rates it would also reduce pressure/need for in-migration with the already resident population taking more jobs.

Commuting patterns and numbers

2a.14 The issue of commuting is of particular importance in respect of calculating the future housing number. The modeling assumes that net patterns of commuting recorded at the 2011 Census will continue into the future. With an East Devon commuting ratio of 1.11 the modeling works on the basis that for each 1.00 job to provide housing for in East Devon there will need to be sufficient new housing to provide for the 1.00 job factor plus an extra 0.11 factor (or an 11% factor worth of housing). The extra factor provides homes for extra workers that will live in East Devon but will commute out of the District to work in other local authority areas. In contrast, in Exeter, with a pattern of net in-commuting and a ratio of 0.69 the modeling works in reverse, it assumes that for every job created in the city boundary the city will provide

for 69% worth of housing with the remaining 31% being provided for elsewhere to reflect net in-commuting patterns into the City.

2a.15 Applying consistent commuting ratios, when looking at future jobs, is robust where stable/consistent patterns of job creation are projected. But given that East Devon has a ‘policy-on’ jobs growth agenda that is not replicated in other authorities SHMA work, it could be expected that over time commuting ratio’s will change. Ease of access by residents of other local authorities to the West End of East Devon is illustrated by the map below/over that is taken from the Exeter Airport Masterplan.



Source:
http://www.exeter-airport.co.uk/assets/AIRPORT_DOCS/Master_Plan/06%20Forecasts.pdf

2a.16 The map shows that anyone living in any part of the Exeter HMA would be within a 45 minute drive time of the West End sites. This 45 minute drive time isochrone also covers most of Devon as well as large parts of Somerset. A 45 minute drive to work would be considered quite reasonable and acceptable to many workers. In reality many commuters accept a commute that is longer than 45 minutes, especially if they are travelling to a high quality job. There is also a large catchment population, outside of East Devon, that would have a much lower than 45 minute drive. These include many Exeter and Teignbridge residents and it is highlighted that Mid Devon, in their Local plan

review, are proposing 3,000 new homes at Cullompton. This is especially significant noting the ease of car travel from Cullompton to the strategic employment sites in the West End, for example a drive time of 11 minutes from the M5 Junction 28 at Cullompton (very close to the major allocation) to the Science Park.

2a.17 Further to the above, and taking the commuting ratio data as a whole, and with the East Devon 'Policy-on' jobs assumption built in, the overall SHMA modelling assumes a greater out-migration of workers from East Devon to elsewhere (this primarily means Exeter), to fill jobs, than the overall SHMA modelling assumes will need to be imported in to other local authorities to fill jobs.

2a.18 Overall, therefore, it can be seen that the Edge Analytics modeling provides a logical and reasoned assessment of future housing provision albeit erring on the higher rather than lower side of provision.

c) If, as the SHMA says, the 2012 projections may have led to a lower estimate of need does this matter given that the NPPF seeks to boost the supply of housing and provided the level growth can be satisfactorily accommodated?

2c.1 The housing provision in the local plan uses as a starting point trend based population and household projections. However, and much more importantly, the Objectively Assessed Need for housing, and therefore local plan provision, is a product of ensuring that new home provision is in alignment with projected job provision. The plan seeks to ensure that there are sufficient dwellings to house the workers that will be needed to fill the jobs that can be expected to be generated in East Devon.

2c.2 By aligning housing provision with job provision the local plan moves far beyond the use of trend based data and therefore it is not specifically relevant that 2012 trend outputs may differ from those from earlier years.

3. ***As submitted Strategy 1 directs about 50% of new homes to the West End, 40% to the seven main towns and 10% to smaller towns and villages. Those percentages are proposed to be deleted and according to the figures in the revised Strategy 2, the distribution would be as follows: West End, 64%, Area centres, 29% and 7% to villages and the rural area. Does this distribution meet objectively assessed needs, particularly in the smaller towns, villages and the rural areas?***

Objectively Assessed Housing Needs Requirement in East Devon

- 3.1 The SHMA and related work establishes a district wide housing provision level. The overall SHMA area crosses local authority boundaries centered on and around the City of Exeter. The SHMA work, complemented in East Devon by additional 'policy-on' job growth work, establishes an East Devon District wide assessment of housing need. By clear design and intent the over-arching SHMA report does not explicitly seek to look below a smaller geographical scale than East Devon only.
- 3.2 The Planning Advisory Service, at:
<http://www.pas.gov.uk/documents/332612/6363137/Objectively+Assessed+Need+and+Housing+Targets/f22edcc2-32cf-47f1-8e4a-daf50e4412f7>
published technical guidance on Objectively Assessed Need and Housing Targets in June 2014. This establishes, in Section 4, a logic for extending overall assessment across a number of full local authority areas and at 4.11 advises against cutting through local authorities. The guidance does not make recommendations on determining needs within separate parts or areas of local authorities. This is seen as best and most appropriately determined at the District wide level and through the policy making process.

Overview of Distribution Strategy in the Local Plan

- 3.3 The report to the Development Management Committee of this Council on 23 March 2015 (PSD2015c) sets out in section 7 summary details of the underlying reasoning behind the strategy for the distribution of development. At paragraph 7.1 it advises:

"In considering additional sites as residential allocations it is appropriate to look at the hierarchy of settlements/distribution in the plan, this is based on:

- ***Substantial development at the West End*** - specifically including Cranbrook, to reflect the wider growth agenda in the area, especially new jobs and the desire to co-locate jobs and housing.

- **Larger scale growth at East Devon’s main Towns** – with their wide range of services and facilities the towns of East Devon make a logical focal point for new housing development, but it is recognised that they do also have constraints on development.
- **Smaller scale development at Villages** – the villages of East Devon (and the small town of Colyton) are seen as suitable for providing lower levels of development essentially geared around meeting local needs.”

3.4 The strategy for distribution of development therefore reflects both the positive opportunities for development that exist but also the constraints and limitations that are present. The greatest opportunities for development are in the West End of the District where environmental constraints (notably landscape related) are the least significant but where the opportunities on account of planned infrastructure and proximity to jobs (planned and existing) are the greatest. In the rest of East Devon constraints, notably landscape (bearing in mind that 2/3rds of East Devon is in an AONB) are far greater.

West End Job Growth

3.5 The West End of East Devon will see substantial job growth over the coming years and a clear objective in the plan, and for planning in general, is to seek to co-locate jobs and housing. In respect of future jobs in the West End:

- The Ash Future work predicts 240 net new ‘policy-on’ jobs per year which equates to 4,320 net new jobs over the 18 years of 2013 to 2031.
- Of the 309 trend based net new jobs per year created in East Devon a substantial (though not quantified number) can be expected to be at the West End – reflecting the attractiveness of the West End for employment purposes and also the fact that residential development in its own right will generate jobs in close proximity – for example new homes at Cranbrook will create the needs for new schools and therefore creation of associated school based jobs.

3.6 Taken in conjunction with the direct job provision at the West End is the fact that a large number of East Devon residents commute out of the District for work purposes. Office for National Statistic records (NOMIS) at: <http://www.nomisweb.co.uk/census/2011/WU02UK/chart/1132462159> show that Exeter, by a long way, forms the biggest destination for out commuting residents. At the time of the 2011 census there were 11,430 East Devon residents leaving the District to work in Exeter. There were 927 going

to Mid Devon and 764 going to Teignbridge. The quickest road and rail based routes into all of these local authority areas from East Devon (except for a small part of East Devon that lies to the west of the M5 motorway), involves either crossing over the M5 motorway and/or travelling on it. The West End of East Devon is therefore very well placed to provide homes for East Devon residents that work outside of the District, notably in Exeter. Furthermore, the Edge Analytics work, by using a net out-commuting ratio, actually already builds into the East Devon housing requirements an assumption about there being new homes required to house out-commuters (a by default providing for some of Exeter's needs factor).

- 3.7 Whilst the distribution strategy in the plan does not seek to quantify a percentage level of development to the West End there is a positive jobs based logic for it to form the key a focal point for development. It is also relevant to note that the three non-Devon local authorities with the highest East Devon out-commuting flows are West Dorset (891), South Somerset (767) and Taunton Deane (683). The nearest East Devon town to the first two of these is Axminster and it is also close to Taunton Deane (Honiton is the only town that is closer). Axminster is the non-West End location seeing the highest level of housing development.

Environmental designations and constraints

- 3.8 East Devon is blessed with an outstanding landscape but this does place constraints on potential for development. In addition to site of nature conservation value around 2/3rds of East Devon falls in AONBs.
- 3.9 The environmental designations of the District, notably the eastern and southern parts, place significant constraints on future development potential. These constraints rightly limit scope for these southerly/easterly areas to accommodate growth but clearly highlight the far less constrained potential for West End growth. Specifically noting the AONB designations the least constrained towns in East Devon are **Axminster**, which is proposed for substantial new levels of housing, and **Ottery St Mary** which, in comparison with the size of the town, is proposed for higher levels of housing growth. **Seaton** is also not as constrained by the AONB as other towns but is less well served by public transport and availability of jobs and it is more remote from major service centers than other East Devon towns/locations. Seaton does have other significant environmental constraints (including the coast and the extensive estuary areas of the River Axe).
- 3.10 **Exmouth** is not only constrained by the AONB to the east and south of the town but the Pebblebed Heaths lie close to north and east of the town and the Exe Estuary to the west. These highest tier wildlife sites place significant

constraints on outward expansion of Exmouth. The other existing East Devon towns are **Honiton**, which is 'sandwiched' between two AONBs/a large floodplain, **Sidmouth** which has AONBs running up to the built edges of the town and **Budleigh Salterton** which the AONB sweeps over the entirety of.

Housing Development at smaller towns, villages and the rural areas

3.11 The environmental constraints and AONBs that limit the scope for East Devon towns to expand also apply to many of the villages of East Devon and large parts of the countryside. It is these constraints along with wider sustainability considerations and assessment of the positive benefits and needs of development that underpin plan strategy for development at villages and in rural areas.

3.12 Crucially, as well, the Local Plan recognises the role and importance attached to Neighbourhood Plans. In East Devon, and responding to a national agenda, these are seen as a critical part of the planning framework for the District and they do need to reflect and respond to local wishes and aspirations. There are over 50 rural parishes in East Devon (rural in this instance being parishes that do not include one of the District's eight main towns – including Cranbrook) of which 28 have designated Neighbourhood Areas. A further seven are actively considering seeking designation. There is no other District Council in England with such a high a proportion of rural areas with Neighbourhood Area designation, East Devon is the clear leader in this fundamental component part of Government planning policy. Under local plan policy Neighbourhood Plans can bring forward new residential development and such development can be over and above the provision made through local plan policy. Neighbourhood Plans provide an explicit plan led means to secure extra development based on local justification and support. Paragraph 184 of the NPPF advises:

“Neighbourhood planning provides a powerful set of tools for local people to ensure that they get the right types of development for their community.”

Village development suitability assessment

3.13 Whilst many villages in East Devon do have some facilities it is the case that for higher levels services (such as shopping centers/supermarkets, hospitals and secondary schools) the residents of nearly all villages and rural East Devon in general do need to look to the towns of the District, or further afield. This invariably generates a need to travel and often public transport is of poor quality. Those people with access to a car will be much more likely to use it, with the consequential associated adverse environmental impacts, and those without are more likely to be isolated and unable to access services.

- 3.14 To understand more about the suitability of villages to accommodate development, and with this having a direct bearing on the scale and proportionate split of housing development going to villages, the council produced a village suitability for development assessment (PSD2015i).
- 3.15 This assessment evaluates the suitability of villages for future residential development against the social, economic and environmental aspects of sustainable development. The NPPF, see for example paragraph 7, clearly defines these as the component parts of sustainable development. Against the overall measures set out in this work the assessment identifies 15 villages (inclusive of the small town of Colyton) as falling in the highest tier of suitability for future housing development at villages. It should be noted that through decision at Committee this list of 15 was extended to include the villages of Dunkeswell and Chardstock, both of which are larger villages with a number of key facilities.
- 3.16 In Strategy 27 of the Local Plan these villages are identified as appropriate for having a Built-up Area Boundary and therefore for housing development within that boundary (a separate Villages DPD, currently in production, will define these boundaries). Strategy 27 also allows for these villages and also others without a proposed boundary to support further house building through Neighbourhood Plans.

Role of Neighbourhood Plans

- 3.17 Neighbourhood Plans will form part of the development plan for East Devon and of the 17 settlements that fall under Strategy 27 there are 12 that have designated Neighbourhood Areas (1 with a Made plan) and 2 actively considering seeking designation. The three villages that are not currently pursuing designation are Kilmington, Musbury and Sidbury. All three lie close to larger towns that provide housing choice and so even if additional housing is not brought forward in these locations through Neighbourhood Plans this cannot be seen as significant. Of course in the future these villages may have Neighbourhood Plans.
- 3.18 The Neighbourhood Plans will need to be rigorously produced and will need to consider, based on local assessment of evidence, the scale, suitability and appropriateness for housing growth. They will be open to challenge on these matters. The local plan therefore clearly allows for housing growth through these locally determined plans.

Exceptions site affordable housing

- 3.19 Strategy 35 of the local plan allows for 'exception (site) mixed market and affordable housing' provision. Such provision will be over and above other sources of housing supply and over and above housing set out in Strategy 2. Development to provide for affordable housing, to meet need, will have to be evidence based and therefore it provides scope to responds to local circumstances and also expectations and aspirations for growth.

Development in the Open countryside development

- 3.20 In the open countryside plan policy, by clear design and in accordance with the NPPF (see NPPF paragraph 55), places significant constraints on residential development but there is still some scope, for example through agricultural dwelling provision.

Proportionate split for village development assessed against trend based housing requirements

- 3.21 Whilst recognising that 7% of total housing, as set out in plan policy, will go to rural areas and villages it does need to be noted that this figure is a proportion of an overall housing figure that is substantially elevated because of the substantial proposed West End development which is justified by the jobs growth agenda for East Devon. If it were not for this job growth agenda the overall housing requirement for East Devon would be substantially lower and a rural provision of 1,123 homes, expressed as a percentage of a lower grand total, would be much higher.
- 3.22 Strategy 2 of the plan details projected development from 30 September 2014 to 31 March 2031, a 16½ year time frame. The SHMA trend based projections indicate an average requirement figure (see Figure 5 of the Edge Analytics Policy on work for East Devon) of 584 dwellings per year. In the absence of job led housing growth, and through the use of a trend based requirement only, this 584 figure, would equate to 9,636 houses over 16½ years. Provision of 1,123 rural homes as a percentage of this 9,636 figure comes out at a 12% level. On the same assessment basis the town level of 4,707 figure would be 49% of a 9,636 total. Further to this point, and as noted in response to Question 4, village and rural housing development will be greater than 1,123 new homes.
- 3.23 Furthermore the figures above do not take account of extra village and rural area housing that will come forward as a product of exceptions site

development (Strategy 35), other windfall development and development promoted through Neighbourhood Plans.

Meeting housing needs in rural areas

3.24 There will be, therefore, housing in rural areas to meet local needs and there are policy mechanisms in the plan to establish and determine what these needs are.

4. As proposed to be changed Strategy 27 would no longer assign housing numbers to small towns and larger villages nor would sites be designated through a Villages Development Plan Document. The provision of new housing in the settlements listed in the revised Strategy 27 would be left to Neighbourhood Plans.

a) If the plan does not assign numbers or allocate sites in these settlements (informed by The Small Towns and Villages Development Suitability Assessment 20144) how will the 1,123 dwellings identified for villages and rural areas in Strategy 2 be delivered?

4a.1 In officer recommendation to Development Management Committee the 1,123 dwellings referred to in Strategy 2 formed proposed commitments to development. The overall total (which takes account of housing monitoring to 30 September 2014) was made up of:

- 154 dwellings that were built and were therefore completed in the 18 months between 30 March 1 April 2013 and 30 September 2014;
- 733 that have planning permission to be built
- 30 that have a resolution to grant permission or acknowledged development potential.

This left a residual figure of 206 dwellings.

4a.2 Of this 206 homes there are 6 dwellings allocated in the now Made (adopted) Lymptone Neighbourhood Plan. In addition to these the officer recommendation provided for 200 dwellings in the village of Clyst St Mary at proposed new allocations at the Brownfield Winslade Park site and on close by Greenfield land abutting the village. At Committee, however, the provision at Clyst St Mary was reduced by not allocating part of the proposed provision taking the actual allocation down from 200 to 150 new dwellings (see the proposed new policy on page 99 of the tracked changes draft of the plan and map on Page 100). However, the overall figure of 206 in Strategy 2 was not reduced by 50 following this change.

4a.3 On account of the loss of 50 homes it is now the case that the village and rural areas total commitment figure amounts 1,123 minus 50 = 1,073. This 50 homes deficit, over the forward-looking 16½ years, will be readily made up and can be expected to be greatly exceeded. The table in Strategy 2 does not include an allowance for windfall completions, though we know these will occur. The 154 completions in villages and rural areas in the 1½ years from 1 April 2013 to 30 September 2014 were all on windfall sites, this equates to an annual average of over 100 rural windfall completions per year. The plan makes provision for windfall developments and this level, if replicated over the

next 16 ½ years period, would generate 1,694 new homes in rural area (154/1.5 years = 102.66 x 16.5 years = 1,694). Adding 1,694 to the 154 already completed and to the 150 at Winslade Park and 6 allocated in the Lypstone plan would create a total delivery of 2,004 new rural homes. A figure of 2,004 would exceed the 1,123 level by 881 or by over 78%. In respect of the answer supplied to Question 3 the figure of 2,004, expressed as a percentage of 9,636 (the ‘adjusted’ total equals 21%).

4a.4 The clear explicit expectation is therefore that more than 1,123 houses will be built in villages and rural areas across the plan.

b) Without strategic guidance with regard to numbers and distribution from the Local Plan, how will the Council ensure that new housing in small towns and villages meets objectively assessed needs?

4b.1 The new SHMA and associated studies, did not, by design and in common with other SHMAs, drill down to small scale local geographical areas, notably villages. The SHMA outputs help establish a development steer for West End development (notably Cranbrook) but in overall terms the SHMA outputs are concerned with a District wide level of housing provision. The distribution of housing within the District is then addressed through the over-arching policy development and refinement process. The objectively assessed need is actually an East Devon wide need and policy choices determine distribution.

4b.2 With so many local communities, especially village based, in East Devon producing Neighbourhood Plan there will be the full opportunity for these local area plans to determine local levels of need and provision to serve and provide for their communities. To ‘impose’ through local plan policy housing levels on them and not allow these communities, with local engagement, to make local choices, would run counter to national planning policy.

4b.3 It needs to be recognised, as well, that local need is really relevant when it comes to the provision of affordable housing. It is recognised that affordable housing is a significant concern in East Devon with particular challenges in villages, specifically as supply in rural areas is often limited and turnover can be low.

4b.4 In order to secure affordable housing in villages, for people with a local connection and significantly those that really do have a genuine need to be in a given village, the local plan includes Strategy 35 for exception site mixed market and affordable housing. This policy requires that a local needs survey is undertaken to establish the housing need in any given locality. There are a

number of local need surveys in existence for East Devon villages though as circumstances change and these become dated they will need to be reviewed and updated.

- 4b.5 It is local surveys that provide the best means to establish local need and thereafter establish proposed housing schemes to address that need. Many Neighbourhood Plan groups have undertaken or are in the process of producing housing needs surveys that give an assessment of local need, and we are allowing Neighbourhood Plan groups to meet that need through our plan policy. Through this local work there is also scope to look at possible open market needs, however significant observations are:
- a) At those villages with the greatest range of services and facilities (the 17 listed in Strategy 27) there will be a Built-up Area Boundary defined and within this boundary open market housing can be developed; and
 - b) At villages, as elsewhere in the District, there are second hand houses (the existing housing stock) that come on to the market and which typically can be expected to be cheaper than new homes. If someone needs to be in or near to a given village, and can afford open market prices, then they will typically be able to buy a house from the existing stock (there is not a need for new houses to be built to meet their need).
- 4b.6 Qualifying all of the above is the fact that it is frequently not 'need' (and by implication a measure of objective assessment of need) that determines why people move into a property in a village; it is the desire to live in a village that is the greatest determinant of people moving in. 'Need' and 'desire' are different matters.