

# East Devon Local Plan evidence Technical Report (March 2024)

## Method options for calculating housing requirements for Designated Neighbourhood Areas in East Devon

### Version 2

[Second Regulation 19 Addendum \(November 2025\)](#)

Version 1 of this technical report formed Appendix 2 to the report to the council's [Strategic Planning Committee on 12 March 2024](#) on how to calculate housing requirements for Designated Neighbourhood Areas. Committee approved the technical report to be available for the second Regulation 18 stage public consultation in Spring 2024 on selected matters for the emerging East Devon Local Plan. These matters included consulting on options on how to calculate the housing requirements for Designated Neighbourhood Areas in East Devon.

In the course of preparing for that consultation, the technical report was updated to 'Version 2', incorporating minor edits for accuracy and the addition of an Executive Summary. It was re-[published](#) with an addendum in February 2025 as part the first Regulation 19 consultation (document reference HOU-013) as part of the [Local Plan evidence base](#). The addendum has been updated again for the second Regulation 19 consultation (November 2025), and the revised document published in the Local Plan evidence library under document reference HOU-013(rev). No changes have been made to the report itself, which remains as at Version 2.

Consideration of the responses to the Spring 2024 second Regulation 18 consultation and the first Regulation 19 consultation have not resulted in any changes being deemed necessary to the selected methodology (Option 1 in this report). However, some amendments have been made to the policy (Strategic Policy SP03) / supporting text to make it clearer that the figures are minimums and the expected supply from future neighbourhood plans, in response to comments received.

Readers should also note that the Designated Neighbourhood Area housing requirement figures in this report (at Appendix F and G) are illustrative only in order to show the implications of the calculation method options and are now superseded. As advised would be the case in this Technical Report, they have now been replaced by updated figures using the final selected method (Option 1 in this Report) and to take account of the latest 2025 monitoring point housing supply information, the Regulation 19 Local Plan housing allocations (Publication Draft, November 2025) and updates for allocations in Neighbourhood Plans that are now made or with a recommendation for referendum.

The updated Designated Neighbourhood Area housing requirement figures underpinning and used to inform the relevant strategic policy (SP03 Housing requirement by Designated Neighbourhood Area) now form a separate standalone evidence document for the Local Plan at Regulation 19 Stage published as part of the [Local Plan evidence base](#) (document reference HOU-14(rev) Designated Neighbourhood Area Housing Requirement Figures).

## Executive Summary

### Introduction

The Method Options for Calculating Housing Requirements for Designated Neighbourhood Areas in East Devon Technical Report (the Technical Report) forms part of the Councils evidence base for the emerging East Devon Local Plan (2020 to 2040 at time of writing). It explains the Councils preferred method for providing its 41 Designated Neighbourhood Areas (DNA) with a housing requirement figure (DNAHR), how this approach was identified and was used as a basis for comment during consultation in May/June 2024.

The technical nature of the subject matter means that technical language is unavoidably used throughout this summary. To assist the reader a glossary of terms is provided as a reference tool at the end of the summary.

The need to provide a DNA housing requirement figure is an obligation introduced within the National Planning Policy Framework since the adoption of the current East Devon Local Plan.

The process of identifying a preferred method has tried to balance national and local policy requirements with the views and inputs of the East Devon community and its 41 DNA representatives. Key processes and inputs are listed below:

1. Community consultation on the emerging Local Plan during 2021, 2022 and 2023 and analysis of responses received, including targeted consultation with Designated Neighbourhood Area Groups
2. Detailed consideration of relevant National Planning Policy and Practice Guidance (as of February 2024)
3. Assessment of the relationship between Local Plans and Neighbourhood Plans
4. Research into how other Local Plans and Local Planning Authorities have dealt with providing DNA housing requirements and where possible how different approaches were received by the Planning Inspectorate
5. Identifying how points 1 to 4 above apply to East Devon's DNA's.

## Guiding Conclusions

The above research led to 17 guiding conclusions being drawn, which indicate that:

- A minimum DNA housing requirement figure as part of the overall district housing requirement figure must be provided within strategic policy of the emerging Local Plan.
- DNA housing requirement figures must relate to whole DNA geography (typically parishes) and not Local Plan settlement hierarchy or individual settlements within a DNA.
- There is no common or preferred method for providing DNA housing requirement figures within Local Plans; variation exists nationwide.
- The current (Adopted Local Plan) approach to DNA housing requirements (i.e. an implicit and inferred requirement of zero for all DNAs) no longer satisfies National Planning Policy.
- Presenting simple methods for calculating DNAHR will result in more meaningful consultation responses.
- Any Local Plan DNA housing requirement policy needs to be very clear to inform: Neighbourhood Plan making; specific roles of the Local Plan relative to Neighbourhood Plans; whether a Neighbourhood Plan is expected to allocate sites, and; to enable Neighbourhood Plans to allocate sites, if desired.
- Two broad approaches to identifying DNA housing requirements exist – (1) basing the figures on sources of housing supply, or (2) using methods of apportionment to calculate the figures.
- EDDC considers that a housing supply-based DNA housing requirement figure is clearer and more robust than an apportioned-based figure in identifying what, where and when for housing development. A housing supply-based method is therefore the preferred option.
- Basing DNA housing requirements on expected housing supply requires clear explanation of what this means and its justification.
- A supply-based approach must identify the plan period and relevant monitoring points.
- EDDC can evidence a supply-based approach is in line with national planning policy.

- The decision whether or not to rely on Neighbourhood Plan site allocations as a contribution to meeting the 2020 to 2042 forecast housing requirement will need to be evidenced by EDDC. Consultation feedback at the time of writing does not justify relying on future Neighbourhood Plan site allocations to meet emerging Local Plan housing requirements.
- The new Local Plan will include projected windfall development as a source of housing supply at district level. Currently EDDC does not believe DNA housing requirement figures should include a windfall allowance, largely due to difficulty in accurately calculating this for small geographic areas (i.e., DNAs)
- However, IF a windfall allowance were included in DNAHR figures EDDC believe it should be based on proportionate households rather than forecasts based on previous supply figures.

#### Options Appraisal

EDDC has identified 9 potential options for calculating DNAHR figures (6 based on housing supply and 3 based on apportionment calculations). These 9 options were tested against the conclusions above and the following criteria:

1. Consistency with national planning policy and practice guidance.
2. Simple, transparent, easy to understand and use for plan making, decision taking and monitoring purposes.
3. Clear about the scale of housing expected to take place from specific sources of supply to enable neighbourhood plans to address housing provision, including potential site allocations.
4. Supports Local Plan strategic vision, objectives and spatial strategy.
5. Can be justified through evidence and effectively monitored for progress.

The Technical Report (at Tables 3 and 4) provides detailed traffic light analysis or RAG (Red/Amber/Green) assessments for all potential method options against the 5 criteria above. Tables 1 and 2 below provide a very simplified overview of this assessment indicating the levels of risk in meeting each criterion associated with each potential method option.

Table 1 – Simplified Risk Assessment of Supply-based DNAHR Options

Method option	Supply categories included	Criteria				
		1	2	3	4	5
1 – all supply categories excluding windfall allowance	Completions, Commitments, Cranbrook expansion areas, LP allocations, NP allocations	Green	Green	Yellow	Green	Green
2 – all supply categories including windfall allowance	Completions, Commitments, Cranbrook expansion areas, LP allocations, NP allocations, windfall allowance	Green	Yellow	Green	Green	Yellow
3 – LP allocations only	Proposed Local Plan Allocations	Yellow	Red	Red	Green	Green
4 – LP and NP allocations	Proposed Local Plan Allocations and Future Neighbourhood Plan Allocations	Yellow	Red	Red	Yellow	Red
5 – LP allocations and commitments	Proposed Local Plan Allocations and commitments	Yellow	Red	Yellow	Green	Green
6 – Future NP allocations only	Future Neighbourhood Plan Allocations	Yellow	Red	Red	Red	Red

Table 2 – Simplified Risk Assessment of apportionment DNAHR Options

Method option	Risk Criteria				
	1	2	3	4	5
7 – Apportion DNA housing requirement on basis of arbitrary percentage related to Local Plan settlement hierarchy	Red	Yellow	Green	Yellow	Red
8 – Apportion DNA housing requirement based on population	Red	Yellow	Green	Yellow	Red
9 – Complex apportionment methodology	Yellow	Red	Green	Green	Red

Low Risk	Moderate Risk	High Risk
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## Overall Conclusion

In conclusion, of the nine potential options for calculating DNAHR figures only two (Options 1 and 2) are considered realistic potential options for use in the new East Devon Local Plan. Options 3 to 9 have been discounted as their risk levels are assessed to be too high.

The proposed approach is therefore:

1. **Preferred option – Option 1** – sum of all sources of housing supply excluding an allowance for windfalls in the figure.
2. **Reasonable alternative – Option 2** – sum of all sources of housing supply including an allowance for windfalls in the figure.

Figures are included in the Technical Report (Appendix G) in order to provide an illustration of the presentation and implications of these 2 potential options. For various reasons set out in the appendix, these are not the final figures and are subject to change at this stage.

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# 1. INTRODUCTION

## **Document status**

- 1.1. This is a technical evidence document. It contains in-depth information and detailed analysis about the options for the method to calculate housing requirements for Designated Neighbourhood Areas in East Devon. Produced by East Devon District Council, this technical report is part of the evidence base for the emerging East Devon Local Plan (2020 to 2040 at time of writing).
- 1.2. This technical report accompanies and supports the council's consultation in Spring 2024 on potential methods for how to calculate and quantify the housing requirement for each of the Designated Neighbourhood Areas within East Devon district. It is therefore available to all but is likely to be of particular interest to those readers seeking further detailed evidence and explanations on this issue.
- 1.3. The report has been prepared in the context of Government's national planning policy. This is currently as set out in National Planning Policy Framework as published on 20 December 2023.<sup>1</sup>
- 1.4. Please note that this technical report will be updated in the future to inform subsequent plan-making stages.

## **What are 'Designated Neighbourhood Areas'?**

- 1.5. A Designated Neighbourhood Area is the local area in which a neighbourhood development plan<sup>2</sup> or neighbourhood development order<sup>3</sup> can be introduced. Designation of a neighbourhood area is the first formal stage of preparing a Neighbourhood Development Plan<sup>4</sup> by a neighbourhood planning body.
- 1.6. The District Council currently understands that a Designated Neighbourhood Area does not expire even after a neighbourhood plan has been 'made', or a

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<sup>1</sup> [https://assets.publishing.service.gov.uk/media/65a11af7e8f5ec000f1f8c46/NPPF\\_December\\_2023.pdf](https://assets.publishing.service.gov.uk/media/65a11af7e8f5ec000f1f8c46/NPPF_December_2023.pdf)

<sup>2</sup> A plan prepared by a parish council or neighbourhood forum for a designated neighbourhood area. In law this is described as a neighbourhood development plan in the Planning and Compulsory Purchase Act 2004.

<sup>3</sup> An Order made by a local planning authority (under the Town and Country Planning Act 1990) through which parish councils and neighbourhood forums can grant planning permission for a specific development proposal or classes of development. These orders are part of the neighbourhood planning process.

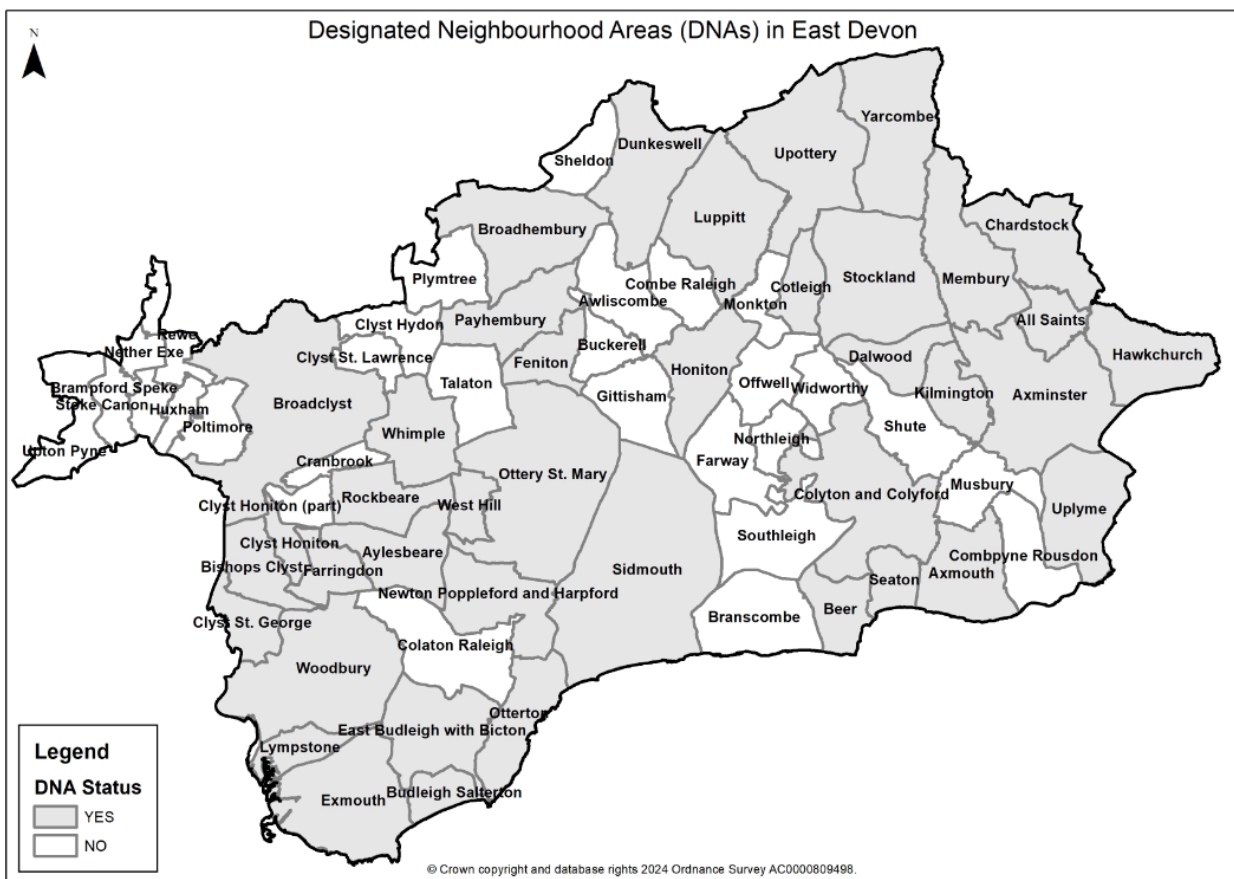
<sup>4</sup> The Localism Act 2011 (Part 6 chapter 3) sets out the LPA responsibilities which include designating the area of the Neighbourhood Development Plan. See the Council's webpage on Neighbourhood Planning

neighbourhood development order has been approved.<sup>5</sup> Furthermore, there appears to be no legal mechanism to ‘de-designate’ a neighbourhood area, even if a plan is ‘made’ or the neighbourhood planning body decides not to proceed further with preparing a neighbourhood plan. This has consequences for local plan policy on housing requirements for Designated Neighbourhood Areas.

**Where are the Designated Neighbourhood Areas in East Devon?**

1.7. Map 1 shows the coverage of Designated Neighbourhood Areas (DNA) in East Devon.

**MAP 1 – Designated Neighbourhood Areas in East Devon**



1.8. At the time of preparing this evidence document there are 41 Designated Neighbourhood Areas in East Devon which are listed in Appendix A of this report. All but one are based on civil parish boundaries, the exception being Clyst Honiton. Appendix A makes clear which Designated Neighbourhood Areas contain two or more parishes.

<sup>5</sup> Unlike the designation of a Neighbourhood Forum which expires after 5 years.

- 1.9. As at end February 2024, of these 41 Designated Neighbourhood Areas:
- 27 have ‘made’ neighbourhood plans (in the context of the current adopted local plan), 6 of which include site allocations for housing totalling 160 dwellings. One of these neighbourhood plans is progressing through a formal review process and is proposed to include site allocations for housing.
  - 1 neighbourhood plan has been submitted (Regulation 16 consultation due to start late February 2024). This plan includes a proposed site allocation (up to 9 dwellings) and separate to the neighbourhood plan, a Neighbourhood Development Order for a community facility with enabling housing (up to 50 dwellings) is being progressed and has been subject to pre-submission consultation.
  - No neighbourhood plans are currently at examination, post examination or referendum.
  - Neighbourhood plans have not yet been submitted in 13 areas. Of these, 5 are known to be actively progressing (1 potentially to include a site allocation for housing), and at least 3 are not expected to progress plan preparation in the foreseeable future.
- 1.10. 28 parishes or part parishes have not been designated as at end February 2024. One of these is currently undertaking initial community consultation to consider whether to make an application for a Designated Neighbourhood Area.

### **Evidence for DNA housing requirement figures**

- 1.11. The Council has previously provided indicative housing requirement figures to neighbourhood planning groups on request, for their work in preparing Neighbourhood Plans. However, the emerging East Devon Local Plan is the first time that the Council has had to include housing requirement figures for Designated Neighbourhood Areas in strategic policy (i.e. in the local plan), in order to be consistent with the NPPF. The planning authority has to justify the strategic policy numbers and explain why it has selected and used the method to calculate them. The updated NPPF December 2023 did not change this.
- 1.12. To be consistent with national planning policy, Local Planning Authorities (LPAs) have been required since 2019 to set a housing requirement figure in Local Plan strategic policy for each of their Designated Neighbourhood Areas (i.e. areas with an approved designation for undertaking neighbourhood planning). Government policy on this matter is set out in the National Planning Policy Framework<sup>6</sup> (NPPF). Further Government guidance is set out

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<sup>6</sup> Currently paragraph 67 in the NPPF 20 December 2023.

[https://assets.publishing.service.gov.uk/media/65829e99fc07f3000d8d4529/NPPF\\_December\\_2023.pdf](https://assets.publishing.service.gov.uk/media/65829e99fc07f3000d8d4529/NPPF_December_2023.pdf)

in Planning Practice Guidance – Neighbourhood Planning<sup>7</sup>. There are more details on this in Section 4 of this report.

- 1.13. In East Devon, this means stating the individual housing requirement figure for each Designated Neighbourhood Area in the district in one or more strategic policies in the emerging East Devon local plan. Each of the 41 Designated Neighbourhood Areas listed in Appendix A of this report will need to have a housing requirement figure to be included in a strategic policy.
- 1.14. For the local plan strategic policy to be found sound it must meet the tests of soundness set out in NPPF. This includes being consistent with national planning policy, and for the plan to be justified. Passing those tests depends on the local plan policy being based on proportionate evidence. The council as the Local Planning Authority relies on such evidence to justify policy in the emerging East Devon local plan. This technical evidence report and the related consultation on the method options are therefore part of the wider plan-making process for the emerging local plan. There will be further plan making steps before plan adoption, such as the Regulation 19 publication plan and the Examination.
- 1.15. Once the local plan is adopted the Designated Neighbourhood Area Housing Requirement figures in the strategic policy should not need re-testing at the neighbourhood plan examination, unless there has been a significant change in circumstances that affects the requirement. So these figures can then be used as a basis to inform consideration of housing policies and allocations to be included in neighbourhood plans and relied on as evidence in neighbourhood plan examinations.<sup>8</sup>
- 1.16. The relationship between the emerging local plan and neighbourhood plans, for plan making purposes is explored further in section 5 of this report.

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<sup>7</sup> <https://www.gov.uk/guidance/neighbourhood-planning--2> 25 September 2020

<sup>8</sup> NPPF paragraph 68 states that “Where it is not possible to provide a requirement figure for a neighbourhood area<sup>34</sup>, the local planning authority should provide an indicative figure, if requested to do so by the neighbourhood planning body” (footnote 34 “Because a neighbourhood area is designated at a late stage in the strategic policy-making process, or after strategic policies have been adopted; or in instances where strategic policies for housing are out of date”)

## 2. WHAT'S HAPPENED TO DATE?

- 2.1. Government provides the current national planning policy and practice guidance on including Designated Neighbourhood Area Housing Requirements figures in strategic policies. However, this does not set out a clear method on how to derive those figures. It is the council's role to assess, select and justify the method to use in deriving the figures.
- 2.2. Research for the Local Government Association<sup>9</sup> concluded that open communication, proactive support and early engagement are central to successful interactions between local plan making and neighbourhood plan making occurring in the context of NPPF changes first introduced in 2019. Fostering open and continued communication between the Local Planning Authority and neighbourhood planning groups is crucial for effective plan production.
- 2.3. Providing housing requirement figures for neighbourhood planning purposes is part of the wider support for neighbourhood planning delivered by East Devon District Council. Timely engagement complements the Council's work to liaise with and support individual neighbourhood plan groups. It helps them when considering their relationship with the emerging Local Plan.
- 2.4. The council has already taken some steps in the process to prepare for calculating Designated Neighbourhood Area Housing Requirements figures within the district. These steps comprised:
  - Signalling the intention to include such figures in a strategic policy in the emerging East Devon Local Plan, in the 2022 consultation draft plan.
  - Consulting on the draft plan and collating information from the 2022 consultation responses' feedback.
  - Exploring the lessons learnt from Local Plans elsewhere in England on this issue, in the context of NPPF and planning practice guidance.
  - Undertaking focused, early engagement with town and parish councils in 2023 to raise awareness of potential issues in deriving the figures and to understand their aspirations for neighbourhood planning.
- 2.5. It is essential that the District Council consults with neighbourhood planning bodies, and more widely, on what is the purpose of setting these housing requirements figures and how to calculate them. The responses to the Spring

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<sup>9</sup> Researching the interactions between local plan making and neighbourhood plans DAC Planning (commissioned by the Planning Advisory Service on behalf of the Local Government Association 10 February 2021, [Researching the interactions between local plan making and neighbourhood plans | Local Government Association](#))

2024 consultation therefore need to be considered before making decisions related to the content of the emerging East Devon Local Plan

### **2021 Issues and Options - Consultation and Feedback**

- 2.6. Consultation in early 2021 on the issues and options stage of the emerging East Devon Local Plan did not ask specific questions about housing requirements for Designated Neighbourhood Areas. However, the consultation document touched on the role neighbourhood plans and their relationship with the local plan and asked how we might make best use of neighbourhood plans to inform the new Local Plan.
- 2.7. Many respondents highlighted the relevance, value and importance of neighbourhood planning work in informing the new Local Plan, and there was some acknowledgement of the difficulties of reconciling a new Local Plan coherently and in a meaningful way with numerous neighbourhood plans. Overall, the responses received can be split into two broad 'schools of thought' which exist on a spectrum of views expressed. At either end of the spectrum are:
1. Those who feel neighbourhood plans should essentially be sacrosanct/paramount in the process, and fully incorporated into & endorsed by the Local Plan (predominantly expressed by those who have been directly involved or live in an area with a neighbourhood plan they support), and
  2. Those who acknowledge there is a role for Neighbourhood Plans and a value as a point of reference but feel that many are too protectionist and that the Local plan strategy must be able to be developed entirely unconstrained by them and require them to align (typically stated by developers/land-owners and commercial entities and their agents.)
- 2.8. In seeking to reconcile these views, key points to consider from the responses are that neighbourhood plans:
- have been subject to significant local consultation and provide the LPA with evidence of community views and aspirations
  - provide a wealth of evidence on needs and issues at the local level
  - have been encouraged and supported by the District Council
  - have taken considerable local time and resources to develop
  - have been subject to a transparent and democratic process, including public vote.

And also that:

- there are variations in the level of detail across plans

- that the age of plans needs to be taken into account
- they do not necessarily represent an up to date or 'whole community' view
- the Local Plan will need to consider the latest evidence and national policy available

2.9. The middle ground in the responses is that neighbourhood plans cannot be ignored and that a way must be found to ensure they are given due consideration, in an open, transparent and constructive way, as part of the preparation of the Local Plan. It was expressed a number of times that the starting point should be with a view to enabling them to remain in alignment as far as /wherever possible with the new Local Plan but recognising that deviation would be justifiable to ensure conformity with national policy, to respond to new evidence, and where major changes in local plan strategy and policy are necessitated.

2.10. There was less suggestion, in direct response to the question, about exactly how neighbourhood plans should be taken into account from a practical or process point of view. Those suggestions that have been made are summarised below, with the most common being that they should be reviewed to identify similar themes & policies, and that communities should be kept informed, consulted and engaged throughout:

- to undertake a comprehensive review of neighbourhood plans including their visions/aims/objectives, policies, designations (e.g. Local Green Spaces), identified sites for development etc. to identify key themes, issues and also differences and areas where neighbourhood plans might be plugging gaps in current Local Plan policy
- to engage widely and openly with neighbourhood plan groups, and the community at large, throughout the process of developing the local plan, in order to understand the strategy behind the neighbourhood plans, identify early any likely conflicts with emerging Local Plan policy and work to find solutions where possible.
- Use neighbourhood plans to inform the development of masterplans
- Build in formal steps/mechanisms into the Local Plan preparation process to consideration and review and the relationship with neighbourhood plans
- Recognise, clearly define and utilise the role of neighbourhood plans in supporting the delivery of national and local policy objectives & targets, and in responding to particular circumstances in local communities. Key areas identified included the natural and historic environment, influencing design, and making provision of development

that is sustainable / supports the sustainability of towns and villages across the district.

### **2022 Draft Local Plan - Consultation and Feedback**

- 2.11. The East Devon Local Plan (Regulation 18 version November 2022<sup>10</sup>) signalled that Designated Neighbourhood Area Housing Requirement figures would be included within strategic policy 3 (*'Levels of Future Housing'*), subject to consultation on the methodology for how they would be set.
- 2.12. The council received responses to the November 2022 Regulation 18 Consultation local plan relevant to housing requirements for Designated Neighbourhood Areas. Issues raised were reported in a substantial feedback report to Strategic Planning Committee in July 2023. These included:
- Numerous responses with concerns about the level of housing proposed and calls for a greater say by communities on development in their areas and greater adherence to what neighbourhood plans say.
  - Comment that the Local Plan allocations were undermining the community control intention of the localism agenda and pre-judging local community requirements.
  - Some general support (particularly from developers / landowners) regarding the intention to include a minimum housing requirement for DNAs in strategic policy, subject to consultation on the method.
- 2.13. There were comments with specific relevance to method selection:
- There was a concern raised from one parish that if allocations made through a neighbourhood plan were seen as additional windfall development this could remove the incentive for neighbourhood plans to make allocations and so they should count against the minimum housing requirement figures expected to be delivered in that area.
  - Call for figures set to be realistic to help avoid speculative development in unsuitable locations.

### **2023 Early engagement**

- 2.14. On 7 March 2023 the Strategic Planning Committee approved early engagement to be undertaken with town and parish councils and neighbourhood plan groups to help raise awareness and give an understanding of the concept and help inform our thinking on a suitable approach to take. The results of this early engagement will assist the council in undertaking a formal (Regulation 18) consultation on the method choice that encourages effective, wider engagement in that consultation stage.

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<sup>10</sup> <https://eastdevon.gov.uk/media/3724891/commonplace-reg-18-final-071122.pdf>

- 2.15. The council held two early engagement exercises in 2023 to inform how the local plan might approach setting the housing requirements for Designated Neighbourhood Area. These were comprised of a webinar (held in June 2023) and a Neighbourhood Plan Intentions survey (autumn/winter 2023). Whilst the primary target audience has been communities with an existing Designated Neighbourhood Area, both were widely promoted to include all town and parish councils as they are all potential neighbourhood planning bodies. This helps to maintain a level playing field across the district in engagement and information sharing in respect of the Local Plan.
- 2.16. Through the presentation at the webinar the council provided initial information to participants about potential multiple options on methods for calculating the housing requirements and the issues that this raises. This focussed on the five broad options plus variants, which were set out in Table 1 in the report to 7 March 2023 Strategic Planning Committee.<sup>11</sup>
- 2.17. The webinar and survey results were reported to Strategic Planning Committee on 13 February 2024. Appendix B to this technical report reproduces information provided to Committee. Based on this, the following analysis is relevant to selecting the method for calculating the housing requirement numbers for Designated Neighbourhood Areas:
- Although the survey recorded a potentially greater appetite for bringing housing forward than Officers were aware of before the survey and was suggested by the webinar, this is still limited. Much has yet to be resolved about what can be forecast or relied on for evidencing deliverability of the Designated Neighbourhood Area and district minimum housing requirements for the Regulation 19 Local Plan.
  - It is not considered therefore that if the Local Plan identified less allocations, that neighbourhood plans could be reasonably expected to make allocations to offset this to ensure the minimum district housing requirement can be met and evidence this at the local plan examination.
  - The method can take account of allocations in made neighbourhood plans and those plans recommended for referendum within minimal risk to the Local Plan examination. The council would need to take a view on at what point in the process we consider a neighbourhood plan to be sufficiently advanced and when we draw a line for calculating the figures, for sites proposed to be relied on and included in the DNAHR calculations. In some cases these sites do/may overlap with those currently in the emerging Local Plan and this requires consideration in each case.
  - Given the Designated Neighbourhood Area housing requirement figure is a minimum, it need not constrain the relatively small number of

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<https://democracy.eastdevon.gov.uk/documents/s19358/3.%20SPC%20Report%20Neighbourhood%20Area%20Housing%20Requirement%20v0.5.pdf>

communities likely to pursue allocations to meet specific local needs in the future / in less well-advanced plans – and the burden of evidence on communities for these is not (based on previous experience) unduly onerous

- There are a number of likely effectively ‘dormant’ Designated Neighbourhood Areas where a neighbourhood plan is unlikely to be pursued but as these designations cannot be revoked, they would still need to be given a Designated Neighbourhood Area housing requirement figure in the new Local Plan using the same agreed methodology.
- It must be borne in mind that because the Designated Neighbourhood Area housing requirement is within the district housing requirement, it will effectively be a different (and incomplete) way of presenting the housing being provided for through the Local Plan in the plan period in different parts of the district which have Designated Neighbourhood Area status. It will need to follow the spatial strategy, even though the Designated Neighbourhood Area geography, being parish based is not necessarily in alignment. This is because some settlement boundaries overlap Designated Neighbourhood Area / parish boundaries. So, some allocations at a settlement may be in an adjoining Designated Neighbourhood Area. For example local plan site GH/ED/72 at Lymptone settlement is actually in the Woodbury Designated Neighbourhood Area.

### **Lessons Learnt from the Early Engagement**

2.18. Appendix B to this technical report summarises the feedback from early engagement with neighbourhood planning bodies and town and parish councils. From that engagement the council has identified the following messages which have informed some of the assessment criteria in Table 1 in Section 9 of this technical report, and consequently the assessment of method options and the identification of the recommended preferred option (see the conclusions in Section 10 of this technical report).

- The consultation on potential methods to calculate housing requirements for Designated Neighbourhood Areas needs to be as simple as possible
- The approach needs to be the same across all of the parishes for consistency and to avoid over burdening Neighbourhood Plan groups and the Neighbourhood Plan process
- Be mindful that there can be enough difficulty in preparing a neighbourhood plan and getting agreement between the local planning authority and the local community about what development is appropriate locally and that this will add extra complexity and challenge, particularly in explaining and consulting on the concept of Designated Neighbourhood Area Housing Requirement figures through public consultation.

- 2.19. From that information and analysis the council draws the following conclusion.

**CONCLUSION 1:** Multiple and seemingly rather nuanced options for calculating Designated Neighbourhood Area housing requirements broken down by different aspects of housing supply, is likely to be overly complex and technical. Therefore the options for the wider Spring 2024 consultation need to be considerably simplified to enable meaningful engagement in the public consultation.

- 2.20. Sections 5 to 9 of this report show how that early engagement informed the analysis of potential options (including Table 1 in this technical report), which led to further conclusions and shaped the focus on method options for the Spring 2024 consultation.

### **3. CURRENT STAGE - SPRING 2024 CONSULTATION**

#### **Spring 2024 consultation on method options**

- 3.1. The council will use a consultation document for the Spring 2024 consultation as a way to seek views on potential approaches to calculating the amount of housing requirement for 2020 to 2040 in each Designated Neighbourhood Area in East Devon. This is a full public consultation stage of plan making under Regulation 18 <sup>12</sup>. Consultation on the method options helps to raise awareness and understanding of the concept. It also encourages wider engagement in the process of assessing the options.
- 3.2. There are a number of inherent and potentially complex and sensitive issues associated with both the principle and the choice of method. The consultation material to accompany the Spring 2024 consultations will set out simple, brief explanations, ask questions and give respondents the opportunity to express their views on the options identified. Respondents will also be able to put forward their own options and explain how and why these should be used.
- 3.3. This technical evidence report will supplement the brief explanations on the method options in the consultation document, by providing in-depth evidence and analysis for readers wanting to explore the issues in more detail.
- 3.4. Readers are reminded that the purpose of this report is not to justify the total plan period housing requirement for the District in the emerging local plan. That was the subject of the Regulation 18 consultation stage in 2022 and it will be the subject of future consultation at the Regulation 19 Publication Plan stage.
- 3.5. Consultation responses received on the Spring 2024 consultation will inform the council's preparation of strategic policy in the emerging Local Plan which will set out the housing requirement in each Designated Neighbourhood Area in East Devon in due course. Feedback helps to inform the LPA's thinking on a suitable approach to take, before the plan then proceeds to Regulation 19 stage (Publication) and then submitted for Examination.

#### **Technical Evidence Report - Version and data**

- 3.6. This is Version 2 (May 2024) of the technical document. It identifies and assesses the implications of potential options for calculating Designated Neighbourhood Area housing requirements.

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<sup>12</sup> The Town and Country Planning (Local Planning) (England) Regulations 2012 – UK Statutory Instrument 2012 No.767

3.7. To enable timely consultation on the method options, this document has been informed by available policy/guidance, analysis and evidence as follows:

- Latest national planning policy and guidance as at end of January 2024.
- Lessons learnt from analysing the experience of other local plans up to end of January 2024, including matters, issues and questions raised at local plan Examinations, and Local Plan Inspectors' conclusions in the Inspectors Reports.
- Feedback from early engagement in 2023 with town and parish councils.
- Actual and forecast housing supply for the period 2020 to 2040 based on the 2023 housing monitoring point (as at 31 March 2023) identified from a range of supply categories, including:
  - Dwelling completions 1 April 2020 to 31 March 2023; and commitments as at 31 March 2023.
  - Allocations for housing in made Neighbourhood Plans as at end of January 2024 (with information on planning application progress and actual delivery of dwellings, to avoid double counting with dwelling completions and commitments).
  - Proposed housing allocations in the emerging East Devon Local Plan (Regulation 18) published November 2022.
  - Projected completions related to a windfall allowance.

### **Alternative Options**

3.8. Current UK legislation about Strategic Environmental Assessment (SEA) requires the council to test reasonable alternatives when developing local plan policies. This report provides an initial assessment of the implications of the method options. Part of that assessment considers which options could be used to justify strategic policy that are “reasonable alternatives” for SEA purposes. It identifies which of these options is preferred and which are rejected at this time, and why. It also identifies which options are not considered to be “reasonable alternatives” and the reasons why.

3.9. The Council will revisit that assessment in an updated version of this technical report. This will inform the Strategic Environmental Assessment of the alternatives relating to the strategic policy on Designated Neighbourhood Area housing requirement, as part of the Sustainability Appraisal/Strategic Environmental Assessment of the Regulation 19 local plan.

## 4. NATIONAL PLANNING POLICY AND GUIDANCE

- 4.1. Previous local plans in East Devon did not set housing requirements for Designated Neighbourhood Areas. The emerging East Devon Local Plan will therefore be the first plan to do so. This is because the changes to national planning policy which introduced this requirement were made after the adoption on 28 January 2016 of the East Devon Local Plan 2013 to 2031.
- 4.2. The concept of setting a housing target for neighbourhood areas was first outlined in the government's White Paper<sup>13</sup> 'Fixing our broken housing market', as a means to help produce neighbourhood plans in a timely way.
- 4.3. In 2018, paragraph 65 of the updated National Planning Policy Framework (NPPF) introduced national policy for strategic policy-making authorities to set out housing requirement figures for Designated Neighbourhood Areas through their Local Plans. This was subsequently repeated in the 2019 and July 2021 versions of NPPF, the latest is reproduced below:

*“Strategic policy-making authorities should establish a housing requirement figure for their whole area, which shows the extent to which their identified housing need (and any needs that cannot be met within neighbouring areas) can be met over the plan period. **Within this overall requirement, strategic policies should also set out a housing requirement for Designated Neighbourhood Areas which reflects the overall strategy for the pattern and scale of development and any relevant allocations**<sup>32</sup>. **Once the strategic policies have been adopted, these figures should not need re-testing at the neighbourhood plan examination, unless there has been a significant change in circumstances that affects the requirement**”.* [NPPF 2021 – paragraph 66]

*“Footnote 32 Except where a Mayoral, combined authority or high-level joint plan is being prepared as a framework for strategic policies at the individual local authority level; in which case it may be most appropriate for the local authority plans to provide the requirement figure.”*

- 4.4. On 22 December 2022, the Government published a prospectus consulting on proposed changes to the NPPF in the context of the Levelling Up and Regeneration Bill. A year later, on 20 December 2023, Government published the updated NPPF. Paragraph 67 of the NPPF did not change the text about housing requirements for Designated Neighbourhood Areas. The consequences of changes to Paragraph 14b for neighbourhood plans and

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<sup>13</sup> Fixing our Broken Housing Market February 2017 Cm 9352 Paragraph 1.43 “so that neighbourhood planning groups can obtain a housing requirement figure from their local planning authority, to help avoid delays in getting a neighbourhood plan in place.” [Fixing our broken housing market \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/614217/fixing_our_broken_housing_market.pdf)

related Government 'signals' regarding neighbourhood plan allocations are set out in Section 5 of this technical report.

- 4.5. The emerging East Devon local plan must be consistent with national planning policy if it is to be found 'sound'. Government policy on Designated Neighbourhood Area housing requirements is set out in the National Planning Policy Framework (currently 20 December 2023). This is supported by the Government's planning practice guidance notably the PPG on Neighbourhood Planning.
- 4.6. Those parts of the current NPPF and PPG relevant to DNA housing requirements are reported below in Section 5 of this report. This provides the policy context for the lessons learnt from other areas (see Section 6), the potential implications for neighbourhood planning (see Section 7), and the identification and assessment of potential methods for calculating housing requirements for Designated Neighbourhood Areas in East Devon (see Section 8).

#### **NPPF - Strategic policy role to set DNA housing requirements**

- 4.7. Notwithstanding any future intentions for allocating housing sites in neighbourhood plans, the Local Planning Authority is still obliged to set a housing requirement figure in Local Plan strategic policy for each Designated Neighbourhood Area in its area. This stems from NPPF (20 December 2023) Paragraph 67 which states that:

*“Strategic policy-making authorities should establish a housing requirement figure for their whole area, which shows the extent to which their identified housing need (and any needs that cannot be met within neighbouring areas) can be met over the plan period. The requirement may be higher than the identified housing need if, for example, it includes provision for neighbouring areas, or reflects growth ambitions linked to economic development or infrastructure investment. Within this overall requirement, strategic policies should also set out a housing requirement for designated neighbourhood areas which reflects the overall strategy for the pattern and scale of development and any relevant allocations<sup>33</sup>. Once the strategic policies have been adopted, these figures should not need re-testing at the neighbourhood plan examination, unless there has been a significant change in circumstances that affects the requirement.”*

*“<sup>33</sup> Except where a Mayoral, combined authority or high-level joint plan is being prepared as a framework for strategic policies at the individual local authority level; in which case it may be most appropriate for the local authority plans to provide the requirement figure.”*

- 4.8. The Local Planning Authority therefore has to justify the strategic policy on Designated Neighbourhood Area housing requirement figures and explain why it has selected and used the method to calculate them. However, the Government does not prescribe a method for the council to use in determining those figures. The Government's updated NPPF December 2023 did not change this.
- 4.9. From NPPF paragraph 67, it is important to note that those housing requirement figures for Designated Neighbourhood Areas would be part of the emerging East Devon Local Plan's district net housing requirement total for the plan period, and not additional to it.
- 4.10. Furthermore, it is also important to note that strategic policy has a specific purpose for neighbourhood plan preparation. PPG Neighbourhood Planning paragraph 9 states that:

*“A draft neighbourhood plan or Order must be in general conformity with the strategic policies of the development plan in force if it is to meet the basic condition.<sup>14</sup>”*

#### **NPPF - What about non-designated areas?**

- 4.11. Parts of East Devon currently do not have Designated Neighbourhood Areas. Current national planning policy does not require the local plan to set housing requirement numbers for places that are not a Designated Neighbourhood Area.
- 4.12. For places that are designated too late in the local plan process or designated after local plan adoption, NPPF 2023 Paragraph 68 sets out the policy approach<sup>15</sup>, stating that:

*“Where it is not possible to provide a requirement figure for a neighbourhood area<sup>34</sup>, the local planning authority should provide an indicative figure, if requested to do so by the neighbourhood planning body. This figure should take into account factors such as the latest evidence of local housing need, the population of the neighbourhood area and the most recently available planning strategy of the local planning authority.”*

*“<sup>34</sup> Because a neighbourhood area is designated at a late stage in the strategic policy-making process, or after strategic policies have been adopted; or in instances where strategic policies for housing are out of date.”*

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<sup>14</sup> Only a draft neighbourhood Plan or Order that meets each of a set of basic conditions can be put to a referendum and be made. The basic conditions are set out in [paragraph 8\(2\) of Schedule 4B to the Town and Country Planning Act 1990](#) as applied to neighbourhood plans by section 38A of the Planning and Compulsory Purchase Act 2004.

<sup>15</sup> And there is related planning practice guidance in PPG Neighbourhood Planning paragraph 102

- 4.13. If a local planning authority is unable to do this, then the neighbourhood planning body may exceptionally need to determine a housing requirement figure themselves, taking account of relevant policies, the existing and emerging spatial strategy, and characteristics of the neighbourhood area.
- 4.14. NPPF is silent on whether the Local Plan can set housing requirement figures for places not designated as neighbourhood areas. However, the NPPF and PPG enable the Council to provide indicative housing targets on request to relevant neighbourhood planning bodies. Government’s PPG on Neighbourhood Planning also sets out guidance on what happens if the local planning authority does not provide a housing requirement figure for a Designated Neighbourhood Area that wishes to plan for housing.
- 4.15. The Spring 2024 consultation will be an opportunity for respondents to consider whether the Local Plan policy should only provide housing requirement figures for the 41 Designated Neighbourhood Areas. At this time the council is not intending to include housing requirement figures for non-designated areas in the plan. However, this technical report could include supply category figures and totals for non-designated areas, for information (subject to committee approval).

### **PPG – Neighbourhood Planning**

- 4.16. Planning Practice Guidance on Neighbourhood Planning<sup>16</sup> explains the neighbourhood planning system introduced by the Localism Act 2011, including key stages and considerations required.

- 4.17. PPG Neighbourhood Planning Paragraph 004 states that:

*“A neighbourhood plan should support the delivery of strategic policies set out in the local plan or spatial development strategy and should shape and direct development that is outside of those strategic policies..... Within this broad context, the specific planning topics that a neighbourhood plan covers is for the local community to determine.”*

*“A neighbourhood plan should, however, contain policies for the development and use of land. This is because, if successful at examination and referendum (or where the neighbourhood plan is updated by way of making a material modification to the plan and completes the relevant process), the neighbourhood plan becomes part of the statutory development plan.....”*

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<sup>16</sup> Planning Practice Guidance – Neighbourhood Planning  
<https://www.gov.uk/guidance/neighbourhood-planning--2>

- 4.18. PPG Neighbourhood Planning includes some guidance about housing requirements, set out in in Paragraphs 009, 101, 102, 103, 104; 97, and related 96. Key guidance is reproduced in paragraphs 4.19 to 4.23 below.

### **Neighbourhood plans making provision for housing**

- 4.19. Neighbourhood plans can make provision for housing through allocations and policies. Current planning practice guidance sets out the circumstances when a housing requirement figure is needed for neighbourhood plans and how those plans should then include the figure and its origin. PPG Neighbourhood Planning Paragraph 103 states that,

*“Where neighbourhood planning bodies have decided to make provision for housing in their plan, the housing requirement figure and its origin are expected to be set out in the neighbourhood plan as a basis for their housing policies and any allocations that they wish to make.*

*Neighbourhood planning bodies are encouraged to plan to meet their housing requirement, and where possible to exceed it. A sustainable choice of sites to accommodate housing will provide flexibility if circumstances change, and allows plans to remain up to date over a longer time scale. Where neighbourhood planning bodies intend to exceed their housing requirement figure, proactive engagement with their local planning authority can help to assess whether the scale of additional housing numbers is considered to be in general conformity with the strategic policies. For example, whether the scale of proposed increase has a detrimental impact on the strategic spatial strategy, or whether sufficient infrastructure is proposed to support the scale of development and whether it has a realistic prospect of being delivered in accordance with development plan policies on viability. Any neighbourhood plan policies on the size or type of housing required will need to be informed by the evidence prepared to support relevant strategic policies, supplemented where necessary by locally-produced information. ....”*

- 4.20. The ‘origin’ for a housing requirement figure for a Designated Neighbourhood Area can therefore be provided through one of the following mechanisms<sup>17</sup>:
- a) A housing requirement figure (that is, a number of dwellings) which is set out in a strategic policy in a local plan. This figure will not need retesting at examination of the neighbourhood plan.
  - b) Where it is not possible for the housing requirement to be set out in strategic policy, then the local planning authority can provide an

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<sup>17</sup> PPG Neighbourhood Planning paragraph 104 and 105

'indicative' housing requirement figure if requested to do so by the neighbourhood planning body. This figure will be tested at the neighbourhood plan examination. To date, the District Council has provided 'indicative' housing requirement figures on request, notably in 2019 for the Broadclyst Neighbourhood Plan (the requirement was a net zero figure). At the same time because Broadclyst is part of a larger parish grouping, the District Council also provided net zero housing requirement figures for the other parishes<sup>18</sup> in that grouping. Similarly, a housing requirement figure was provided on request in 2019 for the Kilmington neighbourhood plan (also net zero).

- c) if a local planning authority is unable to provide an indicative figure, then according to PPG, exceptionally, the neighbourhood planning body may need to determine the housing requirement figure for the Designated Neighbourhood Area taking account of relevant policies, the existing and emerging spatial strategy, and characteristics of the neighbourhood area. This figure will be tested at the neighbourhood plan examination.<sup>19</sup>

### **Must a neighbourhood plan include a housing requirement figure?**

- 4.21. However, if a Neighbourhood Plan does not intend to provide for housing, then Planning Practice Guidance makes clear that housing requirement numbers for Designated Neighbourhood Areas are not binding. PPG Neighbourhood Planning paragraph 104 states that:

*“The scope of neighbourhood plans is up to the neighbourhood planning body. Where strategic policies set out a housing requirement figure for a Designated Neighbourhood Area, the neighbourhood planning body does not have to make specific provision for housing, or seek to allocate sites to accommodate the requirement (which may have already been done through the strategic policies or through non-strategic policies produced by the local planning authority). The strategic policies will, however, have established the scale of housing expected to take place in the neighbourhood area.”*

- 4.22. So even if the Local Plan includes a housing requirement figure for a Designated Neighbourhood Area in a strategic policy, the neighbourhood plan for that area is not required to provide for housing or allocate sites.

### **How should a housing requirement figure be set for DNAs?**

- 4.23. PPG Neighbourhood Planning paragraph 101 states that:

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<sup>18</sup> Clyst Honiton, Clyst Hydon, Clyst St Lawrence, Rockbeare and Poltimore

<sup>19</sup> PPG Neighbourhood Planning paragraph 105 Reference ID: 41-105-20190509

*“The National Planning Policy Framework expects most strategic policy-making authorities to set housing requirement figures for designated neighbourhood areas as part of their strategic policies. While there is no set method for doing this, the general policy making process already undertaken by local authorities can continue to be used to direct development requirements and balance needs and protections by taking into consideration relevant policies such as the spatial strategy, evidence such as the Housing and economic land availability assessment, and the characteristics of the neighbourhood area, including its population and role in providing services. In setting requirements for housing in designated neighbourhood areas, plan-making authorities should consider the areas or assets of particular importance (as set out in paragraph 11, footnote 6), which may restrict the scale, type or distribution of development in a neighbourhood plan area.”*

- 4.24. From analysing NPPF and PPG, the council has identified potential tensions between parts of the national planning policy and guidance when viewed from the perspectives of plan making for local plans and for neighbourhood plans. These are explored further in Section 5 of this report.
- 4.25. Section 6 of this report explores the implications of national planning policy and guidance. First, through analysing other local plans’ application of NPPF and PPG when justifying their DNA housing requirements. Then in analysing Inspectors Reports and questions at Examination.
- 4.26. This enabled the council in Sections 7 and 8 of this report to consider what lessons can be learnt about other plans and their evidence used to justify policy in terms of plan ‘soundness’, and to reach conclusions about what lessons that are relevant for East Devon.

## 5. LOCAL PLANS AND NEIGHBOURHOOD PLANS

### Relationship between local plans and neighbourhood plans

- 5.1. East Devon District Council is a strategic policy-making authority, and as explained in this report, NPPF requires the Local Plan to include a strategic policy on housing requirements for Designated Neighbourhood Areas.
- 5.2. There are benefits to identifying housing requirements for Designated Neighbourhood Areas through the strategic policy. In particular they should provide certainty and avoid the need to retest the numbers during the Neighbourhood plan examination. Furthermore, the strategic policy will be subject to consultation during the process of preparing the Local Plan. All the difficult arguments around what the housing requirement should be in any given area should, in theory, be directed at the local planning authority writing its Local Plan, rather than overwhelming the neighbourhood planning group. In addition, the policy will be tested through the Local Plan examination, thereby demonstrating that the housing requirement is 'sound'.
- 5.3. As made clear in NPPF paragraph 21
- “Plans should make explicit which policies are strategic policies<sup>12</sup>. These should be limited to those necessary to address the strategic priorities of the area (and any relevant cross-boundary issues), to provide a clear starting point for any non-strategic policies that are needed. Strategic policies should not extend to detailed matters that are more appropriately dealt with through neighbourhood plans or other non-strategic policies”*
- 5.4. There is no obligation on communities with a designated area to prepare a neighbourhood plan, and no obligation for those with 'made' neighbourhood plans to review and update them. Nevertheless, as all neighbourhood plans in East Devon to date have, by necessity, been devised in general conformity with the current adopted local plan, and typically to the same plan period (ending 2031), it is not unreasonable to anticipate that adoption of the new local plan (to 2040) will trigger reviews and preparation of new and modified neighbourhood plans in the district.
- 5.5. The relationship between the emerging local plan and neighbourhood plans is at the heart of the issue of how to calculate and justify housing requirement figures for Designated Neighbourhood Areas in strategic policy. That relationship revolves around:
- The duty of the Local Planning Authority to produce a local plan (including setting the district housing requirement and making

sufficient provision for meeting the requirement including 'heavy lifting' through allocating sites for housing development).

- The aspirations of communities translated into neighbourhood plan policies and proposals for the development and use of land.
- How a neighbourhood plan meets 'basic conditions' such that it supports the delivery of strategic policies in the local plan<sup>20</sup>; and
- Legislative and procedural matters, evidence, the timing of plan making and the precedence of plans.

5.6. The relationship between local plans and neighbourhood plans is also a wider theme in plan making for Development Plan Document purposes. For example, it led to many responses at the Issues and Options consultation stage in 2021 and the draft Local Plan consultation in 2022, not least about the relative roles of local and neighbourhood plans in determining the amount and location of housing growth in Designated Neighbourhood Areas.

5.7. Neighbourhood Plans have to be produced in accordance with legislation and, prior to going through a referendum, are subject to an Examination undertaken by an independent Examiner. Neighbourhood Plans must meet a set of 'basic conditions' including that they must be in general conformity with the strategic policies of the Local Plan and have regard to national policy, as well as complying with regulations relating to environmental assessment and the protection of habitats. The District Council is committed to supporting those communities who wish to produce a Neighbourhood Plan and a number of the Local Plan policies contain specific guidance in relation to areas of policy that Neighbourhood Plans may choose to cover.

5.8. Whilst Government guidance 'encourages' neighbourhood planning bodies to plan to meet their housing requirement, and where possible exceed it", crucially, neighbourhood planning groups do NOT have to make specific provision for housing in their plans. The scope of their plans is for them to determine. Nor do they have to seek to allocate sites to accommodate their designated neighbourhood area housing requirement – which indeed may have already been met through allocations in the local plan. Nevertheless, by including the designated neighbourhood area housing requirement figures

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<sup>20</sup> PPG Neighbourhood Planning paragraph 65 Only a draft neighbourhood Plan or Order that meets each of a set of basic conditions can be put to a referendum and be made. The basic conditions are set out in [paragraph 8\(2\) of Schedule 4B to the Town and Country Planning Act 1990](#) as applied to neighbourhood plans by section 38A of the Planning and Compulsory Purchase Act 2004 " – Paragraph 65 lists the basic conditions.

PPG Neighbourhood Planning paragraph 009 "A draft neighbourhood plan or Order must be in general conformity with the strategic policies of the development plan in force if it is to meet the [basic condition](#). Although a draft neighbourhood plan or Order is not tested against the policies in an emerging local plan the reasoning and evidence informing the local plan process is likely to be relevant to the consideration of the basic conditions against which a neighbourhood plan is tested. For example, [up-to-date housing need evidence](#) is relevant to the question of whether a housing supply policy in a neighbourhood plan or Order contributes to the achievement of sustainable development."

within strategic policy as the Government requires us to do, this then connects directly into the 'basic conditions test' that all neighbourhood plans must meet. That is, to be in general conformity with the strategic policies of the local plan, and not to promote less development than these stipulate<sup>21</sup>.

- 5.9. The National Planning Policy Framework requires local planning authorities to provide a housing requirement figure for Designated Neighbourhood Areas. Section 4 of this report explores the implications of national planning policy and guidance towards housing requirements for Designated Neighbourhood Areas. As made clear in PPG Neighbourhood Planning paragraph 104, strategic policies in the Local Plan will have established the scale of housing expected to take place in the neighbourhood area.

#### Benefits of DNA HR figures for neighbourhood planning

- 5.10. The council appreciates that it is beneficial to groups who are planning for housing in their neighbourhood plan to have an understanding of the broad number their plan should address. The council acknowledges that not all Neighbourhood Plan groups will wish to address housing, however the Council's starting point is that Neighbourhood Plan groups should have the opportunity to address housing wherever this is appropriate to the strategy of the Local Plan. This matter is considered in paragraphs 5.11 and 5.12 below and in more detail in Sections 7 to 9 of this report regarding the synthesis of method options, the implications of the origin of the Designated Neighbourhood Area housing requirement numbers, and what this means for Neighbourhood Plan groups who wish to make provision for housing.
- 5.11. PPG indicates that setting a figure in strategic policy will help to expedite the plan-making process of neighbourhood plans, so that the figure does not need retesting at the Neighbourhood Plan examination. The question is then, what does the housing requirement figure mean for neighbourhood planning?
- 5.12. Preparation of new or reviewed neighbourhood plans provides an opportunity to consider site allocations in the context of the Designated Neighbourhood Area housing requirement figures, for example for the following reasons:
- There is a need to review a made neighbourhood plan if it is nearing the end of its plan period
  - The emerging local plan has a different plan period (currently 2020 to 2040) compared to existing neighbourhood plans (most of which have a plan period ending in 2031)
  - The neighbourhood planning body now considers that a new neighbourhood plan or a review of the neighbourhood plan should include

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<sup>21</sup> Planning Practice Guidance – Neighbourhood Planning Paragraph: 103 Reference ID: 41-103-20190509

housing provision, to address local housing needs and provide greater certainty i.e. through additional allocations to steer development, and less reliance on windfalls.

NPPF 20 December 2024- Paragraph 14

5.13. Neighbourhood plan preparation should also be mindful of the changes to NPPF paragraph 14 introduced by Government in the updated NPPF 20 December 2023.

5.14. In the context of NPPF paragraph 11d relating to decision-taking and the presumption in favour of sustainable development, NPPF paragraph 14 states:

*“In situations where the presumption (at paragraph 11d) applies to applications involving the provision of housing, the adverse impact of allowing development that conflicts with the neighbourhood plan is likely to significantly and demonstrably outweigh the benefits, provided the following apply:*

*a) the neighbourhood plan became part of the development plan five years or less before the date on which the decision is made; and*

*b) the neighbourhood plan contains policies and allocations to meet its identified housing requirement (see paragraphs 67-68”*

5.15. By extending the time period from two years to five years, NPPF strengthened the policy to protect areas with made neighbourhood plans that meet the policy criteria in paragraph 14 b). It means that where the presumption in favour of sustainable development applies, provided that the made Neighbourhood Plan is less than 5 years old and contains policies and allocations to meet their identified requirement, then the adverse impact of allowing development that conflicts with the neighbourhood plan is likely to significantly and demonstrably outweigh the benefits. Therefore, it will be important that neighbourhood plans can demonstrate that the policies and allocations meet the Designated Neighbourhood Area housing requirement in order to be afforded this protection by the NPPF. This brings a somewhat sharper focus to the potential role and value of the housing requirement calculations to neighbourhood planning communities.<sup>22</sup>

5.16. PPG Neighbourhood Planning paragraph 96 explains why it is important for neighbourhood plans to include policies and allocations if the qualifying body wants to benefit from the protection of Paragraph 14, as follows:

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<sup>22</sup> It should be noted that the Government made a last-minute change to the updated NPPF as published on 19 December 2023. The change was made the next day (20 December 2023) by removing text stating that a neighbourhood plan would only benefit from protection against speculative housing applications if its “identified housing requirement” was less than five years old.

*“Allocating sites and producing housing policies demonstrates that the neighbourhood plan is planning positively for new homes, and provides greater certainty for developers, infrastructure providers and the community. In turn this also contributes to the local authorities’ housing land supply, ensuring that the right homes are delivered in the right places.”*

- 5.17. PPG Neighbourhood Planning paragraph 97 clarifies the meaning for neighbourhood plans of the phrase ‘policies and allocations to meet its identified housing requirement’ in the context of NPPF paragraph 14, as follows:

*“In order for a neighbourhood plan to meet the criteria set in paragraph 14b of the Framework, the ‘policies and allocations’ in the plan should meet the identified housing requirement in full, whether it is derived from the housing figure for the neighbourhood area set out in the relevant strategic policies, an indicative figure provided by the local planning authority, or where it has exceptionally been determined by the neighbourhood planning body. For example, a neighbourhood housing requirement of 50 units could be met through 2 sites allocated for 20 housing units each and a policy for a windfall allowance of 10 units. However, a policy on a windfall allowance alone would not be sufficient.”*

- 5.18. The updated National Planning Policy Framework (20 December 2023) introduced changes which post-date PPG Neighbourhood Planning (25 May 2020). Those changes may encourage future neighbourhood plans to allocate housing sites and put further emphasis on supporting community led housing. However, readers should note that in its response to the responses received on its consultation on planning reform<sup>23</sup>, Government signalled the following, although the proposed guidance change is still awaited at the time of this writing this technical report:

*“We also recognise from the responses that further clarity on how paragraph 14 applies in cases where the neighbourhood area has a housing requirement of zero is needed. We intend to publish guidance in due course to make clear that, irrespective of the housing requirement of the neighbourhood, a neighbourhood plan must allocate a housing site to benefit from the protection under paragraph 14.”*

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<sup>23</sup> Government response to the Levelling-up and Regeneration Bill: reforms to national planning policy consultation Updated 19 December 2023  
<https://www.gov.uk/government/consultations/levelling-up-and-regeneration-bill-reforms-to-national-planning-policy/outcome/government-response-to-the-levelling-up-and-regeneration-bill-reforms-to-national-planning-policy-consultation>

## Lessons learnt from the previous Local Plan

- 5.19. The District Council is mindful of the conclusions drawn by the Inspector in his report on the East Devon Local Plan 2013 to 2031, where he concluded:
- in paragraph 29... *“However, there is no requirement for communities to produce a Neighbourhood Plan and most of the Town and Parish Councils engaged in the examination resisted rather than welcomed new housing.....”*
  - in paragraph 30... *“The Council is confident that new housing will come forward through Plans but there is no guarantee that they will nor does this strategy give the Council any control over when or where they will be delivered...”<sup>24</sup>*
- 5.20. The District Council is also mindful of the concerns about the overall scale of housing raised by communities in their comments on the emerging local plan November 2022 Regulation 18 consultation. Nevertheless, the District Council does not wish to prejudge the aspirations of neighbourhood planning groups or town and parish councils regarding the amount of housing they might consider proposing to allocate in future neighbourhood plans. The issue of the balance between local and neighbourhood plan allocations was therefore raised in the early engagement activity in 2023.
- 5.21. Consequently, through the early engagement in 2023 the council has sought to gather evidence about neighbourhood planning groups’ intentions and aspirations about the potential for future neighbourhood plans to allocate sites for housing, and to start of assess the implications for deliverability.

### ‘Heavy lifting’ by Local Plan allocations

- 5.22. The proposed approach for identifying housing supply in the emerging new local plan would continue the approach taken under the adopted East Devon Local Plan 2013 to 2031. That is, the emerging local plan is taking the responsibility for doing the ‘heavy lifting’ by proposing local plan site allocations sufficient (in combination with forecast supply from completions since 2020, commitments, Cranbrook allocations and a windfall allowance) to provide in full for the minimum net district housing requirement with a supply ‘headroom’<sup>25</sup> to manage risk.

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<sup>24</sup> Other conclusions by the Inspector about methods used to calculate housing provision in villages is set out in Section 9 of this report on metho options assessment– see ‘Other methods’

<sup>25</sup> A supply headroom is the amount by which the actual and forecast net district housing supply for the plan period exceeds the policy district housing requirement for that period. It is a means to manage the risk about the uncertainty of housing delivery in the long term.

- 5.23. The council would include housing supply from allocations in 'made' Neighbourhood Plans (or with Recommendation to go to Referendum) in the forecast of supply for the plan period of the emerging local plan. Excluding dwellings built before 1 April 2020, dwellings on the remainder of made neighbourhood allocations would count towards supply (either as completions 1 April 2020 to 31 March 2023; commitments from permission at 31 March 2023 or allocations without planning permission as at 31 March 2023).<sup>26</sup>
- 5.24. EDDC has not sought (and are currently not proposing) to rely on emerging and future new or updated neighbourhood plans to make allocations in order to meet the district's minimum housing requirement. The onus is therefore on the council as LPA to evidence housing supply deliverability/developability through robust technical evidence. This will be rigorously tested at examination and monitored and reported on annually.
- 5.25. The emerging Local Plan has various provisions to allow for neighbourhood plans to make allocations in addition to the local plan to meet locally identified community needs/priorities and preferences. For these, the neighbourhood plans need proportionate evidence but generally face less onerous testing at examination than is experienced during the Local Plan testing process.

Should communities be responsible for more of the 'heavy lifting'?

- 5.26. Under the adopted Local Plan, there has been significant participation by communities in neighbourhood planning (with 27 made neighbourhood plans currently). Of these, 6 (just over one-fifth) have chosen to make allocations for housing (for a combined total of about 160 homes), with 2 more emerging neighbourhood plans known to be advanced in work to allocate sites for housing. Sites that come forward during the plan period of the adopted local plan through neighbourhood plans have been additional to the forecast supply to meet the minimum district requirement. That is, they are effectively seen as a 'bonus' in supplementing supply.
- 5.27. Many comments received in response to the Regulation 18 draft local plan consultation 2022 related to the overall district housing requirement figure. Community responses largely sought a reduction in that figure. But there were some community responses on the housing requirements for Designated Neighbourhood Area and also on the issue about which type of plan should allocate sites for housing. For example, the council received the following comments:
- Neighbourhoods and Parish Councils should make their own decisions on these matters.

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<sup>26</sup> The council expects to update this approach to move to a 2024 monitoring point date (i.e. 31 March 2024) for the evidence and policy basis for the Regulation 19 (Publication) local plan stage.

- Where Neighbourhood Plans have been made, the housing requirement figures should be respected.
- The wishes of communities already expressed in their democratically approved Neighbourhood Plans are ignored.
- A local authority may seek to establish housing figures, but it is the neighbourhood plan that determines where, when and numbers.
- Should refer back to the principles of localism – the Neighbourhood Plan is the best way to determine new development sites.
- Should listen to local people, revisit Neighbourhood plans with them, work alongside them to encourage small pockets of organic growth with appropriate dwellings and support mechanisms already in place.
- Self-determinism and localism should be applied - whereby power should be exercised at the lowest practical level steered by the emerging Neighbourhood Plan which will be the principal tool by which the community in a Designated Neighbourhood Area will direct, promote and control development i.e. the community should determine the shape of the places in which their inhabitants live.

5.28. After that consultation stage, the potential to place more expectation and onus on communities to identify and allocate sites to help meet the minimum district housing requirement was one aspect explored through the 2023 engagement exercises. Paragraphs 2.6 to 2.10 and 2.17 report on that early engagement feedback, with more details in Appendix B of this report.

5.29. **CONCLUSION 2:** The early engagement feedback through the survey indicates there appears to be more appetite to bring housing forward through Neighbourhood Plans than previously indicated through the initial webinar, notably to meet specific identified community needs. However, how much housing would be delivered through those plans is unclear. This is because of respondents' general uncertainty about the eventual content of the emerging local plan, their concerns about resources to prepare new or updated neighbourhood plans, and concerns about housing need, constraints and infrastructure capacity. Therefore, at this time the feedback does not provide clear and compelling evidence that future neighbourhood plans would allocate sites that could be relied on in total to deliver a sizeable share of future housing supply in East Devon to 2040.

5.30. **CONCLUSION 3:** The council's duty to prepare a local plan, combined with the requirement for the local plan to be found 'sound' places a burden on the EDDC to justify whether it can or cannot rely on delivery of housing from future neighbourhood plan allocations as part of the forecast district housing supply to 2040. The Spring 2024 public consultation therefore provides an opportunity to consider the implications for the method to calculate housing

requirements for Designated Neighbourhood Areas as a result of the balance between:

- The appetite for future neighbourhood plans to allocate sites and whether this could deliver significantly more housing; and
- The consequence of the emerging local plan's 'heavy lifting' approach to ensure sufficient supply is identified through the local plan, and the evidential burden of demonstrating the deliverability of strategic policy on the district housing requirement for the plan period.

## 6. LEARNING LESSONS FROM OTHER LOCAL PLANS

- 6.1. In any project it helps to learn from the experience of others when we prepare our evidence and justification of the housing requirements for Designated Neighbourhood Areas. Doing this early on helps to save time, avoid abortive work, and focus resources and effort effectively.
- 6.2. As stated in PPG Neighbourhood Planning paragraph 101, there is no set method for setting housing requirement figures for designated neighbourhood areas. However, PPG is clear that the council can use the general policy making process to direct development requirements and balance needs and protections. We can take relevant policies into consideration such as the spatial strategy, evidence such as the HELAA, characteristics of the neighbourhood areas including its population and role in providing services, and areas or assets of particular importance which may restrict the scale, type of distribution of development in a neighbourhood plan area.

### **Learning from recent local plans**

- 6.3. Research commissioned by the Local Government Association in 2021<sup>27</sup> concluded that different methods are being used by Local Planning Authorities to determine housing requirements for Designated Neighbourhood Areas in local plans. We can learn from them.
- 6.4. The council is mindful that there are only a limited number of adopted (or very advanced) plans at this time with strategic policy on Designated Neighbourhood Areas housing requirements. Local Plan Examinations are still exploring these issues, and Local Planning Authorities are still learning from the lessons of other areas and considering how those lessons are relevant to their plan making. LPAs are at this early learning stage because:
- The NPPF requirement for strategic policy on this matter is relatively new. So only a few local plans that are recently adopted include DNA housing requirement figures. Some other plans that are examination or Regulation 19 stage consider the issue, but not all include figures or strategic policy.
  - Delays in local plan making because of uncertainty and Government consultations on changes to the planning system has meant that the number of local plans adopted in 2023 was at a 10 year low; and

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<sup>27</sup> Researching the interactions between local plan making and neighbourhood plans 10 February 2021 [Researching the interactions between local plan making and neighbourhood plans | Local Government Association](#)

- Some LPA areas do not have Designated Neighbourhood Areas, so do not need to include policy on this matter.
- 6.5. The District Council has therefore studied the approaches used by other strategic policy-making authorities whose recent plan making processes are ahead of East Devon in identifying housing requirements for Designated Neighbourhood Areas.
- 6.6. Based on an early analysis of recent plans, a report to the Council's Strategic Planning Committee on 7 March 2023<sup>28</sup> advised that other LPAs have used a range of methods to calculate housing requirements for Designated Neighbourhood Areas in Local Plans. That analysis fed into the early engagement activity in June 2023 and Autumn 2023.
- 6.7. This technical report updates that earlier analysis. The report is informed by updated evidence from our latest research which focused on 22 local plans (including reviews and partial updates) with recently adopted local plans or plans at Examination or at Regulation 19 (Publication) stage by February 2024, where there are Designated Neighbourhood Areas.
- 6.8. The aim of the research is to help the council identify and assess potential method options for the emerging East Devon Local Plan. We have gained insights and can learn lessons from the following information sources:
- The conclusions and recommendations in recent local plan Inspectors' reports, and from less recent Inspector reports where the Local Plan included an allowance for housing supply from future neighbourhood plans
  - Latest local plan examinations where the process has reached Main Modifications consultation stage. This follows on from matters discussed at the Examination, or from written questions and answers, and where the Inspector will have considered potential Main Modifications.
  - Latest local plan examinations where:
    - Inspectors' Matters, Issues and Questions (MIQs) for Local Plan Examination hearings identify specific issues and /or questions about strategic policy (or the lack of it) on housing requirements for Designated Neighbourhood Areas
    - There are participants' Written Statement responses to MIQs
    - Inspectors' have asked initial or further questions prior to examination hearings and planning authority provided written responses.

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<https://democracy.eastdevon.gov.uk/documents/s19358/3.%20SPC%20Report%20Neighbourhood%20Area%20Housing%20Requirement%20v0.5.pdf>

- Very recent Regulation 19 Publication stage Local Plans and evidence underpinning policy on Designated Neighbourhood Areas housing requirements. For example, West Suffolk Local Plan (Regulation 19) Submission Draft January 2024.

6.9. Drawing on our research, this report provides detailed technical information and analysis about approaches taken by other local plans. *Table 5 in Appendix C* provides a simplified summary. *Appendix D* provides the source data extracts with more details relevant to the lessons that can be learnt, including Inspectors questions and conclusions, and Main Modifications.

### **Analysis of local plans and methods**

6.10. The main findings of that research are that LPAs interpret NPPF and PPG in different ways regarding housing requirements for Designated Neighbourhood Areas. In particular there is variation in the approach towards the following matters:

1. The methods vary, and fall into two broad groups:
  - a) Supply based – specifying which types of supply are counted and when added together give the housing requirement for the Designated Neighbourhood Area
  - b) Apportionment based – specifying what statistics are used as a basic percentage, which is then modified to take account of e.g. population/spatial strategy/areas or assets of particular importance. The percentage is then applied to the District requirement in order to calculate the housing requirement for the Designated Neighbourhood Area
2. For supply-based methods, for example whether to count:
  - all supply sources (including windfalls) as “expected” or
  - only local plan allocations, or
  - only allocations in made or submitted neighbourhood plans or neighbourhood plans where the neighbourhood planning body confirms the intention to allocate housing sites in the plan, or
  - local plan allocations and planning permissions
3. Using the supply side method, including local plan allocations and existing completions and commitments, housing requirement figures in local plan policies are taking account of the matters raised by NPPF/PPG by default (i.e. population/spatial strategy/areas and assets of particular importance) as they are material considerations in identifying emerging local plan allocations and planning approvals.
4. The supply source can raise different issues, notably:

- If commitments on outstanding planning permissions as at the latest monitoring point are counted (currently those permissions that have not expired as at 31 March 2023 but where dwellings are either under construction or not started, but are expected to be built in the plan period), this can then raise further issues, for example:
    - Have planning permissions been allocated in the local plan or a neighbourhood plan? (and if so, the need to avoid double counting)
    - Should policy set out what happens if the planning permission expires? (for planning applications approved before the plan period) Is this an issue, if the local plan makes provision for a supply 'headroom' above the local plan requirement? If there is no supply headroom, would expiry of planning permissions within a Neighbourhood area need to be offset by additional Neighbourhood Plan allocations, subject to the local plan spatial strategy/ settlement hierarchy and strategic policies?
  - If future neighbourhood plans' provision is included as a supply source, what happens if neighbourhood plans, when submitted, do not include housing site allocations? (and would the neighbourhood plan then not meet basic conditions which would mean the plan cannot proceed to referendum?)
  - Should future windfalls be taken into account? If future windfalls are taken into account, can these be forecast at the Neighbourhood Area level in a sufficiently robust way?
  - If supply from made or submitted Neighbourhood Plan allocations are included, what should happen if planning applications are not forthcoming on those sites? Would this undermine delivery of the local plan strategy?
5. Notwithstanding NPPF, plans vary in the status of the housing requirement figures, for example:
- Only some Local Plans set designated neighbourhood housing requirement figures in strategic policy. Others include figures in non-strategic policy, in reasoned justification, or in detached appendices (that are in the plan but not cross referenced by any policy or reasoned justification).
  - Some plans only include indicative housing requirement figures, which may be for Designated Neighbourhood Areas, although some plans also include figures for areas that are not designated.
  - Others refer to criteria and leave it to the neighbourhood planning body to justify a housing requirement figure, or state that they will provide

indicative numbers on request (i.e. separate from the plan-making process)

6. Notwithstanding NPPF, plans also appear to vary in the 'geography' used for those housing requirement figures, for example:
- Some LPAs with housing requirement figures base them on the area boundaries of the Designated Neighbourhood Areas (most of which are based on parish boundaries) and leave it to the neighbourhood plan process to translate this into supply provision for specific settlements.
  - Some LPAs base those housing requirements on their local plan spatial strategy 'geography' i.e. 'settlements'.

### **Analysis of Inspectors' questions and conclusions**

- 6.11. The council has researched what questions have been asked by Inspectors at Local Plan examinations, and their conclusions particularly where this results in main modifications to the local plan so that the plan can be made 'sound'. The purpose of the following analysis is to understand and learn lessons. It is not to criticise or question Inspectors' conclusions.
- 6.12. Inspectors' questions vary, depending on the content of the submission plans, the evidence, and information provided during the examination.
- 6.13. Some Inspectors ask specific questions on consistency with NPPF, notably:
1. Should there be a housing requirement for any Designated Neighbourhood Areas within the District, and what should these be?
  2. Is a figure provided for each and all Designated Neighbourhood Areas in a local plan area, even if the figure is zero?
  3. What is the policy status of housing requirement figures set out or not set out in submitted local plans? i.e. are housing requirement figures set out in the plan in "strategic policy" or are the figures only "indicative"?
  4. Are the Designated Neighbourhood Area housing requirement figures a part of the district housing requirement? i.e. not additional.
  5. Are the housing requirement figures minimums? i.e. no 'cap'.
  6. Is it clear whether policies about places and/or settlements contain specific housing requirements for each DNA?
- 6.14. Some Inspectors ask questions about the following:
1. What supply sources are counted towards the scale of housing "expected" to take place?
  2. What is the appropriate geography to use?

- 6.15. Some Inspectors ask more detailed questions on the ‘justification’ of the local plan and its policies, for example:
1. How do the housing requirements figures support the Local Plan vision, objectives and strategy?
  2. What is the evidence audit trails justifying the housing requirement figures, including the effectiveness of consultation/engagement in developing the methodology?
- 6.16. Some Inspectors ask questions about ‘effectiveness’ in the delivery of housing, for example:
1. Are there detailed housing delivery forecasts? (e.g. using the same trajectories for major sites that are counted in the district housing trajectories)
  2. Which neighbourhood plans address housing provision and allocate or intend to allocate housing sites?
  3. Does each housing requirement figure avoid double counting supply from neighbourhood plan allocations and local plan allocations?
- 6.17. Inspectors’ conclusions are set out in their reports to the LPAs at the end of the local plan examinations. However, there can also be early ‘signals’ about Inspectors views, without pre-judging their final report, either in interim reports following hearings, and/or in Main Modifications. The latter are only published on the Examination website with the agreement of the Inspector, and the changes proposed often follow discussions at hearings or responses to written questions.
- 6.18. From our analysis of Inspectors Reports and Main Modifications in Section 6 and Appendix D of this technical report, the council concludes that some variation in Inspectors’ conclusions and ‘signals’ could be explained by the circumstances of individual LPA areas. However, it appears that more can be explained by the current, inherent ‘tensions’ within and between NPPF and PPG. In particular, whether the Inspector accepts that the purpose of including DNA HR figures in the local plan is:
- Simply to provide a context about the extent of ‘expected’ scale of housing (whereby the requirement figure is a total forecast supply for the plan period). The local plan policy would however then need to make clear what supply is forecast for specific supply categories; or
  - Notwithstanding that neighbourhood plans are not required to allocate sites for housing, it is more helpful to neighbourhood planning groups if the local plan makes clear how many dwellings the neighbourhood plan should allocate in total.(whereby the DNA housing requirement figure is then smaller than the total expected growth and may be a NIL figure - for example because the local plan supply does not rely on

neighbourhood plans to deliver housing supply, or because some DNAs do not contain settlements where allocations would be appropriate). The council notes that Inspectors do not ask questions about what scale of housing requirement is 'popular' with local residents, although they do ask about what stage neighbourhood plan-making has reached.

**CONCLUSION 4: Considerable variation in methods and policy**

- 6.19. Overall, this research found that there does not appear to be much consistency in recent local plans in either the method used (and therefore the numbers) or whether the plans contain strategic policy on this matter or on policy content, or even in clarifying the purpose of including policy or housing requirement numbers in the plan. Notwithstanding this, local plan Inspectors appear to have largely accepted the variations in approach.
- 6.20. Not all methods will be suitable for East Devon, as our circumstances differ from other areas, not least because we have 41 designated neighbourhood areas, and the evidence does not suggest a strong appetite amongst neighbourhood plan groups take on a 'heavy lifting' role for allocating significant number of dwellings in future neighbourhood plans.

## 7. WHICH LESSONS LEARNT APPLY TO EAST DEVON?

7.1. From the review of other local plans and Inspectors' questions and conclusions set out in Section 6 of this report and Appendix D, combined with the council's careful consideration of NPPF and PPG, the council has identified the following main lessons learnt as being applicable for East Devon plan-making and the related evidence gathering. The detailed assessment of method options in Section 9 draws on the following analysis to reach conclusions about each of the options.

### 1. Set out DNA HR figures in 'strategic policy' in the local plan.

7.2. **CONCLUSION 5:** The council concludes that the DNA HR figures need to be listed for all DNAs in East Devon in strategic policy in the local plan if the policy is to be fully compliant with NPPF. That policy needs to be clear that the DNA HR figures are part of (and not additional to) the overall district housing requirement figure for which the new Local Plan needs to make provision for (and therefore which we will need to justify robustly at examination in order for the Plan to be found sound).

7.3. Furthermore, the strategic policy must also clearly state that the DNA HR figures are expected minimums. That is, they cannot and will not represent an upper target or maximum level of development in the Designated Neighbourhood Area over the plan period.

7.4. By setting the DNA HR figures within a strategic policy, neighbourhood plans would therefore need to be in general conformity with that policy. This would mean that neighbourhood plans that make provision for housing cannot plan for less housing than the strategic policy sets.

7.5. **Reason:** Omitting DNA HR figures from the plan, or only including them in non-strategic policy, or in reasoned justification or in evidence would not be consistent with NPPF and therefore there would be a risk that the emerging East Devon Local Plan would not meet the test of soundness. Likewise stating or implying that the DNA HR figures are maximum targets would not be consistent with the NPPF. These risks can be avoided by setting out the DNA housing requirement figures in strategic policy.

### 2. Be clear about the purpose of the strategic policy.

7.6. The DNA HR figures should provide a basis and a degree of certainty for neighbourhood plan bodies in considering what housing policies and allocations they may wish to include/make in their own plans, and potentially lessen the burden of evidence on them (as they would not be expected to

need re-testing at individual neighbourhood plan examinations unless new evidence was presented).

7.7. **CONCLUSION 6:** The local plan needs to be very clear if the DNA HR policy is to help neighbourhood planning groups in preparing neighbourhood plans. In particular, this will mean ensuring that:

- Each Designated Neighbourhood Area's housing requirement figure (and any breakdown into its supply categories) provides sufficiently clear information to provide a context for neighbourhood plan making.
- The policy and related reasoned justification are clear about the relative roles of the local plan and the neighbourhood plan regarding site allocations for housing. Notably how the 'heavy lifting' through housing allocations would be achieved to ensure that housing supply can be delivered over the plan period to achieve the housing requirements for the DNA and for the district (see Section 7 of this report).
- The policy is clear about whether the housing requirement figure does or does not mean that there is identified housing supply gap that a Neighbourhood Plan is expected to meet through neighbourhood plan site allocation(s). However, at this time, the council concludes that forecast housing supply from future neighbourhood plan allocations should not be included as a supply category in the justification of housing requirements for Designated Neighbourhood Areas.
- If the strategic policy does not require neighbourhood plans to allocate sites, it will still need to enable housing allocations to be included in a neighbourhood plan to provide additional supply.

7.8. **Reason:** There is an inherent tension between NPPF (paragraph 67) which states that strategic policies should set out a housing requirement figure for Designated Neighbourhood Areas and Government guidance (PPG Neighbourhood Planning paragraph 104) that clearly states that housing requirement figures for neighbourhood plan areas are not binding. This is only resolved by understanding whether a neighbourhood plan makes or intends to make housing provision, and whether the local plan will rely on neighbourhood plan allocations as a source of housing supply in the future.

7.9. There is a further tension within PPG about the justification of and therefore the scale of the housing requirement for the Designated Neighbourhood Area, where:

- a) PPG Neighbourhood Planning Paragraph 103 provides guidance on how neighbourhood planning bodies should use a housing requirement figure that has been provided to them:

*"Where neighbourhood planning bodies have decided to make provision for housing in their plan, the housing requirement figure and its origin are*

*expected to be set out in the neighbourhood plan as a basis for their housing policies and any allocations that they wish to make.*

***Neighbourhood planning bodies are encouraged to plan to meet their housing requirement, and where possible to exceed it.....”***

b) But, PPG Neighbourhood Planning Paragraph 104 provides guidance that

- *the strategic policies will, however, have established the scale of housing expected to take place in the neighbourhood area; and*
- *the neighbourhood planning body does not have to make specific provision for housing, or seek to allocate sites to accommodate the requirement (which may have already been done through the strategic policies or through non-strategic policies produced by the local planning authority) (our emphasis)*

7.10. Paragraph 104 is clearly based on the scale of housing “expected” to take place in the DNA, but it recognises that the requirement could be met through sites allocated by the local planning authority. Whereas Paragraph 103 relates to the ability of the neighbourhood planning body to meet the requirement (e.g. via its neighbourhood plan making role).

7.11. However, the local plan cannot require a neighbourhood plan to make provision for housing. It cannot compel a neighbourhood plan to allocate sites for housing. The council is mindful that the information in Appendix B of this report does not provide evidence at this time to demonstrate that communities or neighbourhood planning bodies aspire to allocate sites for significantly more housing than previously understood from consultation responses or from the webinar held in 2023.

7.12. The council is also mindful that at 160 dwellings, the number of dwellings on made Neighbourhood Plans allocations to date is very small compared to the adopted local plan housing requirements.

7.13. If the emerging local plan were to include future neighbourhood plan allocations as a supply category, it would need to manage the risk of non-delivery by providing ‘flexibility’. For example, this might have to be by increasing the local plan’s supply headroom through allocating additional sites in the emerging local plan. This was the approach taken in the adopted Plymouth and South West Devon Joint Local Plan 2016.

7.14. Currently there is no robust evidence that many future neighbourhood plans could be relied on to deliver housing, and in particular could not be relied on to share the ‘heavy lifting’ in delivering significant numbers of dwellings towards meeting the emerging district plan housing requirement. In the absence of such evidence, it is not considered that the council could rely on

future neighbourhood plans as a housing supply source for achieving the local plan housing requirement for 2020 to 2040.

- 7.15. The logical outcome is that it therefore remains the Local Plan's role to do the 'heavy lifting' through identifying housing allocations in the emerging local plan (in combination with other supply sources) sufficient to provide in full for the (net) minimum district housing requirement (with a supply 'headroom' to manage risk).

### **3. A supply-based method is easier to understand and justify**

- 7.16. **CONCLUSION 7**: Of the two broad approaches (1. Supply based; 2. Top-down apportionment), the council concludes that the East Devon DNA HR figures calculated by using a supply-based method are more likely to be understood and more robust.
- 7.17. **Reason**: Top-down apportionment of a district housing requirement relies on a range of assumptions. This type of method can appear theoretical and be more open to challenge. It appears to be less easy to understand, compared to a simple summing of actual and forecast supply from specific supply categories. Trying to make a generic top-down apportionment approach fit with strategy in East Devon will be particularly challenging because of the complications due to settlements and allocations overlapping the boundaries of the Designated Neighbourhood Areas (Appendix G of this report identifies the overlaps in the notes about sites). There are further complications when trying to produce a top-down apportionment due to the following:
- As well as the list of the 41 Designated Neighbourhood Areas, Appendix A shows which of these include or do not include settlements listed in the settlement hierarchy in the emerging local plan (Regulation 18 November 2022).
  - There are 4 parishes which have settlements in the proposed settlement hierarchy in the emerging local plan which are not Designated Neighbourhood Areas (Branscombe, Musbury, Plymtree, Stoke Canon).
  - Appendix A also shows which Designated Neighbourhood Areas include strategic developments proposed in the western part of the district (i.e. the 2<sup>nd</sup> new settlement and land north of Topsham), plus Cranbrook Expansion Areas in the adopted Cranbrook Plan. Information is not available at this time to apportion housing in the 2<sup>nd</sup> new settlement to DNAs in Appendices F and G (but will need to be apportioned for the Regulation 19 plan).
  - Not all of the Designated Neighbourhood Areas are expected to have neighbourhood plans (new or reviewed).

- 7.18. The consequence is that it is particularly challenging to develop an apportionment method which accommodates these complexities and at the same time is easy to understand and to evidence that it is deliverable, and results in consistency in how the housing figure for each Designated Neighbourhood Area has been calculated.
- 7.19. Supply forecasting can be challenging, but the housing supply trajectories are already required when justifying the district housing requirement, so will be tested at the local plan examination. The only additional evidence that may be needed for DNA HR figures is the evidence about breaking down the district windfall allowance in order to apportion that supply category to the individual DNAs.

#### **4. Not continuing the historic approach of zero DNA HR figures**

- 7.20. The historic approach to Designated Neighbourhood Area housing requirement figures in East Devon has been to give a nil figure for each DNA. That is, neighbourhood planning groups who requested indicative housing figures, were advised they were 'zero'. This was considered to have worked well in the adopted Local Plan (which pre-dates the introduction of this Government requirement). In effect it meant that there was no strategic supply need to allocate sites for housing in the neighbourhood plans and the adopted Local Plan did not rely on housing allocations in neighbourhood plans in order to deliver housing supply to meet the local plan's housing requirement policy figure.
- 7.21. However, national planning policy and guidance has changed since the adoption of the East Devon Local Plan 2013 to 2031. The emerging local plan has to respond to those changes.
- 7.22. **CONCLUSION 8:** The council concludes that continuing to use the historic approach of zero DNA housing requirements is considered unlikely to be found consistent with current national policy and should therefore not be continued. The emerging local plan is an opportunity to consider alternative approaches whereby the emerging plan's local plan policy on DNA housing requirement figures is consistent with NPPF and PPG so that the plan is 'sound'.
- 7.23. The scale of the housing requirement figures depends on the method selected, notably which supply categories are included in a supply-based approach. The figures are unlikely to be zero when a supply-based method uses all supply sources (as can be seen in Appendix F where only the figures at Cotleigh and at Monkton are zero under Option 1, but not under Option 2 if the apportioned windfall allowance is included). However, in small rural Designated Neighbourhood Areas, the figures may be very low, particularly if there are no local plan allocations, and /or if an apportioned windfall

allowance is not part of the calculation. What will be important is to understand the implications of those figures for neighbourhood plan. In particular whether method used means that there is no expectation of supply from future neighbourhood plans. This is considered in Point 5 below.

- 7.24. Reason: The council considers that an automatic flat rate of 'zero' for each and all neighbourhood areas, and/or a reliance on neighbourhood plan groups to seek indicative figures from EDDC on request, would fail to comply with current Government policy and guidance. The risk would be that the emerging local plan policy would be found not sound. That risk can be avoided by including housing requirement figures that indicate the scale of housing expected in the Designated Neighbourhood Area, and the sources of housing supply which are part of that expected scale of housing. The figures would then provide a context for to help and support neighbourhood planning for the future.

**5. Base DNA HR figures on 'the scale of housing expected to take place' and be clear about what 'expected' means**

- 7.25. PPG Neighbourhood Planning paragraph 104 states that "The strategic policies will, however, have established the scale of housing expected to take place in the neighbourhood area.". In the context of the emerging local plan the council considers that this means the net increase in housing delivered through development in the plan period (currently 1 April 2020 to 31 March 2040). In a supply-based method, it therefore would include actual completions from the start of the plan period to the last monitoring point (31 March 2023) and forecasts of delivery from other supply sources from 1 April 2023 to the end of the plan period.
- 7.26. What is important to understand is what supply components are 'expected' and therefore counted towards the DNA housing requirement figure.'
- 7.27. The council is mindful that in order to manage delivery risks, the local plan proposes to allocate housing sites, sufficient to provide a degree of supply headroom when combined with the other supply sources. This means that the housing requirement figures for DNAs would therefore reflect an element of supply headroom.
- 7.28. **CONCLUSION 9:** The council concludes that basing the method on the scale of housing expected to take place requires the method and the policy to be clear about that what this means and how this is justified.
- 7.29. Actual completions are known and are reported in the council's Housing Monitoring Update. The council has also published delivery trajectories for planning commitments and the Cranbrook Plan expansion areas to 2031 (the end of the adopted local plan's plan period). The council will be producing

detailed site delivery trajectories to 2040, include allocations in the emerging local plan. The council does not produce specific forecasts for individual future windfall sites, as these are unknown. Instead, it forecasts a windfall allowance for the district, expected to be delivered by 2040.

- 7.30. Reason: Lack of clarity about what growth is expected would not be consistent with NPPF and therefore there would be a risk that the Local Plan would not meet the test of soundness. Also, if the policy is not clear about what expected growth means then the policy would not be 'clearly written and unambiguous' and as a result it would not be evident how a decision maker should react to development proposals. It would be contrary to NPPF paragraph 16d). This would increase the risk that the local plan would not meet the test of soundness about consistency with NPPF (paragraph 16 bullet point d).

## 6. Be clear about 'what, where and when'.

- 7.31. **CONCLUSION 10:** Of the two broad approaches to calculating DNA HR figures (supply based; and 'apportionment') the council concludes that forecasts of specific categories of housing supply in a DNA which are added together to give the DNA HR figure is clearer in terms of 'what, where and when' and therefore is preferred for the method to use for East Devon DNAs.
- 7.32. Reason: The supply-based approach is a more robust and easier to understand method. Unlike the approach of disaggregating the district figure of growth for the plan period, the supply based approach does not rely on a more 'theoretical' top-down method to breakdown and apportion the district requirement through an algorithm to produce the DNA HR figures. It is also easier to compare to actual and forecast housing supply, although this will require housing monitoring data on a DNA basis to be provided to neighbourhood planning groups annually so that both they and the LPA can monitor progress of delivery against their DNA HR figures.
- 7.33. But using a supply-based method, the council also has to consider further details about what housing supply is counted, where and when.
- a) **WHAT** - Expected housing growth means the net number of dwelling completions in the Designated Neighbourhood Area, over a specified time period. The council can already evidence how all but one of the housing supply categories are consistent PPG paragraph 103 (i.e. for completions (for April 2020 to 31 March 2023), commitments as at 31 March 2023, Cranbrook Expansion Area allocations, made Neighbourhood Plan allocations (not yet completed or committed) and the emerging East Devon Local Plan allocations).

When assessing supply within DNA boundaries, the council needs to consider how to apportion supply between DNAs where sites with planning permissions, resolution to grant or allocations straddle the DNA boundaries. The complexity of the 2nd new community, and the fact that the work on developing the proposal is still at an early stage means that the Technical Report will not be able to include DNA-specific figures for the 2nd new community for the Spring 2024 consultation. This is made clear in the consultation material. A DNA apportionment would need to be evidenced in time to justify the DNAHR figures in the Regulation 19 Plan.

However, a method to breakdown the district windfall allowance forecast to give an apportioned figure to each DNA would be required if that supply category were to be included. This is considered in Section 8 of this report which explores 2 options for apportionment, and identifies a preferred option if windfalls were to be included. However, the council concludes that an apportionment of the forecast district windfalls allowance should not be included in the preferred method for the Spring 2024 consultation.

Reason: Whilst the district windfall allowance could be disaggregated, it would be based on historic windfall rates (currently sites of less than 20 dwellings on non-garden land) which would reflect the previous spatial strategy, rather than an emerging spatial strategy. Moreover, there is overlap between the historic and emerging strategies in East Devon, but it may be a challenge to demonstrate sufficient consistency with PPG paragraph 101 regarding spatial strategy, characteristics of the area, delivery and areas/assets of particular importance. Also, the small numbers of windfalls in some of the smaller rural areas without allocations may imply spurious accuracy regarding 'expected growth' which would be challenging to justify and might result in misplaced expectations and misunderstandings.

**CONCLUSION 11:** For these reasons the council's preferred method is to omit a windfall allowance from DNA HR figures.

However, the council acknowledges that the DNA HR figures might not be perceived as a complete picture of 'the scale of expected housing' without windfalls being included. Although excluding windfalls from supply is rejected at this stage, it is currently a 'reasonable alternative' to the 'preferred' method.

As reasonable alternatives, both options can be tested for Sustainability Appraisal /SEA purposes.

Appendices E and F for the summary and detailed tables of the supply sources and the summed total housing requirement figure for each Designated Neighbourhood Area show the consequences of Option 1 method (omitting windfalls) and Option 2 method (including windfalls).

The council also acknowledges that a forecast supply-based approach would, if totalled across all the district) result in the total supply being above the total requirement for the district. This is because the allocations proposed in the emerging Local Plan, when combined with other actual and forecast supply, will be more than the district housing requirement. This is necessary in order to provide a supply 'headroom', as a practical way to manage uncertainty over housing supply delivery.

- b) **WHERE** - The figures must relate to the 'geography' of each DNA, i.e. reflecting the 'geographical boundaries' shown on the maps delineating the DNA on the designation notice. In most cases these are whole civil parishes. For a few DNAs this means two combined parishes. There is one Designated Neighbourhood Area that is only part of a civil parish.

Adding the 'geography' of Designated Neighbourhood Areas into local plan policy is potentially confusing, because it is largely based on parish boundaries. This differs from the 'settlement' approach we use in strategic policy for 'place-making' in East Devon. A settlement can be in more than one parish or may be parts of one or more parishes. It also raises issues if a local plan proposes a new settlement or other large strategic allocations that extend across two or more parishes, where apportioning housing delivery by parish at this time could prejudice the following:

- a) The outcome of master-planning and/or a separate Development Plan Document when apportioning housing across the new settlement or other large strategic allocation; and/or
- b) The need for amended boundaries for Designated Neighbourhood Areas. This raises the question for example of whether a new settlement should be excluded from a Designated Neighbourhood Area.

**CONCLUSION 12**: The council concludes that the DNA HR figures included in the strategic policy emerging local plan must be based on the DNA geography, not on settlements.

**Reason**: Basing the method on DNA 'geography' (i.e. the boundaries of the designated area) is consistent with PPG and NPPF. A settlement-based approach where the Housing requirement figures are based just on settlements, would not give a clear context for preparing Neighbourhood Plans, as it would not be clear how any housing

development in the DNA outside of the settlements is to be taken into account. It would therefore not be wholly consistent with national planning policy and would run the risk of the local plan policy being found not sound. Also, there could be a further complication depending on whether local plan and/or neighbourhood plan policies refer to development “in the settlement” (i.e. inside the settlement boundary) or “at the settlement” which could mean inside and/or adjoining the settlement boundary. The issue of the complications arising from a spatial strategy based on settlements and the need for the DNA housing requirements to be based on the designated area boundaries is considered in this report in paragraph 7.17 above.

It will also be necessary for the local plan to make clear what the policy means for those parts of East Devon without DNA-HR figures.

- c) **WHEN** - Both plan makers and decision makers need clarity about what time period the DNA housing requirement figure relates to in order to be able to compare actual and forecast housing supply to the requirement. The choice of time period is constrained by the plan period for the emerging local plan (currently 1 April 2020 to 31 March 2040). However, choice of supply categories and monitoring period for the housing supply evidence are also relevant.

**CONCLUSION 13:** The council concludes that for the DNA HR figures derived from a supply-based method, the following are relevant:

- The relevant time frame is the plan period i.e. 1 April 2020 to 31 March 2040 (this enables actual and forecast completions for the plan period to be included in the housing supply figures to inform the DNA HR figures).
- The current monitoring point is 31 March 2023 for supply evidence. (i.e. actual completions are from 1 April 2020 to 31 March 2023; the forecast completions of commitments/Cranbrook Expansion Areas/made Neighbourhood Plans (not yet completed or not yet approved/ and the emerging Local Plan allocations are from 1 April 2023 to 31 March 2040)
- If a windfall allowance (from non-garden land windfall sites of 20 or less dwellings) is included this will be from 1 April 2023 but with overlaps with current commitments discounted to avoid double counting
- For the avoidance of doubt, the summary table of forecast supply categories in Appendix F of this report has a column for forecast supply from future Neighbourhood Plans where the figure is zero for all Designated Neighbourhood Areas. This means there is no ‘expected’ housing supply from this category

in the total net housing requirement figure in any Designated Neighbourhood Area.

- The monitoring point will be updated to 31 March 2024 in the next version of this technical evidence report for the Regulation 19 local plan.

Reason: If the policy is not clear about how much housing is expected over what time period this would mean that the policy is not clearly written and unambiguous. As a result, it would not be evident how a decision maker should react to development proposals. This would increase the risk that the local plan would not meet the test of soundness about consistency with NPPF (paragraph 16 bullet point d).

Furthermore, an unclear policy would not help to support, encourage and facilitate communities to make meaningful use of neighbourhood planning, and other appropriate tools available to them, to address specific identified local needs and requirements in shaping the future of their areas.

## **7. Evidence of method consistency with NPPF paragraph 67:**

- 7.34. The council is mindful of NPPF paragraph 67 where strategic policies should also “*set out a housing requirement for designated neighbourhood areas which reflects the overall strategy for the pattern and scale of development and any relevant allocations*”.
- 7.35. The expected housing supply in the emerging local plan, and in particular the proposed local plan allocations and policies towards windfall development, will be justified in the context of the new spatial strategy. Consequently a supply based approach to justifying the designated Neighbourhood Area housing requirements which includes the emerging local plan allocations in combination with forecasts from known supply from completions and commitments and the Cranbrook Expansion areas would be consistent with NPPF paragraph 67.
- 7.36. If the District windfall allowance is apportioned and included as a supply category, it will be necessary to demonstrate how the apportionment is consistent with NPPF paragraph 67 regarding the overall strategy for the pattern and scale of development. This is explored in Section 8 of this report.
- 7.37. **CONCLUSION 14:** The council concludes that we can demonstrate through evidence that a supply based approach used for the East Devon DNA housing requirements is consistent with NPPF paragraph 67.

Reason: If the policy is consistent with NPPF the risk is that the policy would not meet a test of soundness and could be found not sound.

## 8. APPORTIONING THE WINDFALL ALLOWANCE TO DNAs

- 8.1. Windfalls are defined in NPPF as “*sites not specifically identified in the development plan*”. Adopted local plans and made neighbourhood plans are part of the ‘development plan’. For the avoidance of doubt, allocations in adopted local plans and allocations in made neighbourhood plans are sites that are specifically ‘identified’, that is as allocations. They are therefore **not** windfalls.
- 8.2. The council monitors dwelling completions on windfall sites and reports this in the annual Housing Monitoring Update documents.

### District windfall projection

- 8.3. The council includes a supply category based on a projection of dwelling completions on future windfalls in its district housing supply forecasts used for local plan and development management purposes (e.g. to be used in the calculations for the 5 year housing land supply for the former and currently to demonstrate at least a 4 year supply against a 5 year requirement development management purposes). This is the district windfall allowance for East Devon. It is not a prediction about the delivery of specific sites because at the time of the forecasts those sites are not known. Instead, the allowance uses projections based on historic completion rates for sites of 20 or less dwellings on non-garden land in East Devon. The Housing Monitoring Update ending 31 March 2023<sup>29</sup> (the HMU 2023) provides more details about how the basic windfall projection is calculated and how it is then adjusted to avoid double counting with windfall commitments.
- 8.4. At this time, the district windfall allowance does not include the following types of windfall sites:
- ‘garden land’ sites (although the council is considering whether to include them in the Regulation 19 plan); and
  - Sites of 21 and more dwellings (the council considers that these are too difficult to predict, given the low numbers of sites each year, and not a sufficiently reliable source for the supply forecasts to include)
- 8.5. The emerging East Devon Local Plan (Regulation 18 -November 2022) relies on the allowance for future windfalls as part of the forecast housing supply to meet the draft policy District housing requirement figure plus a supply

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<sup>29</sup> Main HMU 2023 report - [hmu-to-year-end-31-march-2023-sept-2023-v2.pdf \(eastdevon.gov.uk\)](https://www.eastdevon.gov.uk/media/10000/hmu-to-year-end-31-march-2023-sept-2023-v2.pdf)  
HMU 2023 Appendix 2 - [hmu-to-year-end-31-march-2023\\_appendix2.pdf \(eastdevon.gov.uk\)](https://www.eastdevon.gov.uk/media/10000/hmu-to-year-end-31-march-2023_appendix2.pdf)  
The revised 5 year housing land supply calculations for East Devon updated post NPPF 20 December 2023 - published 18 January 2024 [revised-ed-5yhls-calculations-18012023v2.pdf \(eastdevon.gov.uk\)](https://www.eastdevon.gov.uk/media/10000/revised-ed-5yhls-calculations-18012023v2.pdf)

headroom. Without the windfall allowance the total forecast supply would have been below the requirement for the plan period.

- 8.6. The annual district basic windfall projection was updated to 138 dwellings per year in the HMU 2023. The adjusted windfall projection to 31 March 2031 was a net 723 dwellings. The HMU 2023 figures only look to March 2031 because this is the end of the plan period for the adopted East Devon Local Plan (2013 to 2031)
- 8.7. The council can extend the projection to the end of the plan period for the emerging local plan. A further 1,242 dwellings are projected, calculated by applying the basic windfall projection rate of 138/year for the remaining 9 years to the end of the plan period for the emerging local plan (i.e. to 31 March 2040).
- 8.8. Adding the 723 and 1,242 together would therefore a total windfall allowance for East Devon of 1,965 dwellings for the plan period for the emerging local plan. These figures will be updated when data is available from the 2024 Housing Monitoring Update.
- 8.9. The council is aware that some plans do not rely on a windfall allowance, and therefore do not include an allowance for windfall provision to come forward in the DNA HR figures. For example, the West Suffolk Local Plan Review (Regulation 19) asserts that "*windfall by its nature is unexpected delivery of homes*" and that plan does not rely upon windfalls to meet the housing needs of that area.
- 8.10. **CONCLUSION 15:** The emerging East Devon Local Plan does rely on housing projected to be delivered from windfalls as part of the district housing supply because the council considers that it has compelling evidence about historic windfall delivery on no- garden land sites of 20 or less dwellings. Based on that evidence, the council concludes that this type of windfall will be a reliable supply source in the future and is therefore part of the scale of housing 'expected' to take place in the future.

#### **Should a DNA HR figure include an allowance for windfall provision?**

- 8.11. An allowance for windfall provision to come forward could be included in supply-based housing requirement figures for the DNAs provided there is a robust way to split the district windfall allowance down to the level of Designated Neighbourhood Areas. Some other local plans include windfalls in their supply-based method, such as the Babergh and Mid Suffolk Joint Local Plan.
- 8.12. The method to breakdown the district allowance would need to be consistent with PPG Neighbourhood Planning paragraph 101, that is by

*“taking into consideration relevant policies such as the spatial strategy, evidence such as the Housing and economic land availability assessment, and the characteristics of the neighbourhood area, including its population and role in providing services.”*

- 8.13. There are advantages and disadvantages both from including and from excluding a windfall allowance (relating to a supply category of future windfalls on non-garden land sites of 20 or less dwellings) in calculating the housing requirement figures for Designated Neighbourhood Areas.
- 8.14. The advantages of including a projected windfall in the DNA requirement figures are that:
- Combined with the other supply categories, it gives a complete picture of the level of ‘expected’ housing numbers in the Designated Area
  - It is therefore transparent about how the total expected scale of development is calculated.
- 8.15. The main disadvantages of projecting a windfall allowance at the smaller scale of a Designated Neighbourhood Area are as follows:
- Producing a projection relies on either a simple apportionment or an overly complicated method, and the evidence used to justify this (more on this in paragraphs 8.18 to 8.26 below). The disadvantages are:
    - A simple method that is based for example on one statistic to produce the percentage figure for the apportionment, would not readily encompass the matters set out in NPPF and PPG, and may be perceived as overly simplistic.
    - A complex method to produce a more accurate percentage that encompasses the matters set out in NPPF and PPG is not only considerably more difficult for most consultees or users to understand but is also more resource intensive and disproportionate to the evidence required for these policy figures, mindful that these are future windfalls on sites that are not identified at this time.
  - Might give rise to assertions that the level of accuracy of the figures could be perceived as spurious and that it is not possible to produce ‘robust’ projections at this small scale, given the data available.
  - It complicates the calculation of the housing requirement figures and make them less easy to understand.
- 8.16. The advantages of omitting projected windfall supply from the DNA requirement figures are that it removes risk because it:

- Avoids the difficulties of apportioning a basic windfall projection rate to the DNAs.
  - Avoids the problems associated with the evidence work to justify this.
  - Removes the potential for assertions of ‘spurious accuracy’, particularly in the smaller DNAs where windfall numbers are low; and
  - Is potentially simpler and may be easier to understand.
- 8.17. However, if the windfall supply is excluded, there is a risk that the DNA housing requirement for the plan period is seen as incomplete and therefore potentially misleading about the expected scale of development.

### **Options for apportioning the district windfall allowance to DNAs**

- 8.18. To reflect the overall strategy for the pattern and scale of development set out in the Plan it is proposed that the housing requirement for neighbourhood areas for the period (2021 – 2039) is distributed according to the overall strategy for the pattern of development in the Plan, any relevant allocations in the Plan, any extant planning permissions and a proportion of the development expected from ‘windfall’ over the Plan period, taking account the population of the neighbourhood area.
- 8.19. **Windfall Option A.** One simple way to apportion the allowance would be as follows:
- a) Calculate the Designated Neighbourhood Area’s percentage share of the District’s actual completions on nongarden land windfall sites of 20 or less dwellings. So, they would be based on the historic completions for the monitoring years 2018/19 to 2022/23 inclusive which are used in the latest East Devon Housing Monitoring Update (HMU 2023)
  - b) Then apply that Designated Neighbourhood Area’s percentage to the total district windfall allowance (adjusted) which is currently 1,965 dwellings for the plan period.
- 8.20. This approach would be based on historic rates, where the planning applications were approved in the context of previous local plans and national policy, not in the context of the emerging local plan. Nevertheless, for most areas, the spatial strategy and approach to the smaller windfalls in both plans is broadly similar.
- 8.21. However, the disadvantage of this option is that it results in the following:
- a) 7 Designated Neighbourhood Areas have relatively low apportioned windfall projections for the plan period, when compared with apportionment based on latest Census households. 4 of the 7 (Axminster, Honiton, Seaton, and Sidmouth) contain coastal and market towns in tier 2 and Budleigh Salterton is a Local Centre in Tier 3 in the emerging Local

Plan November 2022 Regulation 18 stage. In part, the low historic windfall rates in those area is likely to be due to the completions on large sites (21 or more dwellings) on allocated or windfall sites which have absorbed more of the housing demand in these areas.

- b) There are several Designated Neighbourhood Areas with settlements in Tiers 3 and 4 where the apportioned windfall projections for the plan period appears to be high, when compared with apportionment based on latest Census households. This includes Aylesbeare, Bishops Clyst, Broadhembury, Clyst Honiton, Clyst George, Colyton and Colyford, Dunkeswell, Lymptone, Otterton, Payhembury, Rockbeare and Whimple. Most of these named Designated Neighbourhood Areas would have future windfall rates higher than that at Seaton. The council considers that this appears inconsistent with the spatial strategy and illogical.

8.22. **Windfall Option B** - Another simple way to apportion the windfall allowance could be to use the latest household<sup>30</sup> figure for the Designated Neighbourhood Area as a proportion of the district household, based on the 2021 census household data. That percentage would then be applied to the total district windfall allowance (adjusted) which is currently 1,965 dwellings. In some areas, the number of households in dwellings resulting from planned strategic development and historic large-scale windfalls has been significant. This impacts on the percentage, notably at the following locations: Axminster, Honiton, Seaton, and Sidmouth. They have higher apportioned windfall projections for the plan period resulting from the demographic (i.e. household numbers) method, when compared with apportionment based historic windfall rates. This outcome would be consistent with the spatial strategy for focussing development at Tiers 1 and 2 settlements, outside the West end of the district.

8.23. However, there is one Designated Neighbourhood Area in Tiers 3 and 4 (Broadclyst) where the household-based approach results in a significantly higher apportioned windfall allowance (73 dwellings) compared to the historic rates (28 dwellings). The former figure of 73 is very similar to that projected for Budleigh Salterton because both have similar number of households (2,445 and 2,567 respectively). This is partly due to significant housing development in the Broadclyst DNA in recent years at Pinn Court Farm, Old Park Farm, Mosshayne, Tithebarn/Blackhorse Drove. The resultant population and households in the new housing was captured by the 2021 census results.

8.24. The table in Appendix E compares the percentages derived from Windfall options A and B.

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<sup>30</sup> Mindful of PPG Neighbourhood Planning Paragraph 101's reference to 'population', the council considers that households containing population not in institutional accommodation is a better statistic to use than the total population.

8.25. More complicated methods might be conceived, starting from population/ household forecasts to take account of the settlement strategy and hierarchy, and adjusting for areas or assess of particular importance as protected by NPPF policies. However, the assumptions that would need to be made would be challenging to justify and the small numbers involved in some places would raise concerns about spurious accuracy.

8.26. **CONCLUSION 16:** The council concludes that at this time, windfalls should not be included in the Designated Neighbourhood Area housing requirement figures for the following reasons:

- The advantages of omitting projected windfall supply (on non-garden land sites of 20 or less dwellings) from the Designated Neighbourhood Area requirement figures are that it removes risk because it:
  - Avoids the difficulties of apportioning a basic windfall projection rate to the Designated Neighbourhood Areas;
  - Avoids the problems associated with the evidence work to justify this;
  - Removes the potential for assertions of ‘spurious accuracy’, particularly in the smaller Designated Neighbourhood Areas where windfall numbers are low, and;
  - Is potentially simpler and may be easier to understand.
- However, if the windfall supply is excluded, there is a risk that the Designated Neighbourhood Area housing requirement for the plan period is seen as incomplete and therefore potentially misleading about the expected scale of development.

8.27. **CONCLUSION 17:** At this time, the council concludes that if an apportioned windfall allowance is included in the supply based method, then it should be based on Windfall Option B (i.e. based on the share of households in the district). On balance adding the apportioned Designated Neighbourhood Area windfall allowance based on Windfall Option B to the other actual and forecast supply for the plan period would be a “reasonable alternative”, although that option has currently been rejected i.e. is not the preferred method for calculating the housing requirements for Designated Neighbourhood Areas.

**Reason:** Windfall Option B is a simple method for breaking down the district windfall allowance down to Designated Neighbourhood Areas. It is also the method that is closest to meeting PPG paragraph 101, being more consistent with the spatial strategy. This is a reasonable approach which overall is consistent with the spatial strategy. Depending on the outcome of the Spring 2024 consultation, the council could consider whether to reduce the Broadclyst Designated Neighbourhood Area housing requirement figure.

However, to avoid an overall loss in projected windfalls in the district the council would then have to consider how to apportion the amount of that 'reduction' to other parts of East Devon.

## 9. METHOD OPTIONS - ASSESSMENTS

- 9.1. NPPF and the PPG are the starting point for establishing housing requirements for Designated Neighbourhood Areas. PPG Neighbourhood Planning paragraph 104 makes clear that the strategic policies “will, however, have established the scale of housing expected to take place in the neighbourhood area”. Neither NPPF nor PPG specify the method to use. The council therefore has to provide and justify the method used to calculate the housing requirement figures. This means identifying a method that is consistent with NPPF/PPG and resolves the internal inconsistencies and contradictions within and between NPPF and PPG which this report has identified. It also means producing figures that are effective in supporting neighbourhood planning.
- 9.2. Informed by the updated evidence, the council has revised the initial list of options reported to Strategic Planning Committee on 7 March 2024 which the council used to assist the early engagement activity in 2023. Based on its analysis of local plans and lessons learnt, the council considers that there are two broad approaches to calculating housing requirements for Designated Neighbourhood Areas but within them there are several potential but somewhat nuanced options. The potential options are now as follows:
- A. Housing supply-based methods
    1. All supply categories, excluding a projected windfall allowance
    2. All supply categories, including a projected windfall allowance
    3. Emerging Local Plan allocations only
    4. Emerging Local Plan allocations and future Neighbourhood Plan allocations.
    5. Emerging Local Plan allocations and commitments
    6. Future Neighbourhood Plan allocations only.
  - B. Other methods based on ‘apportionment’ of the District requirement
    7. Simple apportionment based on broad percentage figures for settlement tiers in the emerging local plan (Regulation 18 stage - November 2022)
    8. Simple apportionment based on population
    9. Complex apportionment based on matters referred to in the NPPF and PPG i.e. population, spatial strategy, and areas or assets of particular importance which are listed in NPPF footnote 7.
- 9.3. The council has considered these options in the light of conclusions 1 to 17 in the previous sections of this report. To aid analysis, the council has also found it helpful to consider five criteria, set out in Table 1 below. These

criteria relate to the tests of soundness used to examine local plans. Options to calculate the housing requirement figures for Designated Neighbourhood Areas are 'reasonable alternatives' where they match all criteria in Table 1 i.e. no red risk indicators in Tables 3 and 4, particularly regarding deliverability.

**TABLE 1 Criteria for assessing if methods would be reasonable alternatives**

<b>CRITERIA</b>	<b>REASONS FOR THE CRITERIA</b>
1. They are consistent with NPPF and PPG	Methods inconsistent with NPPF and/or PPG could result in a local plan policy that is inconsistent with the relevant test of soundness
2. They are simple, transparent, not misleading, and easy to understand and use for plan-making, development management and development monitoring	Methods that are too complex can be misunderstood, or require disproportionate evidence and effort, which neighbourhood planning resources could not provide. The focus should be on how well a method: supports and expedites the neighbourhood plan process; the neighbourhood plan's use for development management purposes; and monitoring. Local plan policy needs to be clear so that the decision maker knows how to respond to development proposals, if the policy is to be consistent with NPPF paragraph 16d
3. They enable neighbourhood plans to encompass housing provision, including supply on deliverable housing site allocations	Any method needs to be clear about the scale of housing growth 'expected' from specific supply sources and be clear what sources of potential supply the neighbourhood planning role has responsibility for, as well as not capping that role. It needs to be realistic about the likelihood of existing and future neighbourhood plans incorporating housing provision. This is part of the soundness test of 'effectiveness' i.e. deliverability; and consistency with NPPF paragraph 67
4. They support the strategic vision, objectives and spatial strategy for growth and development, tested against sustainability objectives	Methods that do not support the local plan's vision, objectives and spatial strategy could undermine delivery of the emerging Local Plan, and so result in a policy that is inconsistent with the tests of soundness on the plan 'being positively prepared' and 'effectiveness'.
5. They can be justified by evidence and can enable progress against the DNAHR to be monitored in the future	The method needs to evidence what is rational and relevant. It needs to be clear about what supply sources are taken into account, including current or historic growth, and whether other supply sources are additional to the scale of housing 'expected'. Local Plan policy that is not supported by proportionate, robust evidence would be inconsistent with test of soundness on being 'justified'.

## **1. Housing supply-based methods**

- 9.4. Assessment of supply-based methods starts with the supply categories, see Table 2, and then the supply combinations are assessed in Table 3.

**TABLE 2 Assessment of individual supply sources**

<b>Source of supply</b>	<b>Reasons to include in DNAHR figures</b>	<b>Reasons to exclude from DNAHR figures</b>	<b>Planning Judgement Recommendation for Reg 18 Consultation</b>
<p><b>Completions</b> (dwellings built since the start of the plan period for the emerging local plan)</p>	<p>Part of the complete supply picture – recognises development that has already occurred within any DNA (currently between 1 April 2020 to 31 March 2023).</p> <p>Completeness of the DNAHR in showing the scale of growth in any and each DNA and communities with significant numbers of completions since 2020 may feel the DNAHR figure is not a fair reflection of scale of housing requirement accommodated in their DNA if excluded.</p> <p>Fixed and known numbers, mix, location and timings of delivery.</p> <p>No risk of any shortfall or need for neighbourhood plans to allocate for these numbers as they already exist.</p> <p>Note Parts of some planning approvals may have delivered dwelling completions before April 2020. These are not included in the</p>	<p>They cannot be changed or controlled through plan making. Neighbourhood planning does not need to make housing provision in response to this supply category as the completions have already happened.</p> <p>Their relevance in the figures is limited to description/context i.e. as part of the total supply expected for the plan period.</p> <p>NOTE: Data is currently available for the 2023 monitoring point but will be subject to change when subsequent monitoring point data is available, until the supply data is set at a fixed point in time for recalculation and inclusion in the Local Plan.</p>	<p>Include this supply category in preferred option method.</p> <p>Consultees can comment on whether they would prefer this ‘given’ part of the housing supply to be included or excluded).</p>

Source of supply	Reasons to include in DNAHR figures	Reasons to exclude from DNAHR figures	Planning Judgement Recommendation for Reg 18 Consultation
	supply category figures for the DNAHR as they are not in the plan period for the emerging local plan.		
<b>Commitments</b>	<p>Part of the complete supply picture. Recognises development that has already been permitted within any DNA but not completed or expired as at 31 March 2023, where completions are forecast to be delivered by end March 2040. Therefore 'expected'.</p> <p>For completeness of the DNAHR in showing the scale of growth expected in any and each DNA. Communities with significant numbers of dwellings committed as at the 2023 monitoring point may feel the DNAHR figure is not a fair reflection of the expected scale of housing requirement accommodated in their DNA if this category is excluded.</p> <p>(NOTE: Some sites that are commitments have commenced. Some have dwellings under construction or dwelling construction not started). Commitments do not include any completions on the site.</p>	<p>Commitments at the 2023 monitoring point cannot be changed or controlled through plan making. Neighbourhood planning does not need to make housing provision in response to this supply category as the planning approvals have already happened.</p> <p>Their relevance in the figures is limited to description/context. i.e. as part of the total supply for the plan period.</p> <p>NOTE: Data is currently available for the 2023 monitoring point but will be subject to change when subsequent monitoring point data is available, until it is set at a fixed point in time for recalculation and inclusion in the Local Plan)</p> <p>Once fixed and included in the DNAHR, if permissions are not implemented and expire, or schemes are not completed or are delayed/stalled, neighbourhood plans could potentially be at risk of not being able to demonstrate they are meeting their DNAHR without allocating to</p>	<p>Include this supply category in preferred option.</p> <p>Consultees can comment on whether they would prefer this 'given' part of the housing supply to be included or excluded</p>

Source of supply	Reasons to include in DNAHR figures	Reasons to exclude from DNAHR figures	Planning Judgement Recommendation for Reg 18 Consultation
	<p>Currently fixed and known numbers, mix, location, but this will change over time as planning applications are approved in the future. Only count supply forecast to be completed by 31 March 2040.</p> <p>Timing not certain but LPA forecasts housing delivery from this source so this is monitored and risk of commitments not translating into delivery of housing numbers is managed at the district level by the proposed inclusion of 10% headroom in our total plan period supply, reliant on the scale of local plan allocations</p>	<p>address the shortfall. However, this could be explicitly addressed in the Local Plan policy or its supporting text, including how the local plan is managing that risk through 'headroom'.</p>	
<p><b>Cranbrook Plan (adopted Development Plan Document) Expansion Area Allocations</b></p>	<p>A substantial part of the complete supply picture – recognises development allocations in an adopted DPD and therefore part of the development plan for the district. Ei planned for, tested at examination, and adopted. Therefore 'expected'.</p> <p>Timing not certain but LPA forecasts housing delivery so this is monitored and risk of allocations not translating into delivery of housing numbers is</p>	<p>Cranbrook plan allocations are strategic sites and cannot be changed or controlled through neighbourhood plan making. Of the four expansion areas: Bluehayes EA is largely in Cranbrook parish (non-DNA) and partly in Broadclyst DNA. Part of The Cobden EA is in Cranbrook (non-DNA) and part is in Whimple DNA. Treasbears EA is in the non-DNA part of Clyst Honiton parish, and Grange EA is in Rockbears DNA.</p>	<p>Include in preferred option.</p> <p>Consultees can comment on whether they would prefer this 'given' part of the housing supply to be included or excluded</p>

Source of supply	Reasons to include in DNAHR figures	Reasons to exclude from DNAHR figures	Planning Judgement Recommendation for Reg 18 Consultation
	<p>managed at district level by the inclusion of 10% headroom in our total plan period supply.</p> <p>'Known numbers', location from the allocations, although the numbers may change as the result of planning approvals, which will be monitored.</p> <p>Timing not known but included in LPA s housing delivery forecasts, so this is monitored. Risk is managed at district level by the inclusion of 10% headroom in our allocations. Neighbourhood plans would not be expected to offset any shortfall in this strategic supply category.</p> <p>DNA communities affected may feel the DNAHR figure is not a fair reflection of scale of housing requirement expected to be accommodated in their DNA if excluded.</p>	<p>Neighbourhood planning does not need to make housing provision in response to this supply category as the sites have been allocated and are part of the development plan.</p> <p>Data about the allocations (including commitments e.g. through committee resolutions to grant approval) is currently available for the 2023 monitoring point but will be subject to change when subsequent monitoring point data is available, until it is set at a fixed point in time for recalculation and inclusion in the Local Plan supply assessment. Need to avoid double counting of allocations and commitments (there are outline planning applications on Cranbrook allocations with committee resolution to grant approval, expected to be delivered by end March 2040 i.e. 'expected'.)</p> <p>Once fixed and included in the DNAHR, if permissions on the allocations are not implemented and expire, or schemes are not completed or are delayed/stalled, neighbourhood plans might potentially be at risk of not being able to demonstrate they are meeting their DNAHR without</p>	

Source of supply	Reasons to include in DNAHR figures	Reasons to exclude from DNAHR figures	Planning Judgement Recommendation for Reg 18 Consultation
		allocating to address the shortfall (although this could be explicitly addressed in the Local Plan policy or its supporting text, including how the local plan is managing that risk through 'headroom').	
<p><b>Emerging East Devon Local Plan Allocations</b></p> <p>Currently the November 2022 Regulation 18 draft plan includes a new community, development north of Topsham, and allocations associated with the settlement hierarchy.</p>	<p>This supply category is a substantial part of the complete supply picture in the East Devon It is the largest of the supply categories forecast to deliver in the plan period. The draft Local Plan relies on this to meet district housing requirement. It will provide the main 'heavy lifting' by identifying housing sites through plan allocation that are forecast to be delivered in the plan period, to ensure that supply is sufficient to meet the local plan requirement.</p> <p>Numbers, location and mix will be known when the Local Plan is adopted. Therefore 'expected'</p> <p>At present the sites from the November 2022 Regulation 18 consultation can be counted as</p>	<p>Allocations informed by site assessments, following on from sites submitted and assessed as achievable and deliverable through the Local Plan preparation (&amp; HELAA), married to spatial strategy and local circumstances. On-going uncertainty until local plan allocations have been tested at examination and included in the adopted Plan.</p> <p>Complexity – allocation sites that cross DNA boundaries would need to have figures apportioned between them which adds a layer of complexity to robustly calculating the DNAHR in those cases. Possible to make working assumptions at this stage for most sites and show the apportionment 'splits' and justification in the DNAHR tables in Appendix F of this technical report. However, there is no evidence at this time about the timing and location of the forecast 2,500 dwellings in</p>	<p>Include all proposed allocations excluding the 2<sup>nd</sup> new settlement in preferred option.</p> <p>Consultees can comment on whether they would prefer this 'expected' part of the housing supply to be included or excluded.</p>

Source of supply	Reasons to include in DNAHR figures	Reasons to exclude from DNAHR figures	Planning Judgement Recommendation for Reg 18 Consultation
	<p>'expected' supply for the purposes of generating the DNAHR figures</p> <p>Sites may be subject to change through the plan making process. Greater certainty will emerge at the Regulation 19 stage, and as the plan progresses through Examination.</p> <p>Timing not known but will be included in LPA housing delivery forecasts, so this is monitored,</p> <p>Risk of commitments not translating into delivery of housing numbers is managed at district level by the inclusion of 10% headroom.</p> <p>Neighbourhood plans would not be expected to allocate to offset any delivery shortfall as this would be the responsibility of the Local Plan/LPA.</p>	<p>the proposed 2<sup>nd</sup> new settlement that would be expected to be delivered in the plan period. Therefore those 2500 dwellings are not shown at this time in Appendix F. This will need to be evidenced for the Regulation 19 stage of the emerging local plan.</p> <p>Sites to be allocated the local plan should not then be allocated in a future neighbourhood plan. Neighbourhood plans could propose alternatives to non-strategic sites but would need to provide new evidence to show why the LP allocation was no longer appropriate (the evidential burden on neighbourhood planning groups to demonstrate this could be onerous).</p> <p>Once fixed and included in the DNAHR, if Local Plan allocations are not approved and implemented and /or permissions on them expire, or schemes are not completed or are delayed/stalled, neighbourhood plans might potentially be at risk of not being able to demonstrate they are meeting their DNAHR without allocating to address the shortfall (although this could be explicitly</p>	

Source of supply	Reasons to include in DNAHR figures	Reasons to exclude from DNAHR figures	Planning Judgement Recommendation for Reg 18 Consultation
		addressed in the Local Plan policy or its supporting text, including how the local plan is managing that risk through 'headroom').	
<p>Other Development Plan Document allocations</p> <p>i.e. Neighbourhood Plan allocations (made plans)</p>	<p>Part (albeit currently small) of the complete housing supply picture – already planned for and tested at examination. Therefore 'expected'.</p> <p>Recognises the wishes and efforts of communities who have included allocations in their neighbourhood plans.</p> <p>Known numbers and locations, although the numbers may change when planning applications are submitted and approved on these sites.</p> <p>Delivery timing can be forecast and monitored by LPA. Timing of supply delivery may be tested at Local Plan examination and could be a burden on neighbourhood planning groups. The risk to the local plan is small due to the small number of sites.</p>	<p>Small number of sites for a small number of dwellings, some of which are already delivered.</p> <p>Need to omit completions delivered before 1 April 2020 on neighbourhood plan allocations.</p> <p>Need to omit completions 1 April 2020 to 31 March 2023 and commitments as at 31 March 2023 that are on neighbourhood plan allocations, to avoid double counting. (These are in the completions and commitments supply category figures.)</p> <p>Some sites now in adopted neighbourhood plans were shown as preferred allocations in the Regulation 18 draft Local Plan. However, need to just count these under the made Neighbourhood Plans supply category (or as commitments if approved) to avoid double counting.</p>	<p>Include in preferred option.</p> <p>No reason to exclude and doing so would undermine / fail to recognise made Plans that have allocations.</p>

Source of supply	Reasons to include in DNAHR figures	Reasons to exclude from DNAHR figures	Planning Judgement Recommendation for Reg 18 Consultation
	<p>NOTE: Dwellings on neighbourhood planning allocations delivered before April 2020 would not be able to be included in the housing requirement figures for the plan period for the emerging local plan but would be noted on the supply tables e.g. in Appendix G of this technical report.</p>	<p>The status of emerging neighbourhood plans will be revisited when producing the housing requirement figures for the Regulation 19 local plan. Neighbourhood plans that have reached the stage of recommended for referendum will be included in this category. The council will need to consider the implications for any proposed local plan allocations on those sites (in whole or part). And the supply calculations will need to avoid double counting.</p>	
Emerging neighbourhood plan allocations	Emerging plans at a very advanced stage e.g. at Examination, that propose housing allocations, could form part of the complete picture of housing supply if there is robust evidence about deliverability.	Except for sites at a very advanced stage, this supply source would be currently 'unknown' as regards specific sites. They cannot be regarded as 'expected' at this time for the purposes of calculating DNA housing requirements.	<p>Do not include as an 'expected' source of housing supply to be relied on.</p> <p>Made neighbourhood plans and plans recommended for</p>

Source of supply	Reasons to include in DNAHR figures	Reasons to exclude from DNAHR figures	Planning Judgement Recommendation for Reg 18 Consultation
	<p>Recognises the wishes and efforts of communities who have included allocations in their neighbourhood plans.</p> <p>Known numbers and locations, although the numbers may change through the neighbourhood plan examination or when planning applications are submitted and approved on these sites.</p> <p>Delivery timing can be forecast and monitored by LPA. Timing of supply delivery may need to be tested at Local Plan examination and could be a burden on neighbourhood planning groups. The risk to the local plan is small due to the likely small number of sites and dwellings.</p> <p>Could in theory increase the number and role of neighbourhood plans in making allocations in East Devon.</p> <p>If neighbourhood plans took on more of the responsibility for meeting housing requirement through allocating sites through yet to be</p>	<p>No neighbourhood plan will be under any legal obligation to identify housing site allocations.</p> <p>Lack of evidence at this time that future neighbourhood plans would propose housing on allocations in any significant numbers. Evidence to date suggests no strong appetite for neighbourhood plans to take on more of the responsibility for the 'heavy lifting' role of allocating sites.</p> <p>Likely to continue to be a small part of overall supply for the foreseeable future. Limited number of currently active emerging neighbourhood plans and only 3 of these currently signalling an intention to allocate. The risk to the local plan is relatively small if it only relied on a few emerging neighbourhood plans if those plans do not meet basic conditions, or are not being recommended for referendum, or are not made. This could be explicitly addressed in the Local Plan policy or its supporting text, including how the local plan is managing that risk through 'headroom'.</p>	<p>referendum are covered by a separate supply category) –.</p> <p>Allocations coming through future neighbourhood plans therefore count as additional supply (they are not 'windfalls').</p>

Source of supply	Reasons to include in DNAHR figures	Reasons to exclude from DNAHR figures	Planning Judgement Recommendation for Reg 18 Consultation
	<p>prepared/ made neighbourhood plans, there could then be a reason for <u>potentially</u> reducing the amount of Local Plan allocations.</p> <p>The council still needs to ensure that sufficient sites and dwellings are identified by neighbourhood plans and the local plan so that the housing requirement and headroom can be met from all identified sites from the forecast date of local plan adoption.</p>	<p>Once in an adopted neighbourhood plan, the supply is known but before then, there would be uncertainty about this source (numbers, location, mix and timing), yet the Local Plan examination would be looking for robust justification of achievability/ deliverability.</p> <p>Local plan policy will rely on evidence used to prepare the Regulation 19 Local Plan. The progress of plan making for emerging neighbourhood plans will change up to the point when the Regulation 19 Local Plan is approved as 'Pre-submission' plan for consultation. Would need a cut-off point about when to include plans that are made or recommended for referendum.</p> <p>Significant risk to the local plan from relying on delivery of housing not yet identified as proposed allocations in new or reviewed neighbourhood plans, for a specific percentage of 'expected' housing supply in the plan period from emerging neighbourhood plans. Risk is increased if the local plan allocations are reduced in DNAs as a consequence of expectation</p>	

Source of supply	Reasons to include in DNAHR figures	Reasons to exclude from DNAHR figures	Planning Judgement Recommendation for Reg 18 Consultation
		<p>of potential neighbourhood plan allocations being proposed.</p> <p>Further risk if relying on future, unknown allocations in neighbourhood plans and these did not come forward as planning applications and commitments.</p> <p>More onus on neighbourhood plans to evidence and justify the supply, including site housing delivery trajectories. They may not have the resources to undertake this role.</p> <p>Once fixed and included in the DNAHR, if allocations are not included in the emerging neighbourhood plan, then the neighbourhood plans would be at risk of not being able to demonstrate they are meeting their DNAHR without allocating to address the shortfall.</p> <p>Excluding as yet unknown neighbourhood plan allocations would not preclude neighbourhood plans from bringing forward allocations to meet local identified needs (as they have been doing under the adopted Local plan). Housing delivered on such allocations would be</p>	

Source of supply	Reasons to include in DNAHR figures	Reasons to exclude from DNAHR figures	Planning Judgement Recommendation for Reg 18 Consultation
		additional to the expected development – in the housing requirement figure for the Designated Neighbourhood Area.	
<p><b>Projected windfalls allowance</b></p> <p>For housing supply from future sites yet not allocated or proposed to be allocated, and not consented as at the cut-off date for supply calculations to be included in the new Local Plan)</p>	<p>Part of the complete supply picture – the Local Plan depends on a district allowance for housing delivery from projected non-garden land windfall sites of 20 or less dwellings as part of forecast supply to meet the district housing requirement.</p> <p>The council has compelling evidence that at the District level, windfalls on non-garden land windfall sites of 20 or less dwellings will continue to occur as a reliable source for the plan period. Therefore, the projected 'allowance' supply is 'expected'.</p> <p>Each year the district basic windfall projection is updated to take account of new evidence and adjusted to avoid double counting with actual windfall completions. This is reported in the Housing Monitoring Update.</p> <p>The projected district windfall allowance used for the forecast</p>	<p>Site specific numbers, locations, mix and timing - all not known at this time.</p> <p>Including a windfall allowance may also be seen as unnecessary, as these would happen, without Neighbourhood Plans making direct housing provision.</p> <p>Need to apportion the district allowance to calculate a windfall allowance for each Designated Neighbourhood Area. Projecting the allowance for these smaller, subdistrict areas is less robust. It relies on a method to apportion the allowance. Simplest methods are to apportion based on the number of households, as a share of the district total or on a DNA's historic windfall rates. This can lead to anomalies, particularly for some smaller DNAs where recent windfall completions can result in a significant windfall allowance figure. It also produces low windfall allowance figures for most towns in East Devon, which would be inconsistent with the spatial strategy.</p>	<p>Preferred approach is to omit the windfall allowance from the DNAHR due to the difficulty of projecting a windfall allowance at DNA level in a meaningful and appropriately accurate way, and justifying this at the local plan examination:</p> <p>it is considered that their inclusion in supply is a reasonable alternative option but 'rejected' for the consultation on the method.</p> <p>The preferred apportionment method is based on the DNA</p>

Source of supply	Reasons to include in DNAHR figures	Reasons to exclude from DNAHR figures	Planning Judgement Recommendation for Reg 18 Consultation
	<p>housing supply is likely to be tested at the local plan examination.</p>	<p>Risk to justifying supply if windfalls do not continue to come forward at historic rates, which could be influenced by various factors, albeit that the council considers that at the district level there is compelling evidence to justify a projected windfall allowance.</p> <p>Notwithstanding that NPPF/PPG make clear that DNA housing requirements are minimums, risk that communities may use the total DNA windfall projections to seek to prevent additional speculative windfall development.</p> <p>Neighbourhood plans could allocate sites that might otherwise come forward as speculative windfalls in order to have more control. Uncertainty over whether future Neighbourhood Plan allocations (not yet identified) might otherwise come forward as non-garden land windfalls on sites of 20 or less dwellings-</p> <p>No PPG guidance on justifying a windfall supply projection at the DNA level for the plan period. This could be tricky. It would require a method to apportion the basic district windfall projection (currently</p>	<p>share of the districts' households.</p>

Source of supply	Reasons to include in DNAHR figures	Reasons to exclude from DNAHR figures	Planning Judgement Recommendation for Reg 18 Consultation
		<p>138/year) between the DNAs and the other parishes in East Devon.</p> <p>To be easy to understand, needs a simple way to apportion the district allowance. One way could be based on demographic data (DNA usually resident population or households, as a share of the district population/households). Another would be to use past completions in the DNA on non-garden windfall sites of 20 or less dwellings windfall completions as a proportion of those types of windfalls in the district.</p> <p>The resultant percentage is applied to the district basic windfall projection rate to give a DNA projection rate. We then discount relevant windfall commitments in the DNA to avoid double-counting.</p> <p>Other ways to apportion the basic windfall projection would be more complex, and less easy to understand.</p> <p>The advantages of omitting projected windfall supply from the DNA requirement figures are that it is simpler, so should be easier to understand, and there is no need to apportion the district windfall allowance to the DNAs. This avoids the</p>	

Source of supply	Reasons to include in DNAHR figures	Reasons to exclude from DNAHR figures	Planning Judgement Recommendation for Reg 18 Consultation
		<p>problems associated with the evidence work to justify this and the risks of assertions of 'spurious accuracy', particularly in the smaller DNAs where windfall numbers are low.</p> <p>However, if the windfall supply is excluded, there is a risk that the DNA housing requirement for the plan period is seen as incomplete and therefore potentially misleading about the expected scale of development.</p>	

**TABLE 3 Assessment of combinations of supply sources**

**Note: Table 1 Criteria risk assessment – ‘Traffic light’ signals conclusion categorised as Red/Amber/Green**

Method Option	Supply categories	Table 1 Criteria	Assessment	Risk
<p><b>OPTION 1</b> Supply based whole plan period - all supply categories, excluding a projected windfall allowance</p>	<p>Based on the following supply categories with development expected to be completed in the plan period 1 April 2020 to 31 March 2040</p> <ul style="list-style-type: none"> <li>• Completions 1 April 2020 to 31 March 2023</li> <li>• Commitments i.e. Planning permissions (excluding completions) that had not expired as at 31 March 2023</li> </ul>	<p>1 Consistent with NPPF/PPG</p>	<ul style="list-style-type: none"> <li>• DNA supply category and total figures for whole plan period can be included in strategic policy so that it is clear to decision makers how to respond to development proposal.</li> <li>• Justified by robust supply forecast evidence.</li> <li>• Relies on same supply evidence used to justify emerging local plan housing requirement figure.</li> <li>• Includes emerging local plan allocations -that are consistent with and support delivery of the local plan strategy (which take account of HELAA and site assessments; areas and assets of particular importance; roles of settlements/ services)</li> </ul>	<p>Low</p>
	<ul style="list-style-type: none"> <li>• Cranbrook Plan Expansion Areas - allocations</li> <li>• Proposed Local Plan Allocations</li> <li>• Neighbourhood Plan allocations (Made or Recommended for referendum)</li> </ul>	<p>2 Simple, transparent, not misleading, easy to understand</p>	<ul style="list-style-type: none"> <li>• Identified DNA supply from supply categories.</li> <li>• Simple sum of expected deliverable supply in plan period from supply categories. Evidence in technical report (will need to be updated to 2024 monitoring point and use Reg 19 allocations)</li> <li>• Will need to make monitoring data available each year on actual and forecast completions by DNA</li> </ul>	<p>Low</p>
		<p>3 Clear about the scale of housing expected to take place</p>	<ul style="list-style-type: none"> <li>• Supply based method – deliverable in plan period</li> <li>• Clear on what is counted for each supply category; and what is the reliance (if any) on neighbourhood plan allocations.</li> <li>• Potentially incomplete picture of expected housing as it excludes DNA apportioned windfall allowance. Policy must be clear DNAHR figure is a minimum, &amp; does not prevent windfalls</li> </ul>	<p>Medium</p>

Method Option	Supply categories	Table 1 Criteria	Assessment	Risk
		4 Supports emerging local plan strategy	<ul style="list-style-type: none"> <li>• DNA HR figures are supply based, so through the scale of local plan allocations include an element of supply headroom to provide appropriate flexibility to manage risk and help ensure district housing requirement can be achieved.</li> <li>• Includes emerging LP allocations that are consistent with &amp; support delivery of LP strategy.</li> <li>• Does not rely on future neighbourhood plans' allocations to deliver strategy, but as the DNA HR figure will be a minimum it does not preclude neighbourhood plans from allocating additional non-strategic sites, or alternative sites provided that they do not reduce overall DNA housing total</li> </ul>	Low
		5 Justified by evidence and enables monitoring	<ul style="list-style-type: none"> <li>• Supply based actual and forecast completions using the same net housing supply evidence for the plan period as used to justify the emerging local plan's district housing requirement.</li> <li>• Doesn't rely on 'apportionment' e.g. of windfalls.</li> <li>• Adds to LPA monitoring burden - need to make monitoring data available each year on actual and forecast completions by DNA. Will need updating (2024 monitoring data &amp; Reg 19 allocations)</li> </ul>	Low
<p><b>OPTION 1 OVERALL CONCLUSION</b>  Policy based on this option would be realistic (would meet tests of soundness) &amp; is deliverable, provided DNA Housing Requirement figures are minimums and do not prevent windfalls or neighbourhood plan allocations (the latter would not be windfalls). It is sufficiently distinct from other alternative options to highlight the different sustainability implications so that meaningful comparisons between options can be made. <b>Therefore Option 1 is a reasonable alternative.</b>  Based on Tables 2 and 3 analysis EDDC concludes this reasonable alternative option performs best.  So <b>Option 1 is the Recommended Preferred Option</b></p>				

Method Option	Supply categories	Table 1 Criteria	Assessment	Risk
<b>OPTION 2</b> Supply based whole plan period - all supply categories, including a projected windfall allowance	Based on the following supply categories with development expected to be completed in the plan period 1 April 2020 to 31 March 2040 <ul style="list-style-type: none"> <li>• Completions 1 April 2020 to 31 March 2023</li> <li>• Commitments i.e. Planning permissions (excluding completions) that had not expired as at 31 March 2023</li> </ul>	1 Consistent with NPPF/PPG	<ul style="list-style-type: none"> <li>• DNA supply category and total figures for whole plan period can be included in strategic policy so that it is clear to decision makers how to respond to development proposal.</li> <li>• Justified by sufficiently robust supply forecast evidence.</li> <li>• Relies on same supply evidence used to justify emerging local plan housing requirement figure.</li> <li>• Includes emerging local plan allocations -that are consistent with and support delivery of the local plan strategy (which take account of HELAA and site assessments; areas and assets of particular importance; roles of settlements/ services)</li> </ul>	Low
	<ul style="list-style-type: none"> <li>• Cranbrook Plan Expansion Areas - allocations</li> <li>• Proposed Local Plan Allocations</li> <li>• Neighbourhood Plan allocations (Made or Recommended for referendum)</li> <li>• DNA projected windfall allowance</li> </ul>	2 Simple, transparent, not misleading, easy to understand	<ul style="list-style-type: none"> <li>• Identified DNA supply from supply categories.</li> <li>• Simple sum of expected deliverable supply in plan period from supply categories. Evidence in technical report (will need to be updated to 2024 monitoring point and use Reg 19 allocations)</li> <li>• Inclusion of a projected windfall allowance is transparent, but an apportionment method is less easy to understand and/or subject to challenge</li> <li>• Will need to make monitoring data available each year on actual and forecast completions by DNA</li> </ul>	Medium
		3 Clear about the scale of housing expected to take place	<ul style="list-style-type: none"> <li>• Supply based method – deliverable in plan period</li> <li>• Complete picture of expected growth as it includes apportioned DNA windfall allowance.</li> <li>• Clear on what is counted for each supply category; and what is the reliance (if any) on neighbourhood plan allocations</li> </ul>	Low

Method Option	Supply categories	Table 1 Criteria	Assessment	Risk
		4 Supports emerging local plan strategy	<ul style="list-style-type: none"> <li>• DNA HR figures are supply based, so through the scale of local plan allocations include an element of supply headroom to provide appropriate flexibility to manage risk and help ensure district housing requirement can be achieved.</li> <li>• Includes emerging local plan allocations that are consistent with &amp; support delivery of LP strategy.</li> <li>• Consistent with emerging plan policy towards accommodating future windfalls.</li> <li>• Does not rely on future neighbourhood plans' allocations to deliver strategy, but as the DNA HR figure will be a minimum it does not preclude neighbourhood plans from allocating additional non-strategic sites, or alternative sites provided that they do not reduce overall DNA housing total</li> </ul>	Low
		5 Justified by evidence and enables monitoring	<ul style="list-style-type: none"> <li>• Relies on simple 'apportionment' e.g. of windfalls based on DNA's percentage share of District households applied to the District projected windfall allowance for the plan period. Method to apportion district windfalls to DNAs may be subject to challenge e.g. on the issue of accuracy</li> <li>• Supply based actual and forecast completions using the same net housing supply evidence for the plan period as used to justify the emerging local plan's district housing requirement.</li> <li>• Will add to LPA monitoring burden and need to make monitoring data available each year on actual and forecast completions by DNA.</li> <li>• Will need updating (2024 monitoring data &amp; Regulation 19 allocations).</li> </ul>	Medium

Method Option	Supply categories	Table 1 Criteria	Assessment	Risk
<p><b>OPTION 2 OVERALL CONCLUSION</b></p> <p>Policy based on this option would be realistic (would meet tests of soundness) &amp; is deliverable, provided DNA housing requirement figures are minimums and do not prevent neighbourhood plan allocations. It is sufficiently distinct from other alternative options to highlight the different sustainability implications so that meaningful comparisons can be made. <b>Therefore Option 2 is a reasonable alternative.</b></p> <p>Based on Tables 2 and 3 analyses, EDDC concludes that Option 2 does not perform quite as well as Option 1, due to the issues of how to justify a sufficiently robust apportionment of a windfall allowance at the parish/DNA level that is easy to understand, and which is not perceived as being spuriously accurate.</p> <p>So, <b>Option 2 is Recommended as Rejected</b></p>				

Method Option	Supply categories	Table 1 Criteria	Assessment	Risk
<b>OPTION 3</b> Supply based– emerging Local Plan proposed allocations only	Based on the following supply categories with development expected to be completed in the plan period 1 April 2020 to 31 March 2040 <ul style="list-style-type: none"> <li>Proposed Local Plan Allocations</li> </ul>	1 Consistent with NPPF/PPG	<ul style="list-style-type: none"> <li>DNA supply category and total figures are the same, and for whole plan period, and can be included in strategic policy so that it is clear to decision makers how to respond to development proposal.</li> <li>Justified by robust supply forecast evidence.</li> <li>Relies on same supply evidence used to justify emerging local plan housing requirement figure.</li> <li>Includes emerging local plan allocations -that are consistent with and support delivery of the local plan strategy (which take account of HELAA and site assessments; areas and assets of particular importance; roles of settlements/ services)</li> <li>Very incomplete picture of housing expected to take place in DNA</li> </ul>	Medium
		2 Simple, transparent, not misleading, easy to understand	<ul style="list-style-type: none"> <li>Exclusion of 'known completions/commitments/ Cranbrook Plan allocations; made neighbourhood plans and future windfalls is not transparent and likely to be subject to challenge, particularly if it is perceived as misleading and prejudging the content of future Neighbourhood Plans</li> <li>Identified DNA supply from supply categories.</li> <li>Simple – only one type of supply.</li> <li>Evidence in technical report (will need to be updated to use Reg 19 allocations)</li> <li></li> </ul>	High

		3 Clear about the scale of housing expected to take place	<ul style="list-style-type: none"> <li>• A very incomplete picture of expected growth as it excludes all supply sources except the proposed local plan allocations.</li> <li>• Supply based method – deliverable in plan period.</li> </ul>	High
		4 Supports emerging local plan strategy	<ul style="list-style-type: none"> <li>• DNA HR figures are supply based, and through the scale of local plan allocations include an element of supply headroom to provide appropriate flexibility to manage risk and help ensure district housing requirement can be achieved.</li> <li>• Includes emerging local plan allocations that are consistent with and support delivery of Local Plan strategy.</li> <li>• Does not rely on future neighbourhood plans' allocations to deliver strategy, but as the DNA HR figure will be a minimum it does not preclude neighbourhood plans from allocating additional non-strategic sites, or alternative sites provided that they do not reduce overall DNA housing total</li> </ul>	Low
		5 Justified by evidence and enables monitoring	<ul style="list-style-type: none"> <li>• Supply based actual and forecast completions on the proposed allocations using the same net housing supply evidence for the plan period as used to justify the emerging local plan's district housing requirement.</li> <li>• Clear on what is counted for the supply category; and what is the reliance (if any) on neighbourhood plan allocations.</li> <li>• Will need updating (2024 monitoring data &amp; Regulation 19 allocations).</li> </ul>	Low

### **OPTION 3 OVERALL CONCLUSION**

Policy based on this option would not be realistic. It would meet not meet all tests of soundness – notably consistency with NPPF and PPG – as it fails to be clear about the scale of housing expected (so does not provide a sufficient policy context for neighbourhood planning to consider making housing provision), even if policy makes that clear DNA housing requirement figures are minimums and do not prevent neighbourhood plan allocations or windfalls. **Therefore Option 3 not a reasonable alternative.**  
Based on Tables 2 and 3 analyses, EDDC concludes **Option 3 is Recommended as Rejected.**

Method Option	Supply categories	Table 1 Criteria	Assessment	Risk
<b>OPTION 4</b> Supply based–emerging Local Emerging Local Plan allocations and future Neighbourhood Plan allocations	Based on the following supply categories with development expected to be completed in the plan period 1 April 2020 to 31 March 2040: <ul style="list-style-type: none"> <li>Proposed Local Plan Allocations</li> <li>Future Neighbourhood Plan allocations</li> </ul>	1 Consistent with NPPF/PPG	<ul style="list-style-type: none"> <li>DNA supply categories and total figures for whole plan period can be included in strategic policy so that it is clear to decision makers how to respond to development proposal.</li> <li>Relies on supply evidence about Local Plan allocations used to justify emerging local plan housing requirement figure. Justified by robust supply forecast evidence for emerging local plan allocations. These are consistent with and support delivery of the local plan strategy (which take account of HELAA and site assessments; areas and assets of particular importance; roles of settlements/ services)</li> <li>Lack of robust evidence about location and scale of supply from future neighbourhood plan allocations, therefore inconsistent with NPPF regarding proportionate/robust evidence</li> <li>Incomplete picture of housing expected</li> </ul>	Medium
		2 Simple, transparent, not misleading, easy to understand	<ul style="list-style-type: none"> <li>Exclusion of 'known completions/commitments/ Cranbrook Plan allocations; and future windfalls is not transparent and likely to be subject to challenge, particularly if it is perceived as misleading and prejudging the content of future Neighbourhood Plans</li> <li>Identified DNA supply from two supply categories</li> <li>Simple sum of expected supply from two supply categories deliverable in plan period. Some evidence in technical report (will need to be updated to and use Reg 19 allocations)</li> </ul>	High

Method Option	Supply categories	Table 1 Criteria	Assessment	Risk
			<ul style="list-style-type: none"> <li>Only including future planned development i.e. Local Plan allocations and future Neighbourhood Plan allocations may be easier to understand</li> </ul>	
		3 Clear about the scale of expected growth	<ul style="list-style-type: none"> <li>Very incomplete picture of expected growth as it excludes the 'knowns' (i.e. completions to the 2023 monitoring point, commitments, Cranbrook Plan allocations) as well as a DNA apportioned windfall allowance.</li> <li>Supply based method – deliverable in plan period</li> <li>Clear on what is counted for each supply category.</li> <li>At least some future neighbourhood plan allocation figures would have to be more than NIL, otherwise including this supply category in this option would be pointless.</li> </ul>	High
		4 Supports emerging local plan strategy	<ul style="list-style-type: none"> <li>DNA HR figures are supply based,</li> <li>Includes emerging local plan allocations that are consistent with and support delivery of the local plan strategy. Through the scale of local plan allocations includes an element of supply headroom to provide appropriate flexibility to manage risk and help ensure district housing requirement can be achieved.</li> <li>DNA housing requirement figures would include a forecast of future neighbourhood plan allocations. DNA housing requirement figures are part of, not additional to the District housing requirement, so it would mean that the Local Plan would depend on future neighbourhood plans allocations delivery as part of the supply to deliver the local</li> </ul>	Medium

Method Option	Supply categories	Table 1 Criteria	Assessment	Risk
			<p>plan strategy &amp; district housing requirement. There is a risk if future neighbourhood plans do not allocate sites, or if the sites do not deliver housing. As they are outside EDDC control regarding delivery, the council would need to consider whether to it would be necessary to manage the risk on non-delivery of neighbourhood plan allocations. For example, by increasing the district supply headroom through additional local plan allocations.</p>	
		5 Justified by evidence and enables monitoring	<ul style="list-style-type: none"> <li>• No evidence at this time about which sites will be allocated in which future neighbourhood plans. Lack of evidence about unknown sites' scale and deliverability likely to lead to challenge.</li> <li>• Will add to evidential burden for neighbourhood planning groups and on the Council.</li> <li>• Supply based forecast completions for local plan allocations using the same net housing supply evidence for the plan period as used to justify the emerging LP's district housing requirement.</li> <li>• Will need updating (Reg19 LP allocations; and latest position on neighbourhood plan allocations)</li> </ul>	High
<p><b>OPTION 4 OVERALL CONCLUSION</b>  Policy based on this option would not be realistic. It would not meet all the tests of soundness – notably consistency with NPPF and PPG – as it fails to be clear about the scale of housing expected (so does not provide a sufficient policy context for neighbourhood planning to consider making housing provision) and is not deliverable. <b>Therefore Option 4 not a reasonable alternative.</b>  Based on Tables 2 and 3 analyses, EDDC concludes that <b>Option 4 is Recommended as Rejected.</b></p>				

Method Option	Supply categories	Table 1 Criteria	Assessment	RAG
<b>OPTION 5</b> Supply based– Emerging Local Plan allocations and commitments	Based on the following supply categories with development expected to be completed in the plan period 1 April 2020 to 31 March 2040: <ul style="list-style-type: none"> <li>Proposed Local Plan Allocations</li> <li>Commitments i.e. Planning permissions (excluding completions) that had not expired as at 31 March 2023</li> </ul>	1 Consistent with NPPF/PPG	<ul style="list-style-type: none"> <li>DNA supply categories and total figures are for whole plan period and can be included in strategic policy so that it is clear to decision makers how to respond to development proposal.</li> <li>Justified by robust supply forecast evidence.</li> <li>Relies on same supply evidence used to justify emerging local plan housing requirement figure.</li> <li>Includes emerging local plan allocations -that are consistent with and support delivery of the local plan strategy (which take account of HELAA and site assessments; areas and assets of particular importance; roles of settlements/ services).</li> <li>Incomplete picture of housing expected to take place in DNA.</li> </ul>	Medium
		2 Simple, transparent, not misleading, easy to understand	<ul style="list-style-type: none"> <li>May be perceived as potentially misleading as it omits other supply sources, so does not provide a complete picture of the supply context identified.</li> <li>DNA supply from supply categories.</li> <li>Simple – only two types of supply.</li> <li>Evidence in technical report (will need to be updated to use Regulation 19 allocations and 2024 monitoring point data).</li> </ul>	High
		3 Clear about the scale of housing expected to take place	<ul style="list-style-type: none"> <li>Supply based method – two supply categories counted; deliverable in plan period.</li> <li>An incomplete picture of expected growth as it excludes supply sources from completions, Cranbrook Plan allocations, made neighbourhood plans and windfall allowance.</li> </ul>	Medium

Method Option	Supply categories	Table 1 Criteria	Assessment	RAG
		4 Supports emerging local plan strategy	<ul style="list-style-type: none"> <li>DNA HR figures are supply based, and through the scale of local plan allocations include an element of supply headroom to provide appropriate flexibility to manage risk and help ensure district housing requirement can be achieved.</li> <li>Includes emerging local plan allocations that are consistent with &amp; support delivery of LP strategy.</li> <li>Does not rely on future neighbourhood plans' allocations to deliver strategy, but as the DNA HR figure will be a minimum it does not preclude neighbourhood plans from allocating additional non-strategic sites, or alternative sites provided that they do not reduce overall DNA housing total.</li> </ul>	Low
		5 Justified by evidence and enables monitoring	<ul style="list-style-type: none"> <li>Supply based actual and forecast completions on the proposed allocations and commitments using the same net housing supply evidence for the plan period as used to justify the emerging local plan's district housing requirement.</li> <li>Clear on what is counted for the supply categories.</li> <li>Will need updating (2024 monitoring data &amp; Regulation 19 allocations).</li> </ul>	Low

**OPTION 5 OVERALL CONCLUSION**

Policy based on this option would not be realistic. It would not meet all the tests of soundness – notably consistency with NPPF and PPG – as it fails to be clear about the scale of housing expected (so does not provide a sufficient policy context for neighbourhood planning to consider making housing provision). **Therefore Option 5 not a reasonable alternative.**

Based on Tables 2 and 3 analyses, EDDC concludes that **Option 5 is Recommended as Rejected.**

Method Option	Supply categories	Table 1 Criteria	Assessment	Risk
<b>OPTION 6</b> Supply based from Future Neighbourhood Plan allocations only.	Based on the following supply categories with development expected to be completed in the plan period 1 April 2020 to 31 March 2040: <ul style="list-style-type: none"> <li>Future Neighbourhood Plan allocations</li> </ul>	1 Consistent with NPPF/PPG	<ul style="list-style-type: none"> <li>DNA supply category and total figures for whole plan period are the same, can be included in strategic policy so that it is clear to decision makers how to respond to development proposal.</li> <li>Lack of robust evidence about location and scale of supply from future neighbourhood plan allocations, therefore inconsistent with NPPF regarding proportionate/robust evidence</li> <li>Very incomplete picture of housing expected</li> </ul>	Medium
		2 Simple, transparent, not misleading, easy to understand	<ul style="list-style-type: none"> <li>Exclusion of 'known completions/commitments/Cranbrook Plan allocations; proposed local plan allocations and future windfalls and apportionment method is not transparent and likely to be subject to challenge, particularly if it is perceived as misleading and prejudging the content of future Neighbourhood Plans</li> <li>Identified DNA supply from one supply categories</li> <li>Simple - only supply categories deliverable in plan period. Some evidence in technical report (will need to be updated to and use Reg 19 allocations)</li> <li>Only including future Neighbourhood Plan allocations may be easier to understand</li> </ul>	High
		3 Clear about the scale of expected growth	<ul style="list-style-type: none"> <li>Very incomplete picture of expected growth as it excludes the 'knowns' (i.e. completions to the 2023 monitoring point, commitments, Cranbrook Plan allocations) as well as proposed local plan allocations a DNA apportioned windfall allowance</li> </ul>	High

Method Option	Supply categories	Table 1 Criteria	<ul style="list-style-type: none"> <li>• <b>Assessment</b></li> </ul>	Risk
			<ul style="list-style-type: none"> <li>• Supply based method – deliverable in plan period</li> <li>• Clear on what is counted for the one category.</li> <li>• At least some DNA housing requirement figures would have to be more than NIL, otherwise this option would be pointless</li> </ul>	
		4 Supports emerging local plan strategy	<ul style="list-style-type: none"> <li>• DNA HR figures are supply based,</li> <li>• Omits emerging local plan allocations that are consistent with and support delivery of the local plan strategy which make provision for an element of supply headroom to provide appropriate flexibility to manage risk and help ensure district housing requirement can be achieved.</li> <li>• DNA housing requirement figures would include a forecast of future neighbourhood plan allocations. DNA housing requirement figures are part of, not additional to the District housing requirement, so it would mean that the Local Plan would depend on future neighbourhood plans allocations delivery as part of the supply to deliver the local plan strategy &amp; district housing requirement. There is a risk if future neighbourhood plans do not allocate sites, or if the sites do not deliver housing. As they are outside EDDC control regarding delivery, the council would need to consider whether it would be necessary to manage the risk on non-delivery of neighbourhood plan allocations. For example, by increasing the district supply headroom through additional local plan allocations.</li> </ul>	High

Method Option	Supply categories	Table 1 Criteria	• Assessment	Risk
		5 Justified by evidence and enables monitoring	<ul style="list-style-type: none"> <li>• Very limited evidence at this time about which sites will be allocated in which future neighbourhood plans. Lack of evidence about unknown sites' scale and deliverability likely to lead to challenge.</li> <li>• Will add to evidential burden for neighbourhood planning groups and on the Council.</li> <li>• Will need updating (latest position on neighbourhood plan allocations)</li> </ul>	High
<p><b>OPTION 6 OVERALL CONCLUSION</b>  Policy based on this option would not be realistic. It would not meet all the tests of soundness – notably consistency with NPPF and PPG – as it fails to be clear about the scale of housing expected (so does not provide a sufficient policy context for neighbourhood planning to consider making housing provision) and is not deliverable. <b>Therefore Option 6 not a reasonable alternative.</b></p> <p>Based on Tables 2 and 3 analyses, EDDC concludes that <b>Option 6 is Recommended as Rejected.</b></p>				

## 1. Other methods

9.5. Three 'other methods' based on 'apportionment' are assessed in this section below, with more details in Table 4.

### a) **Simple apportionment based on broad percentage figures for settlement tiers**

9.6. To date, the council has not had a local plan policy for housing requirements for Designated Neighbourhood Areas. However, it previously tried to use a simple policy percentage figure to identify housing requirements for settlements that were "Smaller towns and larger villages". The figures were set out in the Strategic Policy 27 in the East Devon Local Plan Pre-Submission Plan (i.e. the Regulation 19 publication plan stage). In paragraph 15.15, the reasoned justification to that policy stated:

*".....Smaller towns and larger villages will see a minimum growth in dwellings at a rate of 5% (based on the number of Council Tax banded properties within the Built-up Area Boundary of each settlement as at 31st March 2011) over the Plan period.....In some cases Parish Councils have justified alternative (higher) figures where, for instance, additional housing is needed to deliver a particular project or environmental constraints or there are local aspirations for growth..... "*

9.7. However, in paragraphs 28 to 31 of the Inspector's report on the Examination of the Submission Local Plan, the Inspector concluded that:

*"28 As submitted Strategy 27 assigned dwellings to the small towns and larger villages in the District. The number of dwellings assigned to each settlement was not based on a proper assessment of its ability to accommodate that number. The Council propose to amend Strategy 27 by listing settlements that may be able to accommodate growth but deleting any reference to numbers. The provision of new housing in the listed settlements will be left to Neighbourhood Plans. The table at Strategy 2 indicates that villages and rural areas will contribute 1,123 dwellings to the housing target. In order to be successful this approach depends on Town and Parish Council's producing a Neighbourhood Plan and for that plan to allocate land for housing.*

*29. Strategies 6 and 7 as modified by **MMs 18 and 19** would give local communities the flexibility to allocate land outside built up area boundaries. However, there is no requirement for communities to produce a Neighbourhood Plan and most of the Town and Parish Councils engaged in the examination resisted rather than welcomed new housing. As Strategy 27 (as proposed to be changed) no longer assigns housing numbers, it seems to me that a Neighbourhood Plan which did not allocate land for housing could not be said to conflict with the Local Plan.*

30. *The Council is confident that new housing will come forward through Neighbourhood Plans but there is no guarantee that they will nor does this strategy give the Council any control over when or where they will be delivered. However, the table at Strategy 2 indicates 887 of the 1,123 dwellings allocated to small towns and villages had been built, were under construction or had planning permission in September 2014. The number remaining to be delivered through Strategy 27 is relatively small compared to the overall target and lack of delivery does not pose a significant threat to meeting the overall target.*
31. *For the reasons given above Strategy 27 of the submitted Plan is not sound. By no longer assigning numbers the new Strategy 27 avoids the problems of its predecessor and to that extent **MMs 6, 69, 70, 71, 72 73** and **63** are necessary to make the Plan sound. Chardstock and Dunkeswell have limited facilities and do not benefit from access to public transport. Their addition to Strategy 27 is not supported by the Council's Small Towns and Villages Development Suitability Assessment 2014 and I have removed them from Strategy 27."*

- 9.8. The Inspector accepted that the strategic figure in policy 2 for small towns and larger villages would largely be met by completions and commitments and the small residue would not pose a significant threat to meeting the overall target. But it was only the removal of the unjustified settlement-specific figures that enabled policy 27 to be made sound.
- 9.9. The council cannot simply decide to use arbitrary, 'guesstimated' percentage figures for settlements or for Designated Neighbourhood Areas to identify the scale of expected housing development without evidencing how that number is derived and whether it is deliverable. The previous East Devon local plan inspector's conclusions, and the resultant Main Modifications that had to be made to the plan, clearly shows that for a policy to be found sound or that it can be made sound, it must be supported by proportionate evidence that provides a 'proper assessment' of deliverability.
- 9.10. Consequently, the council concludes that basing the housing requirements for designated neighbourhood areas on a simple policy percentage figure without evidence of deliverability cannot be relied on to justify a local plan policy. At this time the evidence in Appendix B on deliverability of housing from future neighbourhood plan allocations does not support trying to forecast an element of expected supply from neighbourhood plans. It does not support including a percentage of supply from future neighbourhood plans in the local plan policy on housing requirements for Designated Neighbourhood Areas. It is therefore not a reasonable alternative.

**b) Simple apportionment based on population**

- 9.11. Applying the Designated Neighbourhood Area's share of the district population to the total district housing requirement would be a relatively

simple, easy-to-understand way to calculate each area's housing requirement figure.

- 9.12. However, none of the apportioned figure would take direct account of the emerging spatial strategy or areas and assets of particular importance, as required by NPPF and PPG. (Unlike the rejected Option 2, reasonable alternative supply-based method identified in this technical report, where only the apportionment of the windfall allowance is based on demographic data (in that case, households), and the largest supply component of Local Plan allocations reflects the spatial strategy and has taken account of areas and assets of particular importance.)
- 9.13. It could result in a distribution of development that would undermine the spatial strategy. This could mean that the scale of expected housing is undeliverable, and thereby not meet the test of soundness.
- 9.14. Consequently, the council concludes that basing the housing requirements for designated neighbourhood areas on a simple apportionment based solely on population is not consistent with NPPF and PPG. It is therefore not a reasonable alternative.

### **Complex apportionment**

- 9.15. From reviewing other local plans, only two used a complex apportionment approach. Both are hybrids (i.e. spatial strategy/ categories/distribution of the residual using strategy and constraint, and then considering specific supply categories):

**A. Wiltshire Local Plan Review (Regulation 19)** – where the starting point uses the Core Strategy's Area Strategies to set the overall scale of growth in settlements in settlement tiers and allocating sites for development. The emerging Local Plan review then focuses on justifying a new policy for housing requirements for DNAs in rural areas, where the method then considers how to breakdown the rural requirement to individual rural settlements:

- It starts by assuming a baseline annual housing development figure for each rural settlement with boundaries (depending on the settlement type – 5pa in Local Service Centres and 1pa in Large Villages), applies a 100m buffer around the edge of each settlement then identifies key constraints in the settlement and buffer.
- In the constrained area, the baseline annual figure is adjusted downward depending on the area extent and the severity of the constraint, and the type of rural settlement (this is not based on actual sites' availability/suitability/achievability).

- In the unconstrained area, the housing requirement is based on the size of settlement and number of households.
- The constrained and unconstrained area requirements are then added together to give a settlement total.
- Subtracting completions and commitments from the overall rural housing requirement gives a residue which either neighbourhood plans can address, or if they don't then the LPA will address through a future Site Allocations Development Plan Document.

**B. South Worcestershire Development Plan Review (submitted)**– where the methodology for calculating the additional housing requirement for the 40 designated Neighbourhood Areas in south Worcestershire takes account the following factors:

- i. The overall strategy for the pattern of development to 2041. The SWDPR development strategy distributes the dwellings required in the SWDPR in the following proportions:
  - 40.1% in new or expanded settlements 51.9% in the main urban areas and urban extensions
  - 4.7% in Category 1 villages
  - 2.4% in Category 2 villages
  - 0.8% in Category 3 villages.
- ii. The scale of additional development required to 2041. The adopted SWDP, which was tested and found sound at Examination makes provision for around 28,400 dwellings. The SWDPR is therefore making provision for an additional 13,240 dwellings (including 500 at Mitton for Tewkesbury Council's needs) in the period to 2041 over-and-above those which have already been delivered or are likely to be delivered based on current housing commitments, completions and reallocations.
- iii. Relevant site allocations. The housing requirement for each Neighbourhood Area takes account of proposed allocations in the SWDP Review, together with any allocations in made or submitted Neighbourhood Plans.

NOTE: The methodology does not take account of any specific physical, environmental or infrastructure constraints to future growth in a Neighbourhood Area. The method acknowledges that not all Neighbourhood Areas may be able to deliver the housing requirements due to local constraints.

9.16. Neither the Wiltshire nor the SWDP plan review has yet reached the stage of Examination Inspector's Matters, Issues and Questions for hearings. It is

therefore not possible to learn lessons from those plans directly. But the council can apply the assessment criteria in Table 1, based on the broad lessons learnt from other plans and their examinations.

### **C Plymouth and South West Devon Joint Local Plan (adopted 21 March 2019)**

- 9.17. The adopted Joint Local Plan was produced under transitional arrangements in the context of NPPF 2012 and related PPGs. It incorporated a strategic policy approach that included an overall figure for housing supply in villages in the South Hams and West Devon that are in settlement tiers where the Joint Local Plan did not propose allocations in those tiers.
- 9.18. Policy TTV23 Development in Sustainable Villages states that “provision in the order of 550 homes will be sought from the sustainable villages as part of the overall housing supply for the TTV Policy Area.” This largely related to the potential for neighbourhood plans to make housing provision.
- 9.19. In effect the policy anticipated changes to NPPF and PPGs. The plan includes figures for Indicative levels on new housing in Table 5.8 in the plan which identified which named villages fall into the categories of being able to accommodate around 10, 20 or 30 dwellings each (none in the AONB). The focus in the named villages is on sustainable development for meeting local needs.
- 9.20. The evidence justifying that scale of growth included settlement tier and functions, sites identified by the HELAA call for sites (with HELAA evidence on suitability/achievability / availability deliverability); constraints (not just deliverability). The purpose of this analysis was not to propose sites as allocations but to provide evidence about the potential for sites for housing at each village.
- 9.21. This method only applied to the smaller villages. It was not a method for apportionment across the whole district. The initial evidence indicated a potential total supply of 1050 dwellings from this category. The figure was reduced to 720 in the submission plan, following further evidence on constraints and settlement roles. The policy and the supporting evidence were tested at Examination and as a result, following Main Modifications, the figure in the submission plan Policy 30 for 720 dwellings was reduced to 550 in the renumber Policy 25 in the adopted plan. That policy relating to a supply category allowance is in the context of a very healthy supply headroom of 21% across the JLP (and a very robust 29% in the South Hams part of the Thriving Towns and Villages policy area).

- 9.22. Extract from the Inspectors report 18 March 2019 on the Plymouth and South West Devon Joint Local plan:

“Sustainable villages allowance

89. Figure 5.8 in the Plan identifies the sustainable villages and indicative levels of housing provision for each village. This includes villages within the AONB. However, these are not justified as the evidence does not demonstrate that due consideration has been given to the level of protection AONB has in national policy. These villages are therefore to be deleted from figure 5.8 as set out in MM35. However, the deletion of villages within the AONB from the list does not necessarily rule out any housing development in these locations over the period of the Plan. Where there is evidence to demonstrate that unacceptable harm will not be caused to the AONB, proposals may continue to be brought forward through neighbourhood plans in accordance with Policy DEV27.

90. The allowance for development in the sustainable villages needs to be reduced to 550 dwellings to reflect the deletion of villages within the AONB from figure 5.8. This needs to be incorporated within Policy TTV30 to ensure that the level of housing provision expected to be delivered and the overall policy intentions are clear [MM34]. It also provides consistency with the changes to the housing supply figure 3.3 proposed under MM3. Consequential changes to figure 5.1 are also necessary and this requirement has been added to MM3.

91. MM34 and MM35 also makes some other changes to Policy TTV30 and its supporting text to ensure it is clear that the housing numbers in figure 5.8 are indicative only. Actual provision is to be provided through neighbourhood plans or through meeting identified local needs, subject to being consistent with other relevant Plan policies. It also adds some villages and deletes others within Figure 5.8 to reflect the evidence and ensure the list of sustainable villages is justified. Whilst the amended wording refers to development being ‘within’ the sustainable villages, the Plan does not define settlement boundaries. It will be up to neighbourhood plans or other development plan documents to determine what sites are ‘within’ each settlement.

- 9.23. The lessons learnt from the Joint Local Plan are the importance of evidence and giving appropriate weight to areas/assets of particular importance. This plan predates the current NPPF which requires that housing requirements are set out in Strategic Policy (therefore are not “indicative”) and are for the Designated Neighbourhood Areas.

- 9.24. The assessment of the three ‘other options’ are as set out in Table 4 below.

- 9.25. Finally, for the avoidance of doubt, the 'other method' options identified by the council does not include an option for a scale of expected housing based on its "popularity". Local Plan policy is based on meeting legal tests and the tests of soundness (including proportionate evidence to justify policy). The local plan is not a referendum. None of the method options take into account the level of support regarding the expected level of housing.

**TABLE 4 Assessment of other options**

Method Option	Table 1 Criteria	Assessment	RAG
<p><b>OPTION 7</b></p> <p>Simple apportionment based on arbitrary/ 'guesstimated' percentage figures for settlement tiers (similar to Policy 27 approach in East Devon Local Plan Submission Plan -2013 to 2031)</p>	<p>1 Consistent with NPPF/PPG</p>	<ul style="list-style-type: none"> <li>Arbitrary figures are not robust. Cannot be relied on to justify policy.</li> <li>'Guesstimated' percentages not derived from population, spatial strategy, settlement roles and taking account of areas/assets of particular importance, would be inconsistent with NPPF.</li> <li>Incomplete picture of housing expected to take place in DNA. Not justified by robust supply forecast evidence. Does not rely on same supply evidence used to justify emerging local plan housing requirement figure. In the absence of supply information, unclear whether a DNA HR figure means that a neighbourhood plan would need to allocate site(s), unless the figure was zero.</li> <li>DNA total figures are for whole plan period, and can be included in strategic policy but unclear to decision makers how to respond to development proposal, unless policy also makes clear what actual and forecast supply counts towards the DNA housing requirement</li> </ul>	<p>High</p>
	<p>2 Simple, transparent, not misleading, easy to understand</p>	<ul style="list-style-type: none"> <li>Applying one or more percentage figures to the District housing requirement is simple, and relatively easy to understand</li> <li>Unclear what the resultant housing requirement figure means for neighbourhood planning, unless the figure is zero.</li> <li>May be perceived as potentially misleading as it does not provide a picture of the expected housing supply context (i.e. which housing supply categories would count against it)</li> </ul>	<p>Medium</p>
	<p>3 Clear about the scale of housing expected to take place</p>	<ul style="list-style-type: none"> <li>Indicates scale of housing expected to take place</li> </ul>	<p>Low</p>
	<p>4 Supports emerging local plan strategy</p>	<ul style="list-style-type: none"> <li>Unless the percentages are derived from population, spatial strategy, settlement roles and taking account of areas/assets of particular</li> </ul>	<p>Medium</p>

		<p>importance, then it is unclear how the policy DNA housing requirement figures would support the emerging local plan strategy.</p> <ul style="list-style-type: none"> <li>• Does not rely on future neighbourhood plans' allocations to deliver strategy, but as the DNA HR figure will be a minimum it does not preclude neighbourhood plans from allocating additional non-strategic sites, or alternative sites provided that they do not reduce overall DNA housing total</li> </ul>	
	<p>5 Justified by evidence and enables monitoring</p>	<ul style="list-style-type: none"> <li>• In the absence of robust evidence justifying the percentages chosen and whether the resultant scale of housing is deliverable, then high risk of the policy not meeting the tests of soundness on effectiveness, justified, and consistency with NPPF. The problems of not basing the number of dwellings assigned to each area on a proper assessment of its ability to accommodate that number were highlighted in the Inspector's report for the previous East Devon Local Plan (with numbers deleted from the plan)</li> <li>• Popularity of /community support for a percentage figure is not robust evidence nor an adequate reason to justify using a 'guesstimated' percentage figure to calculate DNA housing requirements.</li> <li>• Lack of evidence that guesstimated figures would be deliverable.</li> <li>• The policy would need to make clear what supply categories would be counted against the DNA housing requirement</li> </ul>	<p>High</p>
<p><b>OPTION 7 OVERALL CONCLUSION</b>  Policy based on this option would not be realistic. It would not meet all the tests of soundness – notably consistency with NPPF and PPG – as the percentage applied and the resultant housing requirement figures would not be based on proportionate evidence and therefore not justified and is not evidenced as deliverable. <b>Therefore Option 7 not a reasonable alternative.</b></p> <p>Based on Table 4 analysis, EDDC concludes that <b>Option 7 is Recommended as Rejected.</b></p>			

Method Option	Table 1 Criteria	Assessment	RAG
<b>OPTION 8</b> Simple apportionment based on population	1 Consistent with NPPF/PPG	<ul style="list-style-type: none"> <li>Percentages derived from population evidence, but does not also take account of spatial strategy, settlement roles or areas/ assets of particular importance. This would be inconsistent with NPPF.</li> <li>Not justified by robust supply forecast/deliverability evidence; Does not rely on same supply evidence used to justify emerging local plan housing requirement figure.</li> <li>Incomplete picture of housing expected to take place in DNA. Not justified by robust supply delivery forecast evidence. Does not rely on same supply evidence used to justify emerging local plan housing requirement figure. In the absence of supply information, unclear whether a DNA HR figure means that a neighbourhood plan would need to allocate site(s), unless the figure was zero.</li> <li>DNA total figures are for whole plan period, and can be included in strategic policy but unclear to decision makers how to respond to development proposal, unless policy also makes clear what actual and forecast supply counts towards the DNA housing requirement.</li> </ul>	High
	2 Simple, transparent, not misleading, easy to understand	<ul style="list-style-type: none"> <li>Applying a percentage figure to the District housing requirement is simple, and easy to understand.</li> <li>Unclear what the resultant housing requirement figure means for neighbourhood planning, unless the figure is zero.</li> <li>May be perceived as potentially misleading as it does not provide a picture of the expected housing supply context.</li> </ul>	Medium
	3 Clear about the scale of housing expected to take place	<ul style="list-style-type: none"> <li>Indicates scale of housing expected to take place.</li> </ul>	Low
	4 Supports emerging local plan strategy	<ul style="list-style-type: none"> <li>Does not take spatial strategy into account.</li> <li>Unclear how the policy DNA housing requirement figures would support the emerging local plan strategy.</li> </ul>	Medium

		<ul style="list-style-type: none"> <li>Does not rely on future neighbourhood plans' allocations to deliver strategy, but as the DNA HR figure will be a minimum it does not preclude neighbourhood plans from allocating additional non-strategic sites, or alternative sites provided that they do not reduce overall DNA housing total.</li> </ul>	
	5 Justified by evidence and enables monitoring	<ul style="list-style-type: none"> <li>Percentages derived from population evidence. Current population is a reflection of many historic factors. Population projections would simply project past trends. Producing population forecasts at the DNA/Parish area level is fraught with difficulties, the need to make some heroic assumptions, liable to challenge, and where the level of accuracy is likely to be regarded as spurious.</li> <li>Does not take account of spatial strategy, settlement roles and taking account of areas/ assets of particular importance.</li> <li>Lack of evidence that housing requirement figures would be deliverable.</li> <li>The policy would need to make clear what supply categories would be counted against the DNA housing requirement.</li> </ul>	High
<p><b>OPTION 8 OVERALL CONCLUSION</b>  Policy based on this option would not be realistic. It would not meet all the tests of soundness – notably consistency with NPPF and PPG – as the method does not evidence how the requirements would support the spatial strategy and is not evidenced as deliverable. <b>Therefore Option 8 not a reasonable alternative.</b></p> <p>Based on Table 4 analysis, EDDC concludes that <b>Option 8 is Recommended as Rejected.</b></p>			

Method Option	Table 1 Criteria	Assessment	RAG
<b>OPTION 9</b> based on Complex apportionment.	1 Consistent with NPPF/PPG	<ul style="list-style-type: none"> <li>Percentages derived from assessment that takes account of population, spatial strategy, settlement roles and taking account of areas/assets of particular importance, would be consistent with NPPF.</li> <li>Complete picture of housing expected to take place in DNA.</li> <li>Not underpinned by robust supply delivery forecast evidence. Does not rely on same supply evidence used to justify emerging local plan housing requirement figure. In the absence of supply information, unclear whether a DNA HR figure means that a neighbourhood plan would need to allocate site(s), unless the figure was zero.</li> <li>DNA total figures are for whole plan period and can be included in strategic policy but unclear to decision makers how to respond to development proposal, unless policy also makes clear what actual and forecast supply counts towards the DNA housing requirement.</li> </ul>	Medium
	2 Simple, transparent, not misleading, easy to understand	<ul style="list-style-type: none"> <li>Complex method. Not easy to understand.</li> <li>Unclear what the resultant housing requirement figure means for neighbourhood planning, unless the figure is zero.</li> <li>May be perceived as potentially misleading as it does not provide a picture of the housing supply/delivery context.</li> </ul>	High
	3 Clear about the scale of housing expected to take place	<ul style="list-style-type: none"> <li>Indicates scale of housing expected to take place.</li> </ul>	Low
	4 Supports emerging local plan strategy	<ul style="list-style-type: none"> <li>With figures derived from population, spatial strategy, settlement roles and taking account of areas/assets of particular importance, the policy DNA housing requirement figures would support the emerging local plan strategy.</li> <li>Policy needs to make clear whether future neighbourhood plans' allocations are to be relied on to help deliver strategy the local plan strategy, (i.e. are part of the supply to meet the district requirement, not additional to the forecast supply. DNA HR figure will be a minimum so</li> </ul>	Low

		<p>does not preclude neighbourhood plans from allocating additional non-strategic sites, or alternative sites provided that they do not reduce overall DNA housing total.</p>	
	<p>5 Justified by evidence and enables monitoring</p>	<ul style="list-style-type: none"> <li>• Lacks evidence about deliverability.</li> <li>• Not supply based so not using the same net housing supply evidence for the plan period as used to justify the emerging local plan's district housing requirement.</li> <li>• Need to consider the consequences of the sum total of housing requirements, if this does not meet the district housing requirement.</li> <li>• Need to consider how this process aligns with the use of evidence to justify the local plan allocations, to avoid undermining that evidence.</li> <li>• Particularly onerous in term of evidence needed, for example about: <ul style="list-style-type: none"> <li>○ Households/population/Dwellings in settlement(s) in the DNA</li> <li>○ Proximity of settlements to other built-up areas which have their own housing requirements, where dwellings in parts of those settlements are within the DNA.</li> <li>○ The extent that the settlements and immediate surrounds are constrained by: Flood Zones 2 and 3, AONB, international and national habitat sites, designated heritage assets (including Scheduled monuments, Listed Buildings and Conservation Areas), Local Green Space in Made Neighbourhood Plans.</li> </ul> </li> <li>• Adjusting baseline information to take account of the significant constraints and the ability to accommodate growth is challenging. Risk of 'heroic assumptions' as some data is at District level.</li> <li>• Risk of challenge, depending on interpretation of evidence on constraints, changes to the mix/size of housing, and ability to accommodate growth, liable to challenge, and where the level of accuracy is likely to be regarded as spurious.</li> <li>• What evidence about housing need at the local level can be relied on?</li> <li>• Need to be clear about how to take account of future housing development in the countryside, which is in the DNA, otherwise the picture of expected housing is incomplete</li> </ul>	<p>High</p>

**OPTION 9 OVERALL CONCLUSION**

Policy based on this option would not be realistic. It would not meet all the tests of soundness – notably consistency with NPPF and PPG regarding effective engagement, mindful of the complexity of the method, and it would not directly provide evidence that the housing numbers are deliverable, or alternatively may not deliver the District housing requirement. **Therefore Option 9 not a reasonable alternative.**

Based on Table 4 analysis, EDDC concludes that **Option 9 is Recommended as Rejected.**

## 10. CONCLUSIONS AND RECOMMENDATIONS

- 10.1. The District Council has drawn together the principal lessons learnt, the results of the early engagement and the need for proportionate and robust evidence to justify local plan policy. Appendix D sets out the technical information and analysis about specific local plans from which lessons have been learnt from. Appendix C presents the information in a simplified, summary table format.

### RECOMMENDATION 1

- 10.2. To avoid or at least minimise the risk of the policy on Designated Neighbourhood Areas housing requirement figures not being found sound, the following is recommended as an appropriate approach for the emerging local plan:
- a) Set out Designated Neighbourhood Areas housing requirement figures in 'strategic policy' in the local plan.
  - b) Base Designated Neighbourhood Areas housing requirement figures on 'the scale of housing expected' in the plan period in each area and be clear about what is meant by 'expected growth' (i.e. what, where and when) and how this is justified.
  - c) Evidence how the method for calculating Designated Neighbourhood Areas housing requirement figures directs development requirements consistent with NPPF/PPG:
    - The spatial strategy in the emerging Local Plan.
    - Characteristics of the neighbourhood area including its population and role in providing services; and
    - Consideration of the areas or assets of particular importance<sup>31</sup> that may restrict the scale, type or distribution of development in a neighbourhood plan area.
  - d) Explain how a Designated Neighbourhood Areas housing requirement policy helps neighbourhood planning groups in preparing neighbourhood plans, notably;
    - Does the housing requirement figure provide sufficiently clear information to provide a context for neighbourhood plan making?
    - What are the relative roles of the local plan and the neighbourhood plan regarding site allocations for housing? In particular, how is the 'heavy lifting' achieved to ensure that housing supply can be

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<sup>31</sup> As set out in NPPF paragraph 11, footnote 7

delivered over the plan period to achieve the housing requirements for the Designated Neighbourhood Area and for the district?

- Does the housing requirement figure mean there is or is not an identified housing supply gap that a Neighbourhood Plan is expected to meet through neighbourhood plan site allocation(s)?
- Does the housing requirement figure enable additional allocations to be included in a Neighbourhood Plan?
- Make clear what the policy means for those parts of East Devon without Designated Neighbourhood Areas housing requirement figures.

10.3. The council acknowledges the variation in other plans and in that Inspectors at examinations have accepted or appear to have accepted a variety of approaches to how the Designated Neighbourhood Areas housing requirement figures are presented in plans and justified. However, the recommended approach for the East Devon Local Plan is driven by the tests of soundness in particular consistency with national planning policy, effectiveness (i.e. deliverability) and that the plan is 'justified (i.e. evidenced)

10.4. There are two broad approaches for calculating the requirement figures:

1. Forecasts of specific categories of housing supply in a Designated Neighbourhood Area which are added together to give the Designated Neighbourhood Areas housing requirement figure; or
2. Disaggregating the district figure of growth for the plan period, by breaking this down through an apportionment algorithm to produce a Designated Neighbourhood Areas housing requirement figure for each Designated Neighbourhood Area.

10.5. From the evidence, results, analysis and individual conclusions set out in this technical report the council concludes the following:

1. Nine potential options are identified for calculating the housing requirements for Designated Neighbourhood Areas in East Devon. Six are supply based, and three are 'other methods' based on apportionment.
2. Based on planning judgements by the council, of the nine method options assessed for East Devon, only two are judged to be realistic and deliverable, and therefore are 'reasonable alternatives". These are:  
Option 1: All supply categories, excluding a projected windfall allowance.  
Option 2: All supply categories, including a projected windfall allowance.

3. The outcome of applying both methods is shown in the tables of supply categories and total housing requirements by Designated Neighbourhood Areas in Appendix F (summary table) and Appendix G (detailed tables).
4. Of the two reasonable alternatives, Option 1 (the supply-based method using all supply categories excluding a projected windfall allowance) is assessed as the best option. Option 1 performs slightly better than Option 2 (all supply categories including a projected windfall allowance).

#### **RECOMMENDATION 2:**

- 10.6. The recommended option for the calculating the Designated Neighbourhood Area housing requirement figures and presenting them in the plan is as follows:
  1. **OPTION 1 method:** That is, use all supply categories, excluding a projected windfall allowance as the basis for calculating the figures for Designated Neighbourhood Area housing requirements to be included in Strategic Policy in the emerging East Devon Local Plan. It is a reasonable alternative option that is preferred because the assessment in Section 9 of this report leads to the conclusion that it performs better than the other reasonable alternative (OPTION 2).
  2. The strategic policy should include a table showing the net figures for the total housing requirement for the whole plan period (1 April 2020 to 31 March 2040) for each Designated Neighbourhood Area in East Devon and the individual supply categories sum to those totals, so that it is clear how the totals were derived, and which supply categories count towards the totals. The table can be in an appendix to the local plan provided that the table/appendix is explicitly referred to in the strategic policy.
- 10.7. The housing requirement figures calculated by applying the Option 1 method using currently available data are shown in summary in Appendix F of this report. They illustrate the outcome of summing the forecast of housing delivery from the supply categories. More details are in Appendix G.
- 10.8. The recommended method option does not include a forecast of housing supply from future neighbourhood plans. The consequences of the recommended Option 1 are that:
  1. Housing supply from allocations in future new or reviewed neighbourhood plans is not part of the scale of housing expected in Designated Neighbourhood Areas and therefore not part of their minimum housing requirements. Future new or reviewed neighbourhood plans therefore do not have to include additional housing allocations in order to achieve their minimum housing requirement figures.

2. The emerging East Devon Local Plan does not rely on housing supply from future new or reviewed neighbourhood plans in order to achieve strategic policies on either the minimum district housing requirement or to achieve the Designated Neighbourhood Area minimum housing requirements.
3. Forecast supply from the emerging Local Plan allocations is included as a supply category in calculating the housing requirements for Designated Neighbourhood Areas. In combination those allocations enable a level of supply headroom for the local plan, to manage the risks of non-delivery over the plan period. So, there is no need for neighbourhood plans to allocate housing sites in order to compensate for the risk of non-delivery on sites in other supply categories that comprise their housing requirement figures.
4. The net housing figures for the supply categories will need to be updated for the Regulation 19 local plan, to capture latest information from 2024 monitoring point data and data about proposed allocations in the Regulation 19 plan and updates about allocations in Neighbourhood Plans that are made or with a recommendation for referendum.
5. The housing requirement figure for each Designated Neighbourhood Area is a minimum. It does not prevent neighbourhood plans from allocating additional or alternative<sup>32</sup> sites for additional housing. Nor does the figure prevent development of future windfall housing sites in the Designated Neighbourhood Area.

### **RECOMMENDATION 3:**

- 10.9. OPTION 2 method (all supply categories, including a projected windfall allowance) is rejected at this stage, but is a reasonable alternative option. The housing requirement figures calculated by applying the Option 2 method using currently available data are also shown in summary in Appendix F of this report.
- 10.10.** Comments on both reasonable alternative options (Options 1 and 2) as methods for calculating the housing requirement figures for Designated Neighbourhood Areas are invited at the Spring 2024 consultation stage. Respondents can also comment on the other options which have been assessed as not reasonable alternatives (3 to 9 in this report). They can also put forward their own method options, setting out how those options would meet the tests in Table 1 of this report, ideally using the same formats as in Tables 3 or 4 of this report.

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<sup>32</sup> PPG Neighbourhood planning ...."A neighbourhood plan can also propose allocating alternative sites to those in a local plan (or spatial development strategy), where alternative proposals for inclusion in the neighbourhood plan are not strategic, but a qualifying body should discuss with the local planning authority why it considers the allocations set out in the strategic policies are no longer appropriate."

## 11. FUTURE STAGE - TECHNICAL REPORT

- 11.1. Readers are advised that this document will be updated and replaced by updated version at a future date. Evidence from feedback on the Spring 2024 consultation on this matter will be included in an updated version of this technical report as part of the audit trail demonstrating how the policy figures were developed.

### **Updating the Technical Evidence Report:**

- 11.2. The updated version of this document will be finalised after the council considers the consultation responses and the updated evidence when selecting which method to use to calculate the requirement figures to include in strategic policy.
- 11.3. If the selected method uses housing supply categories, the calculations set out in the updated version will use the latest available supply forecast information. This will be in the context of the net district housing requirement to be set out in strategic policy in the Regulation 19 Publication stage Local Plan. This is expected to include housing monitoring data at the 2024 housing monitoring point and the site capacities and delivery trajectories of housing site allocations identified in the Regulation 19 Plan.
- 11.4. The updated version of the technical document will be produced in time to inform decisions on the Regulation 19 Plan. So, that document will justify the housing requirement figure for each of the Designated Neighbourhood Areas within East Devon district to be included in strategic policy in the Regulation 19 plan. It will also therefore be published and available in time for the Regulation 20 consultation stage on that plan, and subsequently part of the evidence base supporting the Submission Plan.
- 11.5. Readers should note that the local plan's strategic policy on Designated Neighbourhood Area Housing Requirements will depend in part on the overall scale of housing requirement for the district for the plan period. A district requirement figure has been the subject of the previous Regulation 18 consultation. However, that figure will be revisited when preparing the Regulation 19 Publication plan. It will be subject to national planning policy and guidance at that time. Implementation of the government's proposals for wider changes to the planning system, including the Levelling-up and Regeneration Act will also be a consideration for our plan making.

# APPENDICES

## APPENDIX A Designated Neighbourhood Areas in East Devon

At May 2024, in alphabetical order, and whole parishes unless stated otherwise, these are:

Designated Neighbourhood Areas	Contain Reg 18 plan settlement(s)	Strategic developments Close to Exeter or Cranbrook EAs
All Saints	NO	
Axminster	YES	
Axmouth	NO	
Aylesbeare	NO	
Beer	YES	
Bishops Clyst (Clyst St Mary & Sowton parishes)	YES	YES (New Settlement)
Broadclyst	YES	YES (Cranbrook Expansion Area)
Broadhembury	YES	
Budleigh Salterton	YES	
Chardstock	YES	
Clyst Honiton (part of parish <b>excluding</b> strategic west-end development such as Skypark)	NO	YES (New Settlement)
Clyst St George	NO	YES (N of Topsham)
Colyton (Colyton and Colyford parishes)	YES	
Cotleigh	NO	
Dalwood	NO	
Dunkeswell	YES	
East Budleigh with Bicton (2 parishes)	YES	
Exmouth	YES	
Farringdon	NO	YES (New Settlement)
Feniton	YES	
Hawkchurch	YES	
Honiton	YES	
Kilminster	YES	
Luppitt		
Lympstone	YES	
Membury	NO	
Monkton	NO	
Newton Poppleford and Harpford	YES	
Otterton	YES	
Ottery St Mary	YES	
Payhembury	YES	
Rockbeare	NO	YES (Cranbrook Expansion Area)
Seaton	YES	
Sidmouth (Sid Valley)	YES	

Stockland	NO	
Designated Neighbourhood Areas	Contain Reg 18 plan settlement(s)	Strategic developments Close to Exeter or Cranbrook EAs
Uplyme	NO	
Upottery	NO	
West Hill	YES	
Whimpe	YES	YES (Cranbrook EA)
Woodbury (includes Exton)	YES	
Yarcombe	NO	

Notes:

Sidbury settlement is wholly in Sidmouth DNA

Exton settlement is in wholly Woodbury DNA

The detailed tables in Appendix G listing sites counted towards the housing requirement figures includes a column for notes which shows which allocations, commitments and completions in a DNA also extend into adjoining DNAs. Note that some settlements may be in more than one DNA.

## APPENDIX B Early Engagement - Feedback

- B1. On 7 March 2023 Members approved early engagement to be undertaken with town and parish councils and neighbourhood plan groups. The purpose of the engagement was to help raise awareness and give an understanding of the concept and help inform the LPA's thinking on a suitable approach to take towards calculating the housing requirements for Designated Neighbourhood Areas. The engagement comprised a webinar and a Neighbourhood Plan intentions survey.

### Webinar

- B2. 40 delegates joined the webinar, between them representing more than half (23 out of the 40<sup>33</sup>) of the Designated Neighbourhood Areas in East Devon, including the majority (7 out of 8) of those with experience in making, or actively progressing work towards, site allocations.
- B3. Officers presented an introduction to the Designated Neighbourhood Area Housing Requirement topic and overview of the potential options and implications (as identified in the March 2023 Committee Report). This led into an open facilitated discussion to tease out initial thoughts / appetite from communities for taking on a greater role through neighbourhood plans (than currently envisaged by EDDC in the draft Local Plan) for allocating sites.
- B4. The discussion did not indicate any strong appetite for neighbourhood plans to take greater control of making allocations. There was some doubt voiced as to whether there would in fact be any merit in Neighbourhood Plans making allocations, given the lead on this that the emerging Local Plan has already taken thus far, and bearing in mind the unpopularity of many of the sites/proposed levels of growth in many communities. Overall, there was much more concern about how to ensure allocations made via the Local Plan would address local community needs, including the role Neighbourhood Plan policies and local housing needs assessments could play.
- B5. There was an acute awareness expressed, including by those with experience, of the amount of work involved by communities if they wish to make site allocations, and the need for support with this process. There was also a recognition in the discussion of the wide variety of experience and situations with regard to neighbourhood plan making across different parishes/communities and the issue this would present for selecting a single

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<sup>33</sup> Since the webinar there is now an additional Designated Neighbourhood Area in the district (for West Hill parish separate to Ottery St Mary Designated Neighbourhood Area), bringing the total to 41 Designated Neighbourhood Areas.

method for the district for assessing the Designated Neighbourhood Area Housing Requirement.

B6. Critically, it became clear from the webinar that the Designated Neighbourhood Area Housing Requirements topic itself and the presentation and scrutiny of multiple and seemingly rather nuanced options for calculating it broken down by different aspects of housing supply, was likely to be overly complex and technical, and would need to be considerably simplified to enable meaningful engagement in the public consultation.

B7. This can be summed up by the following quote captured in the notes made by a delegate involved in neighbourhood plan preparation as follows:

*“Mindful of the limited capacity and professional planning knowledge in Neighbourhood Plan groups, the very different circumstances in different areas where Neighbourhood Plan work exists, and the complexity of the topic, can this be kept as simple as possible and agree that the approach would need to be the same across all of the parishes for consistency and to avoid over-burdening Neighbourhood Plan groups and the Neighbourhood Plan process? Also need to be mindful that there can be enough difficulty in preparing a neighbourhood plan and getting agreement between the local planning authority and the local community about what development is appropriate locally and that this will add extra complexity and challenge, particularly in explaining and consulting on the concept of Designated Neighbourhood Area Housing Requirement figures through any public consultation....”*

B8. Officers agreed the need to endeavour to keep the consultation as straightforward as possible, and to give further consideration to this and consider any further thoughts from delegates. The presentations and notes from the webinar were supplied to all who attended and all town/parish clerks.

### **Neighbourhood Plan Intentions Survey**

B9. The survey sought to provide an up-to-date picture of neighbourhood planning across east Devon (in communities with and without Designated Neighbourhood Areas / neighbourhood planning experience) to help inform the on-going preparation of the Local Plan, including the approach to Designated Neighbourhood Area Housing Requirements<sup>34</sup>. Building on the discussion at the webinar, it sought to further test the appetite and intention for Neighbourhood Plans regarding make housing allocations. It also

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<sup>34</sup> The opportunity was taken through the survey to gather more general information and feedback from communities to help increase the council’s understanding of their needs/aspirations, issues and support needs in respect of neighbourhood planning.

gathered data on the progress with delivery of sites already allocated in Neighbourhood Plans.

- B10. A summary analysis of responses to the Strategic Planning Committee on 13 February 2024 as follows.
- B11. “There was a good response rate, with 45 surveys returned for 43 parishes. These cover the full spectrum of neighbourhood plan experience across the district, including responses from 32 out of our 41 towns/parishes who currently have a Designated Neighbourhood Area, and 11 with no Designated Neighbourhood Area at present.
- B12. Analysis of the responses revealed considerable differences based on experience of neighbourhood planning experience to date, identified interest/likelihood of pursuing new or updated plans in the foreseeable future, levels of development pressure experienced, and the nature/ perceived impact of the strategy/ proposals in the emerging Local Plan.
- B13. Key messages from the analysis of relevance to Designated Neighbourhood Area Housing Requirements are:
1. Almost all town/parish councils with a ‘made’ plan responding to the survey indicated they either are currently (or have intention within the next 3 years) to review their neighbourhood plans:
    - Mostly related to the changing national and local plan policies, but also desire to improve effectiveness of plan policies and address areas where plans have become outdated.
    - Not all yet know if they expect to submit a revised plan as a result of reviews, as this will depend on the findings (and final content of the new Local Plan).
    - 7 (mostly already emerging plans) expect to submit a new or updated plan before the new Local Plan is adopted, with indications that a further 8 would expect to do so within 3 years but after Local Plan adoption.
    - Little indication that areas currently without a Designated Neighbourhood Area would be likely to pursue neighbourhood plan preparation due largely to there being no identified imperative to do so (only one parish currently actively considering this).
  2. Of the 25 responses to whether new emerging or updated plans (to be progressed within the next 3 years) will make allocations for housing, 9 parish councils indicated this to be either likely or very likely:

- Roughly half of these had previously made allocations in made neighbourhood plans and progress reported on delivery of those sites was mixed but generally positive.
  - 4 would be expecting to submit their Plans before the new Local Plan is adopted but noted only 2 are well advanced in this process. To note depending on timing of submission, they may still be examined under the adopted Local Plan to 2031 only.
  - As might be expected, some parishes (7no) indicated they were currently unsure as to whether their plans would seek to include allocations.
  - 10 respondents reported making housing allocations was considered unlikely (1) or very unlikely (9).
3. In more general terms, 13 responses recorded an interest in 'securing new housing of any kind (including affordable or self-build homes)' and 15 responses of 'progressing delivering community-led development (e.g. affordable housing via a Community Land Trust (or a renewable energy scheme)'. However, these expressions of interest do not necessarily align with stated known intent at this current time around making allocations.
4. Regarding evidence of communities feeling the need and motivation to undertake neighbourhood planning activity, including proposing site allocations, the survey indicates that this is being particularly affected by:
- The proposals in the emerging Local Plan, including the scale of development proposed in some areas and the general uncertainty about the eventual plan content in many cases (*the latter reported as the biggest issue/barrier to neighbourhood planning, recorded as such by 68% of respondents*);
  - The amount of local resource (especially volunteer time) needed to prepare a new or updated neighbourhood plan in itself (recorded by 55% of respondents), and considerations of this being weighed up alongside some concern/doubt about the influence/weight the neighbourhood plan is likely to have on development and in planning decisions in the plan area.
  - Survey responses also pointed to other constraints on the ability/will to make allocations for housing, including a lack of suitable sites; being within the AONB (National Landscapes), capacity of road and other infrastructure. In the more rural areas, where growth is not proposed through the Local Plan there was generally less of a need identified / desire to pursue production of a neighbourhood plan,

including in some cases where work had progressed to some extent in the past.

- Despite all of this several communities are continuing to pursue allocations via neighbourhood plans despite and in some cases in response to the emerging Local Plan, and to meet specific identified community needs.”

## APPENDIX C Examples of local plan approaches to housing requirement figures

C1. Table 5 highlights the key different approaches to calculating Designated Neighbourhood Areas housing requirements used in other adopted and emerging local plans, drawing on the more detailed information in Appendix D. The key approaches are supply based and apportionment. However, there are plans with no DNA housing requirement figures and therefore no approach to calculating them.

**Table 5 Key different approaches to calculating DNA figures**

Local Plan	Latest stage	Housing requirement figures status	Supply sources	Analysis
Mole Valley Local Plan	<p>June 2022 Written Statement response on Matter 2 Issue 5 Policy H1 Housing Delivery</p> <p>Main modifications consultation delayed (Jan 2023)</p> <p>2023 Examination pause</p> <p>25 Jan 2024 Secretary of State Direction to MVDC not to withdraw LP.</p> <p>25 Jan 2024 Extraordinary Council</p>	<p>Policy H1 Criterion 4 (this is a strategic policy) listing DNAs and their housing requirement figures.</p> <p>Document ED59 includes Proposed Main Modification MM7 to amend the DNA housing requirement figures (to encompass a revised end date to the plan period)</p> <p>Doc ED 70 Inspector Note 27 (16 Feb 2024) The Inspector ....will work with the Council to progress the</p>	<p><b>ALL SUPPLY SOURCES</b></p> <p>DNA housing requirement figures are based on all supply categories including a small sites windfall allowance.</p> <p>MVDC Hearing statement clarified that DNA-HR nos. are supply based and are the total housing supply in the plan period in each DNA</p>	<p>Inspector's post hearing note and proposed Main modifications do not change approach to supply categories.:</p> <p>Proposed Main Modifications have not yet been out for consultation.</p> <p>Noted that MVDC is finalising a paper setting out the implications for its Plan of changes in national policy and guidance, as requested by the Inspector in her Inspector Note 26 (ED65) and to set out any changed circumstances within the area</p>

Local Plan	Latest stage	Housing requirement figures status	Supply sources	Analysis
	resolved to progress examination of draft LP as submitted	Examination to move towards consultation on her main modifications.	<p>expected from the following sources:</p> <p>Local plan allocations; Commitments; Completions; Small sites windfall allowance (apportioned); and where applicable Policy H4 Development Opportunity areas</p>	during the extended pause (December 2022 to end of January 2024) and its implications for its Plan.
Kings Lynn and West Norfolk Local Plan Review (2016 – 2036)	Local Plan submitted for Examination on 29 March 2022 ( Hearings held in November 2022 and January 2023. Resumed hearings to be held in March, April and September 2024	Submission Plan – Council have now proposed a main modification to insert a new policy on Neighbourhood Plans into the plan which would set out the housing requirements for designated neighbourhood areas. Methodology for calculating the housing requirement is set out in Paper F47.	WINDFALLS ONLY The methodology looks at supply categories to forecast total growth expected. It does not predict supply from future neighbourhood plans. But the housing requirement figures in the new policy are calculated by subtracting commitments and local plans from expected growth (so are based on windfalls only)	On 13 February 2024 the Inspector asked additional MIQ questions about the proposed approach to insert a new policy on this issue. No information at this time about the council or other participants' responses to those questions or the Inspector's views on the proposals.

Local Plan	Latest stage	Housing requirement figures status	Supply sources	Analysis
Bath and North East Somerset Local Plan Partial Update	Inspector's Report 13 Dec 2022 Adopted by the council on 18 <sup>th</sup> January 2023	Main Modification made to the local plan inserted table of DNA-HRs figures into strategic policy DW1.	<b>LOCAL PLAN ALLOCATIONS ONLY</b>  DNA-HR numbers for the remainder of the plan period. based only on Local Plan allocations (Core Strategy & Local Plan Partial Update)	Inspector's recommendation includes main modification to policy to insert DNA-HR figures based on only Local Plan allocations. i.e. not total scale of housing expected in DNA.
Purbeck Local Plan 2018-2034	Main Modifications– (Nov 2020 to Jan 2021).  Further Proposed Main Modifications Dec 2021 to Jan 2022 & next steps  Inspector's Interim findings & next steps 24 May 2023 – including need for supplementary main modifications  Still at Examination	Main modification MM26 inserted a table into strategic policy which simply identifies 6 DNAs and text for each about the scale of allocations in the made or emerging neighbourhood plans as the housing requirement, or states there is no specific requirement because the made or emerging neighbourhood plan does not seek to allocate housing sites or because there is no intention to produce a neighbourhood plan.	<b>NEIGHBOURHOOD PLAN ALLOCATIONS ONLY</b>  There are only 6 designated neighbourhood areas in the Purbeck area.  MM26 housing requirement for DNAs where a made, or emerging neighbourhood plan allocates land for new homes in support of the Council's strategy for meeting Purbeck's housing needs	The main modifications are to a strategic policy and have been consulted on. The policy element relates to DNAs and their individual housing requirements.  The housing requirement figures are not the total scale of housing expected in each of the 6 DNAs. But policy is clear whether there is no specific housing requirement or what is the total scale of housing on sites identified or allocated in the neighbourhood plan

Local Plan	Latest stage	Housing requirement figures status	Supply sources	Analysis
South Worcestershire Development Plan Review	<p>Regulation 19 consultation held Nov-Dec 2022</p> <p>Submitted for examination 17 September 2023</p> <p>29 January 2024 Inspector's letter - requesting programme for completion and submission of outstanding evidence (MIQs not to be published at this time)</p>	<p>The individual Designated Neighbourhood Area housing requirement figures are not explicit in strategic policy, but the figures are in Annex E of the plan (and evidenced in a topic paper). No cross reference in Policy SWDPR02 to Annex E, but Annex E is referred to in the reasoned justification paragraph 2.2Unclear whether the figures are "strategic policy" or "indicative".</p>	<p><b>COMPLEX APPORTIONMENT</b></p> <p>Provides housing requirement figures for all DNAs. DNA-HR nos. based on mathematical formula – share of population &amp; share of highest order settlement category housing growth from LP allocations; but HR is compared to LP allocations.</p>	<p>Annex E of the plan also shows "outstanding" requirements by deducting forecast LP &amp; NP allocations supply from the requirement. This results in some negatives (surpluses) &amp; positives (shortfalls – i.e. scope for Neighbourhood Plan allocations).</p> <p>The method does not take account of any specific physical, environmental or infrastructure constraints to future growth in a Neighbourhood Area. The plan acknowledges that not all Neighbourhood Areas may be able to deliver the housing requirements due to local constraints. This could raise issues about deliverability and whether the policy is effective.</p>
East Northamptonshire Local Plan Part 2 (2011-2031)	Exam09 - Council response to Inspectors initial question IQ3 (in Exam05 16 July 2021) about status of Table 18	Additional Modification AM22 to amend para 8.17 proposed to be consistent with table 18, i.e. that the numbers in table 18 are	<p><b>DEMOGRAPHIC APPORTIONMENT</b></p> <p>Applied a rural population apportionment method to</p>	Partial method – only applied to setting village housing requirements. The plan is part 2

Local Plan	Latest stage	Housing requirement figures status	Supply sources	Analysis
Adopted by Full Council on 7 December 2023	and DNA HR figs and method.  Plan now adopted	indicative (i.e. not strategic policy)	estimate indicative growth figures for individual parishes/ villages for the 820 rural housing requirement for the plan period for the Plan period (submission Table 18)	(following on from the Joint Core Strategy)  Indicative figures only.  Very simple demographic method using 2011 census population data to apportion a total rural housing requirement. Reasoned justification in table 16 (not strategic policy) states ranges of numbers of indicative growth /housing need over 20 years for named parishes/ villages. Commitments/ completions/ neighbourhood plan allocations count towards the need.
Dartmoor Local Plan 2018-2036 adopted 3 December 2021 (submitted 21/09/2020)	No inspector's questions or MIQs on this matter	No strategic policy or indicative figures included in the plan.	<b>NO DNAHR FIGURES</b> Housing Topic Paper (HTP) Sept 2020 #5.5.9 Considered 2 approaches: <ul style="list-style-type: none"><li>Indicative figure if up to date housing need data</li></ul>	Noted: HTP #5.5.9 cont. stated, "Given this, considered with the needs-led approach and the limited uptake of and success of Neighbourhood Plans in the National Park, it is not proposed to set out at this stage a figure for each area. Instead, it is reasonable that, in line with the

Local Plan	Latest stage	Housing requirement figures status	Supply sources	Analysis
			<ul style="list-style-type: none"> <li>estimated figure based on further apportionment of the indicative housing delivery figure.</li> </ul> <p>Concluded that “neither is ideal, and, even less when recognising that the overall apportionment by settlement type is considering very small numbers which means that whichever approach is taken forward is going to have a fair degree of uncertainty.”</p>	<p>apportionment described above, DNPA assist Neighbourhood Plan groups seeking an indication of anticipated housing figure on a case-by-case basis, considering the most up to date information available at that point in time.”</p> <p>No main modification on this issue. Plan was found sound.</p>
Teignbridge Local Plan 2020 to 2040	<p>Regulation 19 consultation. Local Plan Proposed Submission 23 January to 13 March 2023</p> <p>Subsequently: Local Plan Proposed Submission Addendum</p>	<p>Housing requirement figures are not set out in local plan policy, nor in the plan. Strategic Policy GP5 – lists criteria to which housing allocations in a neighbourhood plan should refer to when determining an</p>	<p><b>NO DNAHR FIGURES</b></p> <p>Para 1.16 of the Reg 19 plan (Addendum version) states “However, there is no indication or guarantee that existing or newly designated</p>	<p>No DNA housing requirement figures in a strategic policy.</p> <p>No figures in the plan on the scale of expected housing in DNAs.</p> <p>Teignbridge DC confirmed that it will be for a neighbourhood</p>

Local Plan	Latest stage	Housing requirement figures status	Supply sources	Analysis
	(Regulation 19) consultation 8 November to 22 December 2023.	appropriate housing number for the plan The policy does not list Designated Neighbourhood Areas (but the geographic extent of DNAs is illustrated on the draft Policies Map)	Neighbourhood Plan areas will allocate sites, or do so within a sufficient timeframe, to meet the overall housing requirement for the district. As such, there is no specific housing requirements set for any Neighbourhood Plan area.” .....	planning body to either request an ‘indicative’ housing requirement figure from Teignbridge DC, or exceptionally to establish a requirement figure, if they intend making provision for housing in their Neighbourhood Plan

## APPENDIX D Analysis of other Local Plans

D.1 The following analysis of the approaches to Designated Neighbourhood Areas housing requirements used in about 20 adopted and emerging local plans and relate questions by Inspectors at examinations has helped to shape the conclusions and recommendations in this technical report. The plans are listed alphabetically for ease of reference.

**a. Babergh and Mid Suffolk Joint Local Plan (Inspectors report 19 September 2023. Part 1 Plan adopted 20 and 21 November 2023**

**Submitted local plan included policy SP04, part of which stated**

“Neighbourhood Plans

In order to assist with delivery of the overall district housing need requirements, designated Neighbourhood Plan areas will be expected to plan to deliver the minimum housing requirements set out in Table 4.

Neighbourhood Plan documents can seek to exceed these requirements, should the unique characteristics and planning context of the designated area enable so.”

**Inspector’s Question Matter 4 Q4.8**

Are the “Total homes required” figures for Neighbourhood Plan Areas, detailed in Table 4, a sum of the outstanding planning permissions (as of 1/4/18) and the sites allocated for housing in the plan in each Neighbourhood Plan Area? If so:

(a) are all outstanding permissions from after 1/4/18 identified as housing allocations in the plan or do they need to be otherwise accounted for?

(b) is it sufficiently clear as to how and when the requirement to identify the indicated total number of homes required in each Neighbourhood Plan (NP) Area will operate in practice; in particular:

(i) in respect of outstanding permissions in NP areas which expire (both those pre- and post-dating 01/04/18)?

(ii) in respect of housing sites allocated in the plan in NP areas for which planning applications do not come forward?

(iii) is not flexibility to reflect existing permissions/housing allocations which do not come forward already accounted for in the approximate 20% buffer of housing provision over the housing need targets?

### **Babergh and Mid Suffolk Hearing Statement:**

Key points confirmed by the councils' response were that:

- the DNA requirement figures are for the plan period and were based on the respective sum of outstanding planning permissions (as at 01/04/18) and new local plan allocations (counted after 01/04/18).
- Some of the allocations have since had planning permission, so there was a need to avoid double counting.
- Minor outstanding permissions (upon which some NPs rely) after 01/04/18 are generally not identified in the Plan.
- Planning permissions granted after 01/04/18 on sites which have not been allocated within the JLP were classified as windfall development.
- the Councils had identified sufficient allocation sites in the JLP so that the NP minimum targets can be met.
- Since pre-submission further windfalls have occurred.
- Where housing sites allocated in the Plan in NP areas do not come forward, the Councils can review these allocations (and potentially the NP minimum housing requirement) as part of any Plan formal review process. Alternatively, emerging/reviewed NPs can consider whether the minimum housing requirement from Table 04 of the Plan has been met or can be met through alternative/further allocations.
- If each NP area rely on the 20% buffer as a sufficient reason why it should not meet the minimum number of dwellings for its designated area, the delivery of the overall district supply would be jeopardised.

### **Lessons learnt/conclusions drawn**

- D.2 The Inspectors report (8 September 2020) included Main Modifications for addressing the lack of robustness of the site allocation selection process and the spatial strategy by deleting the plan's spatial strategy and site allocations, thereby making the plan a Part 1 Plan, to be supported in due course by a Part 2 Plan. Consequently MM13, MM14 and MM15 deleted policy SP04 and its supporting text which sets out the housing spatial distribution; MM91 – update to and revision of the Housing Trajectory to identify the amount of new housing to be allocated in the Part 2 plan; and MM93 – deletion of all housing allocations and corresponding background and supporting text.
- D.3 The issue of housing requirements for Designated Neighbourhood Areas is therefore left to the Part 2 plan. Therefore, it is not possible to draw firm conclusions from this local plan at this time. However, the questions are useful indicators of the type of questions asked by Inspectors. The responses are interesting, but not necessarily applicable to East Devon.

## **b. Bassetlaw Local Plan 2020 - 2038**

### **Submitted local plan included Policy ST2 Residential Growth in Rural Bassetlaw**

1. Large Rural Settlements and Small Rural Settlements, as defined in the settlement hierarchy in Policy ST1, will experience residential growth to support their role and function through completed sites, sites with planning permission (committed housing development), site allocations in this Local Plan, and/or from site allocations in made neighbourhood plans. Eligible settlements are individually required to grow over the plan period by.....:

*(table of growth by settlement type (20% for large rural settlements; 5% of small rural settlement)*

#### **Inspector's Question Matter 5 Q5.4**

Should there be a housing requirement for Designated Neighbourhood Areas in Policy ST1? (paragraph 67 in the NPPF) If so, what should this be?

#### **Bassetlaw DC Hearing Statement Response: “**

“The Council does not consider it necessary for there to be a housing requirement for designated neighbourhood plan areas in Policy ST1. Policy ST1 provides the strategic policy framework for the spatial strategy and broad distribution of growth attributed to each tier within the settlement hierarchy, including rural Bassetlaw.

In response to paragraph 67 of the NPPF, and as detailed in the Council's response to Matter 2.4, a housing requirement for designated neighbourhood plan areas has been provided in Part 1 of Policy ST2, as per paragraph 67 of the NPPF. Due to the extent of the rural area and the role neighbourhood planning plays in the District, the approach provides for an appropriate level of growth within rural settlements (as per NPPF, paragraph 79), commensurate with the provisions of Policy ST1 but also takes local circumstances into account, to reflect the character, needs and opportunities of each settlement, so thereby supports the aims of achieving sustainable development as per NPPF, paragraph 78. As such, the Council considers the housing requirement for Designated Neighbourhood Areas are better suited to a separate, but complementary policy to ST1.”

Bassetlaw DC Response to Q2.4 (part)

*“.....In parallel, it was considered that the significant number of existing residential planning permissions across the rural area should also be better considered in the proposed housing requirement for the rural settlements. As such, the individual housing requirements for eligible*

*settlement were re-assessed and Policy ST2 identified a different percentage growth requirement for large and small settlements relative to their sustainability credentials”.*

### **Main modifications consulted on 5 August to 3 October 2023**

Policy ST2 provides a flexible framework to manage both the impacts of committed and future residential development within eligible settlements through a housing requirement. Consistent with national policy, this should be used as the housing requirement for designated neighbourhood areas, and reflects the approach taken by the spatial strategy in Policy ST1 to maintain the sustainability, vitality and character of each settlement.

This Policy ST1 growth for Large and Small Rural Settlements will be “apportioned via an individual minimum housing requirement for each settlement. This requirement has two functions:

- a) It contributes towards the District’s overall housing requirement in Policy ST1; and
- b) For the purposes of Neighbourhood Planning, it provides each settlement with a housing requirement for designated neighbourhood areas as required by national policy.”

The identified housing requirement for each eligible settlement is calculated from the number of dwellings within each Parish (as of 1 April 2020 when the data was collected). A percentage uplift has then been applied to each settlement. To promote sustainable development, in the rural area, the percentage uplift for each settlement category has been set at Policy ST2 requires that growth should not exceed the number of dwellings in eligible settlements by:

- 20% growth for eligible Large Rural Settlements; and
- 5% growth for eligible Small Rural Settlements.

5.2.7 The percentage uplift differs for Large and Small Rural Settlements. This reflects the varying sustainability credentials that exist between these categories in the settlement hierarchy.

Policy ST2 only identifies those settlements (within a parish area) that meet the necessary sustainability criteria as identified in Figure 4. If a parish or settlement is not listed, then it means that it does not meet the sustainability criteria, and the housing requirement in relation to this policy is considered to be zero.

### **Lessons learnt/conclusions drawn**

- D.4 It appears that commitments and completions 2018 to 2020 are discounted so the figures are not a complete picture of the scale of housing expected in the plan period. It is not clear whether the DNA housing requirement figures are based on DNA geography or on settlements as the RJ also states that it is “the housing requirement for each identified settlement within”. Also, the source of the 20% and 5% figures is not clear in the evidence. But it may be that these issues were clarified in the hearings. It is prudent to be clear about the geography, supply categories counted and the time period.

### **c. Bath and North East Somerset Local Plan - Partial Update**

Local Plan Partial Update adopted 19 January 2023 (following receipt of the Inspectors Report dated 13 December 2022).

Summary in Appendix C Table 5 of this report.

#### **Inspector’s Question** - Matter 2 Issue 5 Policy H1 Housing Delivery

QUESTION 1. What is the justification for the housing requirements in relation to Neighbourhood Areas as set out in policy H1 4? In relation to each Neighbourhood Area, are the housing requirements justified by the evidence?

#### **Inspectors report** paragraphs 109 to 110 and related Main Modifications

“109. The submitted Plan is inconsistent with the NPPF in that it does not set out in a strategic policy a housing requirement for Designated Neighbourhood Areas which reflects the overall strategy for the pattern and scale of development and any relevant allocations. This is addressed in **MM2** through the confirmation of minimum housing requirements for the Designated Neighbourhood Areas in Policy DW1. The minimum requirement figures reflect the allocations of the Plan, and those set out in the Core Strategy and Placemaking Plan and are therefore justified.”

### **Lessons learnt/conclusions drawn**

- D.5 This shows the variability of plans and of Inspectors’ conclusions. The Inspector’s question and conclusions demonstrate the importance of including DNA housing requirement figures in strategic policy and for these to be based on DNA geography. It confirms that the figures are minimum requirements.

D.6 However, the figures that were inserted in Table 1D of policy DW1 through main modifications are for the remainder of the plan period (2022-2029) and are based on the combined local plan's allocations. They do not include a windfall allowance. So, they are not a complete picture of the scale of housing expected for the whole plan period.

#### **d. Central Lincolnshire Local Plan (adopted April 2023)**

Local plan adopted April 2023 (following receipt of the Inspectors' Report dated 28 March 2023)

The adopted local plan does not include a strategic policy specifying DNA housing requirement figures. However, housing requirement figures for neighbourhood plans are set out in tables in Appendix 1 of the plan. These figures are for all parishes plus a Designated Neighbourhood Area in a non-parished area. Neighbourhood areas made up of multiple parishes may combine the requirements across the parishes to create a requirement for the neighbourhood area. Housing requirement figures for smaller than parish area would be provided by the LPA on request.

The housing requirement figures are supply based. But does not include a windfall allowance. I.e. they are based on:

- a) Homes built since the start of the plan period (1 April 2018-31 March 2021).
- b) Homes on sites with planning permission at 1 April 2021 (including, but not limited to sites that are also proposed for allocation in this plan).
- c) Allocations in this local plan; and
- d) Other made neighbourhood plans at 1 March 2021 that have yet to receive permission.

As such the requirement from the plan in Table A1.1. below should not be viewed in addition to sites built, with permission or allocated in this plan.

#### **Inspectors' questions and conclusions**

In the MIQs, the inspectors asked questions about the status of sites and about sites allocated in neighbourhood plans that are allocated in the local plan. It is unclear whether questions were raised in hearings about Appendix 1.

The Inspector's Report paragraph 76 states ".....Neighbourhood Plans also provide an appropriate mechanism to identify and allocate sites for housing until the next Local Plan Review." It appears that there were no main modifications to Policy or Appendix 1 regarding housing requirements for DNAs.

### **Lessons learnt/conclusions drawn**

- D.7 This shows the variability of plans and of Inspectors conclusions. It is unclear if the matter was discussed at the hearings. The Inspector's report is silent on the issue and the plan is adopted with figures for all parishes plus one DNA in a non-parished area that do not appear to be in or linked to a strategic policy. Also, the figures are not a complete picture of expected housing as they exclude supply from future small windfalls. (Notwithstanding that a windfall allowance is included in the district 5 year housing land supply calculation, i.e. windfalls are counted towards the district housing requirement.)
- D.8 However, mindful of other local plan inspectors' conclusions and reports there are risks if local plan policy is not consistent with NPPF regarding DNA housing requirement figures.

### **e. Chichester Local Plan 2021 to 2039**

Regulation 19 (Pre-submission Local Plan) consultation ended 17 March 2023. The plan has not yet been submitted for Examination.

Policy H2 includes one broad location for development with the allocation of a site within the BLD to be identified through either the neighbourhood planning process or subsequent Site Allocation DPD. The policy also identifies 3 strategic locations where neighbourhood plans are anticipated to be prepared to identify the sites required. If draft neighbourhood plans making provision for at least the minimum housing numbers of the relevant area have not made demonstrable progress, the council will allocate sites within a development plan document in order to meet the requirements of this Local Plan.

Policy H3 Small-scale housing sites will be identified to help provide for the needs of local communities in accordance with the parish housing requirements. The policy specifies non-strategic parish housing requirement figures for 28 parishes where suitable sites will be identified either through neighbourhood plans or subsequent development plan document.

## **Lessons learnt/conclusions drawn**

- D.9 NPPF is clear that DNA housing requirement numbers should be set out in strategic policy. This shows the variability between local plans in addressing this issue. Policy H3 appears to be non-strategic, and where the numbers are 'indicative'. This plan has not yet been submitted for Examination so it is not possible to draw conclusions at this time about whether this proposed policy would be found sound, although there are risks if local plan policy is not consistent with NPPF. Also, Policy H2 focuses on strategic sites and locations. It is not clear if the numbers are for whole DNAs or relate to parts of DNAs. The text to the plan acknowledges that there are some sites adjoining the City settlement boundary that are in other parishes.
- D.10 Policies H2 and H3 rely on a contingency mechanism whereby if parish councils do not wish to prepare their own neighbourhood plan, the council will work with the parishes to identify sites in a subsequent development plan document. This raises the issue of deliverability and the effectiveness of policy. Again, it is not possible to draw conclusions at this time about whether this proposed policy would be found sound, although there are risks if local plan policy is not consistent with NPPF.

### **f. Dartmoor Local Plan 2018 - 2036**

Local Plan Partial Update adopted 19 January 2023 (following receipt of the Inspectors Report dated 13 December 2022)

Summary in Appendix C Table 5 [of this report](#)

The DNPA housing Topic Paper 6 paras 5.5.8 to 5.5.9 acknowledged the emerging government policy towards identifying housing requirements for DNAs. 2 possible approaches were considered (an indicative figure based on up-to-date local housing needs survey; or an estimated figure on the basis of a further apportionment of the indicative housing delivery figure).

Para 5.5.9 of that topic paper concludes "Neither of the above approaches is ideal, and, even less when recognising that the overall apportionment by settlement type is considering very small numbers which means that whichever approach is taken forward is going to have a fair degree of uncertainty. Given this, considered with the needs-led approach and the limited uptake of and success of Neighbourhood Plans in the National Park, it is not proposed to set out at this stage a figure for each area. Instead, it is reasonable that, in line with the apportionment described above DNPA assist Neighbourhood Plan groups seeking an indication of anticipated housing

figure on a case by case basis, considering the most up to date information available at that point in time.”

### **Lessons learnt/conclusions drawn**

- D.11 This shows the variability between local plans in addressing this issue. There are no DNA housing requirement figures in either strategic policy or in text or non-strategic policy the adopted local plan. There was no question on this matter in the Inspector’s MIQs and the Inspector’s report is silent on the matter.
- D.12 Mindful that the local plan is for Dartmoor where national park legislation takes priority over national planning policy, and mindful that East Devon does not include a National Park, it is unlikely that the Dartmoor local plan approach to DNA housing requirements could be applied in East Devon.

### **g. East Northamptonshire Local Plan Part 2, 2011 to 2031**

Part 2 of the plan was adopted on 7 December 2023, following receipt of the Inspector’s report dated 31 July 2023.

Summary in Appendix C Table 5 of this report.

#### **Inspector’s conclusions**

Inspector’s report paragraphs 76 to 80 states

“76 Paragraph 66 of the Framework states that strategic policies should also set a housing requirement for designated neighbourhood areas which reflects the overall strategy and pattern and scale of development and any relevant allocations. Paragraph 67 goes onto state that where it is not possible to provide a requirement figure for a neighbourhood area the local planning authority should provide an indicative figure which should take into account factors such as the latest evidence of local housing need, the population of the neighbourhood area and the most recently available planning strategy of the local planning authority.”

77. Whilst the JCS requirement for the rural area of East Northamptonshire will be met, it is recognised that this is not a maximum figure and that further housing may come forward in rural areas through windfalls, specific brownfield sites and also may be proposed in NPs.

78. Table 18 of the Plan sets out a rural housing need for Parish Council areas of a particular scale in terms of population. As the rural housing

requirement will be met, the figures are intended as indicative guidance for potential/emerging NPs in terms of helping them to meet future housing need, as opposed to a policy requirement. It would be in addition to the housing requirement.

79. Annex 1 of BP10 explains how the indicative figures have been arrived at. The methodology utilises the 2011 Census figures for the population of rural parishes which corresponds to the start of the Plan period. The Census individually lists parishes with populations of greater than 100 which is the basis for the apportionment of the 820 dwellings rural housing requirement. An indicative growth figure is applied to each figure based on the apportionment, which is set out at Annex 1. Whilst relatively simple, the Council has undertaken a systematic and proportionate approach to identifying indicative rural housing need figures for the parishes. The approach is a pragmatic one which provides some scope for parish councils/communities to allocate further housing sites through NPs if there is a local desire to do so. Furthermore, the approach provides additional flexibility in terms of meeting the housing requirement.
80. MM48 is necessary to incorporate updated housing figures to 1 April 2020 within the supporting text and Table 17 which summarises the residual housing requirement for the rural areas. With MM48, I consider the approach to meeting the housing requirement in the rural areas is positively prepared, justified, effective and consistent with the JCS and the Framework.”

### **Lessons learnt/conclusions drawn**

- D.13 This is a partial method using population to apportion a residual rural areas housing requirement figure to parishes above a threshold size. In this circumstance the Inspector has accepted the figures are intended as indicative guidance for potential/emerging NPs in terms of helping them to meet future housing need, as opposed to a policy requirement. It would be in addition to the housing requirement. She also accepted the approach as systematic, proportionate and pragmatic.
- D.14 The approach does not make clear the total scale of housing expected in the rural area DNAs. Nor does it provide figures for all DNAs, for example Irthlingborough or Thrapston, although Table 3 of the Part 2 Plan shows the housing requirements for market town settlements. Notwithstanding this, the part 2 plan was found sound with the main modifications made. However, there are risks if local plan policy is not consistent with NPPF.

## **h. East Suffolk – Suffolk Coastal Local Plan 2018 to 2036**

Local plan adopted on 24 September 2020 following receipt of the Inspector’s report dated 8 September 2020 (the plan is for former Suffolk Coastal District, now part of East Suffolk Council)

The Suffolk Coastal local plan sets out housing requirements for the plan period 2018 to 2036 for DNAs at the time of the Reg 19 plan production. The figures are set out in Policy SCLP12.1 Neighbourhood Plans. This follows the method set out in a technical paper.<sup>35</sup> These requirement figures are in addition to existing planning permissions, allocations and dwellings with resolution to grant as at 31 March 2018, and made neighbourhood plan allocations.

(Note: There are no housing requirements for designated neighbourhood areas in the other part of East Suffolk because the Waveney Local Plan was prepared prior to the publication of the 2019 NPPF.)

### **Inspector’s conclusions**

In the Inspector’s report to East Suffolk Council

Policy SCLP12.1: Neighbourhood Plans

“111. The Framework in paragraph 65 states that strategic policies should set out a housing requirement for Designated Neighbourhood Areas. As submitted, Policy SCLP12.1 sets indicative housing requirements for Designated Neighbourhood Areas which reflect the overall strategy for the pattern and scale of development. Policy SCLP12.1 should be amended to make clear that the stated number of dwellings required are minimum figures, not indicative targets so as to be consistent with national policy (MM50).”

### **Lessons learnt/conclusions drawn**

- D.15 The policy figures must be minimums and not indicative targets. This shows the variability between local plans in addressing this issue.

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<sup>35</sup> [Neighbourhood-Plans-Indicative-Housing-Requirements-methodology.pdf](https://www.eastsuffolk.gov.uk/Neighbourhood-Plans-Indicative-Housing-Requirements-methodology.pdf)  
([eastsuffolk.gov.uk](https://www.eastsuffolk.gov.uk))

## Folkestone and Hythe Core Strategy Review

The local plan was adopted on 30 March 2022 following receipt of the Inspectors' report on 23 February 2022.

### Inspector's questions

#### MIQ Matter 3 Housing Requirement

Question 7 Should there be a housing requirement for any Designated Neighbourhood Areas within the District (Paragraphs 65 and 66 of NPPF)? If so, what should these be?

**In its hearing Statement on Matter 3 (The Housing Requirement)**, the council considers from NPPF and PPG that "the principal purpose of identifying a housing requirement figure for a Designated Neighbourhood Area would be for a neighbourhood plan to:

- Allocate sites where only a local plan has or is being prepared and a portion of the housing requirement is still to be identified through the preparation of a separate site allocations development plan document; or to
- Allocate 'reserve sites' as a preferred / alternative approach should a future review of the local plan reveal that a site previously allocated is no longer suitable, available or deliverable to ensure that the emerging evidence of housing need is addressed."

Paragraph 1.54 of the hearing statement states that "The Council considers that in the context of the preparation of the Core Strategy Review, it is not necessary to set a housing requirement for any of the Designated Neighbourhood Areas within the district.". Of the 4 Designated Neighbourhood Areas in the district,

- St Mary in the Marsh Neighbourhood Plan was made in 2018. It allocates no sites for housing. The local plan allocation in the DNA is under construction, so "it is believed that the St Mary in the Marsh Neighbourhood Area is delivering on its housing requirement for the plan period in full. Therefore, the development requirement for St Mary in the Marsh Parish for the plan period has been assumed to be met".
- In the DNAs of Sellindge and Lypmne, the Council considers that this may prove problematic in the context of the proposed garden settlement. The new garden settlement spans the majority of these neighbourhood areas, and it could prove difficult to quantify the level of requirement of each parish without limiting flexibility for future masterplanning and phasing of delivery over the plan period.

- At Hythe New Romney, Lympne and Sellindge, no progress has been made with the preparation of draft neighbourhood plans for pre-submission consultation. The council understands that neighbourhood plans are not being actively pursued for these areas.

The adopted local has text about neighbourhood plans and the housing requirement but no policy or housing requirement figures. The text states,

“St. Mary in the Marsh is significantly advanced and its Neighbourhood Development Plan has proceeded to referendum; however the other areas have not progressed with neighbourhood plans since the areas were designated some time ago. Given this, the Core Strategy Review does not set out a housing requirement for any designated area within the district and neighbourhood plans have not been relied on in meeting the district's housing requirement.”

### **Inspector's conclusions**

The Inspectors report appears to be silent on this matter. There are no main modifications relating to DNA housing requirements.

### **Lessons learnt/conclusions drawn**

- D.16 This shows the variability between local plans in addressing this issue. With no main modification this appears to imply that the Inspector has agreed with the LPA view that it is not necessary to set a housing requirement for any of the four Designated Neighbourhood Areas.

## **j. Hambleton Local Plan**

Local Plan adopted on 22 February 2022 following receipt of the Inspectors Report dated 19 January 2022.

### **Inspector's questions and conclusions**

Inspectors MIQ for the Matter asked the following question (Q7):

*Does the Plan include strategic policies that set out a housing requirement for Designated Neighbourhood Areas which reflects the overall strategy for the pattern and scale of development and any relevant allocations, as required by paragraph 65<sup>36</sup> of the Framework?*

<sup>36</sup> Now paragraph 66 in the 2021 NPPF

Inspectors report Paragraph 339:

“339. Policy S4 has been criticised for not establishing a housing requirement for each ‘designated area’ as set out in paragraph 66 of the Framework. Whilst the policy identifies designated ‘neighbourhood areas’, it does not set out a specific housing figure for each one. The Council’s justification for this is that as the Plan identifies sufficient land to meet the overall housing requirement, there are no outstanding needs that could be accommodated in each neighbourhood area or, as a result, any clear evidence as to what the requirement would be. Moreover, through Policies S5 and HG5, the Plan seeks to introduce a flexible and positive strategy by removing settlement boundaries and allowing growth within and adjacent to rural villages. The scale of growth permitted in each village is purposely not set out and will be determined by the application of the windfall policies. In this particular case the Council’s approach is therefore justified and sound.

The housing requirement number should be for the whole Designated Neighbourhood Area, not for individual settlements or the largest settlement in the neighbourhood area.”

### **Lessons learnt/conclusions drawn**

- D.17 This shows the variability between local plans in addressing this issue. It would appear that the Inspector has agreed with the LPA view that it is not necessary to set a housing requirement for any of the four Designated Neighbourhood Areas.
- D.18 It should be noted that at this time the emerging East Devon Local Plan proposes including settlement boundaries so the Hambleton approach would not appear to be appropriate.

### **k. Kings Lynn and West Norfolk Local Plan Review (2016 – 2036)**

Local Plan was submitted for Examination on 29 March 2022 (hearings were held in November 2022 and January 2023. Resumed hearings to be held in March, April and September 2024.

Summary in Appendix C Table 5 of this report.

### **Inspector’s MIQ questions**

33. Given that paragraph 66 of the NPPF expects strategic policies to set out the housing requirements for designated neighbourhood areas, is the Plan, in particular Policy LP01 and its supporting text, justified and consistent with

national policy in not doing so for each parish and/or each KRSC and Rural Village (RV) in the Borough?

### **Additional MIQ questions (13 February 2024)**

#### **New Policy on Neighbourhood Plans**

AQ9. Are the proposed housing requirements for designated neighbourhood areas, as set out in the Spatial Strategy and Settlement Hierarchy Topic Paper [F47], justified as appropriate, based on proportionate and robust evidence, taking into account the reasonable alternatives?

AQ10. Is the proposed New Policy for Neighbourhood Plans consistent with national policy in setting out housing requirements for neighbourhood areas that reflect the overall strategy for the pattern and scale of development in King's Lynn & West Norfolk and any relevant allocations?

#### **Council evidence**

The evidence in the topic paper F47 is available online <sup>37</sup> It sets out a methodology where the housing requirement is calculated using a supply-based method according to the overall strategy for the pattern of development in the Plan. It considers the scale of housing growth expected to take place in the neighbourhood area over the whole plan period. That is supply from any relevant allocations in the Plan, any extant planning permissions and a proportion of the development expected from 'windfall' over the Plan period, taking account the population of the neighbourhood area. The housing requirement in Table 2 is then the expected growth minus allocations and extant planning permissions. In effect the housing requirement matches the windfall requirement.

The topic paper includes a method for calculating the proportion of development expected from future windfalls. It apportions the district windfall allowance for the plan period to settlement tiers based on the proportion of growth from housing allocations, and then apportions this settlement tier windfall requirement to DNAs using an adjustment based on the number of households in the parished or non-parished DNAs in each tier.

In future potential neighbourhood areas, the same method applies. Table 3 in the topic paper shows that the housing requirement is then zero in some parishes where the windfall figure is zero.

The council has proposed a Main Modification that will introduce a new policy on Neighbourhood Plans

Policy xx Neighbourhood Plans The Council will support the production of Neighbourhood Plans in identifying appropriate, locally specific policies that are in general conformity with the strategic policies of this Local Plan. Where Neighbourhood Plans seek to plan for housing

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<sup>37</sup> [https://www.west-norfolk.gov.uk/download/downloads/id/8020/f47\\_topic\\_paper\\_spatial\\_strategy\\_settlement\\_hierarchy\\_neighbourhood\\_areas.pdf](https://www.west-norfolk.gov.uk/download/downloads/id/8020/f47_topic_paper_spatial_strategy_settlement_hierarchy_neighbourhood_areas.pdf)

growth, they will be expected to plan for the minimum housing requirements set out below:

The table identifies the Neighbourhood Plan area and the minimum net housing requirement for each NPA based on the housing requirement from Table 2 in the topic paper.

The proposed main modification would also add a new appendix to the plan setting out the neighbourhood Plan Housing Requirement Methodology. This includes the Table 2 supply categories used to calculate those requirement figures. This Appendix is referred to in Policy LP1 for the purposes of calculating housing requirements for Neighbourhood Areas that are designated in the future.

### **Lessons learnt/conclusions drawn**

- D.19 The additional MIQ questions are very recent, and the Kings Lynn and West Norfolk Council's responses are not available at the time of writing this technical report. Likewise, we don't know the Inspector's conclusions about, the proposed methodology or the new policy (in particular the housing requirement figures in policy being only the apportioned windfall supply), and the proposed methodology for producing the housing requirement figures for neighbourhood areas not yet designated.
- D.20 This shows the variability between local plans in addressing this issue. The methodology in the proposed new Appendix for the Kings Lynn and West Norfolk Local Plan includes 'Table 2' and the supply categories counted towards the expected growth. This clearly does not include a specific expectation of supply from future neighbourhood plans' allocations. However, unlike the evidence document, the draft policy does not make clear whether any future neighbourhood plans' allocations would be additional to the DNA housing requirement figures in the proposed policy, rather than a substitution for the windfall requirement.

## **I. Mole Valley Local Plan 2020-2037 (now to 3038)**

Local plan submitted for examination 14 February 2022

Main modifications available but consultation delayed (Jan 2023) , but following Secretary of State Direction Mole Valley DC has resolved to progress examination of draft LP as submitted

Summary in Appendix C Table 5 of this report.

Inspector's Question - Matter 2 Issue 5 Policy H1 Housing Delivery

QUESTION 1. What is the justification for the housing requirements in relation to Neighbourhood Areas as set out in policy H1 4? In relation to each Neighbourhood Area, are the housing requirements justified by the evidence?

**Mole Valley DC Hearing Statement:**

Confirmed that the housing requirements are supply based, and are determined by totalling the housing supply from the following sources within each neighbourhood area:

- Expected capacity from development site allocations.
- Housing developments with planning permission as at 31 March 2021.
- Housing developments completed since the start of the plan period, from 1 April 2020 to 31 March 2021.
- Small sites windfall allowance; and,
- Where applicable, Development Opportunity Areas as set out in Policy H4.

Confirmed that: The calculation of the small sites windfall allowance is a district-wide figure, based on the average delivery of small sites over a ten-year period. The calculation is set out in detail in the Housing Supply Topic Paper. However, it was not possible to use the trends for small neighbourhood areas and so the approach taken was to use the proportions set out in Policy S1: Sustainable Mole Valley where applicable. Where this was not possible, a proportion was calculated by dividing small site delivery in the Neighbourhood Area by total small site delivery across the District over the same time period. Table 1 shows the differences in percentages used to calculate small site windfall for the neighbourhood areas.

*Table 2: Housing supply by source for Neighbourhood Areas*

Source	Ashtead	Bookham	Capel Parish	Ockley Parish	Westcott
<b>Allocations</b>	439	212	103	52	15
<b>Permissions</b>	24	27	23	3	16
<b>Completed</b>	20	61	7	0	0
<b>Small Site Windfall</b>	189	110	62	20	37
<b>Development Opportunity Areas</b>	18	59	N/A	N/A	N/A
<b>Total</b>	<b>689</b>	<b>469</b>	<b>195</b>	<b>75</b>	<b>68</b>

Main modification MM7 proposes to amend the DNA housing requirement figures in Policy H1 Criterion 4 (to encompass a revised end date to the plan period).

4. The housing requirements for the designated Neighbourhood Areas within the District for the plan period (2020-2038) are as follows:

• Ashtead - 694 net new dwellings
• Bookham – 472 net new dwellings
• Capel Parish – 193 net new dwellings
• Ockley Parish – 776 net new dwellings
• Westcott – 69 net new dwellings

**Lessons learnt/conclusions drawn**

D.21 Policy H1 (as proposed to be modified) is a strategic policy. This plan uses the same method as set out in Option 2 in this technical report. The main modification proposed MM7 indicates that a supply-based method that is clear about the supply categories used to calculate the housing requirement, and the time periods and DNA geography can be appropriate, It suggests that that the policy could be sound (but is subject to the Inspector’s Final Report.)

**m. North Norfolk Local Plan 2016 -2036**

Local plan submitted for examination 11 May 2023. Hearings commenced January 2024 (plus hearings were held in February and also scheduled for March 2024)

The plan does not explicitly identify housing requirement figures for Designated Neighbourhood Areas. Policy SS1 Spatial strategy sets out the spatial strategy and settlement hierarchy for North Norfolk. This states that in settlements classed as Small Growth Villages development will be delivered via a policy which allows for growth both within, and outside of, a defined Settlement Boundary, with the current exception of Corpusty and Saxthorpe, where growth is directed through the adopted Neighbourhood Plan

The Policy allows for each village to grow by in the region of 6% in dwelling numbers from the date of adoption of the Plan. The 6% 'allowance' is specified in Table 2 'Small Growth Villages Housing Apportionment'. The allowance is measured from the number of dwellings present within the defined settlement boundary as of 2021. The allowance relates to each individual settlement and once reached no further permissions will be granted other than for the exempted types of development listed in Appendix 4 of the plan.

4.1.10 The 6% housing allowance does not include any development that is brought forward through Policy SS 3 'Community-Led Development', Policy HOU 3 'Affordable Homes in the Countryside (Rural Exceptions Housing)', or conversions and dwelling subdivisions within the defined settlement.

4.1.11 The indicative level of growth that this approach could deliver across the Small Growth Villages over the plan period is set out below in the Housing Apportionment Table below (i.e. in the reasoned justification). The Table also forms the basis for any subsequent Neighbourhood Plan that seeks to set a housing target with the LPA and bring forward housing policies including allocations.

### **Lessons learnt/conclusions drawn**

- D.22 It is unclear whether the figures in the apportionment table are DNA housing requirements. It is noted that the apportionment table is for an Indicative housing allowance (31 March 2021) for named settlements but then table says Settlement (Parish).
- D.23 The plan is at Regulation 19 consultation stage. So at this time there are no Inspector's questions or conclusions. It is too early to draw conclusions from this plan's approach. However, mindful of other plans' examinations there are potential risks if the plan is not consistent with consistent with national planning policy.

## **n. North Somerset Local Plan 2039**

This local plan currently at Regulation 19 Plan (consultation ended January 2024)

### **Strategic Policy SP8**

For designated neighbourhood plan areas, the minimum housing requirement will be determined on the basis of the local plan allocations, existing commitments and estimated windfall.

### **Reasoned Justification**

NPPF advises that strategic policies should set out a housing requirement for designated neighbourhood areas which reflects the overall strategy for the pattern and scale of development and any relevant allocations. For North Somerset the minimum housing requirement will be calculated from the existing local plan allocations and commitments within the designated area plus a figure for small site windfall anticipated over the plan period.

North Somerset Council are expecting to submit the local plan for examination after Easter 2024.

### **Lessons learnt/conclusions drawn**

- D.24 The policy provides some clarity about how the housing requirements will be calculated. But it doesn't include completions to date, so may not provide a complete picture of the scale of housing expected in the plan period. There are no DNA housing requirement figures in the local plan policy.

The plan has not been submitted at this time so there are no questions yet from the examination Inspector.

#### **o. Purbeck Local Plan 2018-2034**

At Examination: Suite of Main modifications, Further Main Modifications and then Supplementary Proposed Main Modifications (latter consultation closed on 22 December 2023)

Summary in Appendix C Table 5 of this report.

#### **Inspector's Question –**

Q6. Is the second part of policy H1 which indicates that the Council will work with each of the existing six neighbourhood plan areas, and any emerging or future, neighbourhood plan groups to determine the housing requirement for the designated area consistent with national policy as set out in paragraph 65 of the Framework?

#### **Main Modification to policy H1**

Main modification SMM26 inserted a table into strategic policy H1 which simply identifies 6 DNAs and text for each about the scale of allocations in the made or emerging neighbourhood plans as the housing requirement, or states there is no specific requirement because the made or emerging neighbourhood plan does not seek to allocate housing sites or because there is no intention to produce a neighbourhood plan.

### **Lessons learnt/conclusions drawn**

- D.25 The reason for modification SMM27 (which covers the wider Policy H1 modifications) are to ensure consistency with NPPF/PPGs, the plan is positively prepared and justified, and the plan is clear and unambiguous. This

demonstrates the importance of meeting those tests of soundness (including consistency with NPPF paragraph 16d about clarity for decision makers).

#### **p. Shropshire Local Plan (2016 – 2038)**

Local plan submitted for examination 3 September 2021.  
Stage 1 hearings July 2022; Additional hearing - Duty to Cooperate Jan 2023;  
Minerals and Waste hearings May 2023. Inspector's interim findings July 2023.

#### **Inspector's Further Initial Questions Nov 2021<sup>38</sup>**

“19 Paragraph 66 of the Framework requires that the local plan's strategic policies set out a housing requirement for each designated neighbourhood planning area and also that the neighbourhood area requirement figures reflect the strategy for the pattern and scale of development and any relevant allocations.

20. It is not clear to us that this has been done in Policy SP2. Furthermore, it is unclear if the individual Place Plans contain a specific requirement for each Designated Neighbourhood Area. If there is no apportionment for a given neighbourhood area, then this should be explicitly stated for the sake of clarity. It is also unclear whether any Neighbourhood Plans are intended to contain site allocations. Again, this should be made clear in the submitted plan.

21. Consequently, can the Council please confirm whether the Place Plan areas and apportionments reflect the Designated Neighbourhood Area boundaries; and what apportionments (if any) have been made to each specific neighbourhood area.”

#### **Shropshire Council response**

There are 13 Designated Neighbourhood Areas, 4 of which have made Neighbourhood Plans. The DNAs are parish based or multiple comprising parishes if joint neighbourhood plans. In their response to the Inspectors' questions Shropshire council provides a table of relevant proposed residential development Guideline in the draft Shropshire Local Plan. The table is a summary of each of the areas the proposed apportionment of residential development to them. Where a scale of growth is quantified, the growth is

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<sup>38</sup> [id2-inspectors-further-initial-questions.pdf \(shropshire.gov.uk\)](#) letter of 24 November 2021 (note: Stage 1 of The Shropshire plan Examination is still in progress at the time of preparing this EDDC consultation document; possible that the issue of housing requirement numbers for designated neighbourhood areas could be the subject of Stage 2 (or later) Examination hearing

focused on specific settlements. For most DNAs the table states. “It is not considered necessary or appropriate to identify a specific residential development guideline for the wider rural area within the/these Parishes, given the proposed spatial strategy for the distribution of development across Shropshire and the characteristics of these areas”. For 2 named DNAs “it is not considered necessary or appropriate to identify a specific residential development guideline for this rural Parish, given the proposed spatial strategy for the distribution of development across Shropshire and the characteristics of this wider rural area.”

### **Lessons learnt/conclusions drawn**

- D.26 At this time, it is unclear whether the issue was discussed at hearings. There appears to be no direct MIQ questions on this matter. The Examination is still in progress, and therefore there is no Inspectors Report at this time so there are no Inspector’s conclusions. It is too early to draw conclusions from this plan’s approach. However, mindful of other plans’ examinations there are potential risks if the plan is not consistent with consistent with national planning policy.

## **q. South Worcestershire Development Plan Review**

Local plan submitted for examination 17 September 2023.

No Inspector’s MIQs as at end February 2024 as the Inspector has requested a programme for completion and submission of outstanding evidence by the LPA before he will publish the MIQs.

Summary in Appendix C Table 5 of this report.

No strategic policy setting out the individual Designated Neighbourhood Area housing requirement figures, but the figures are in Annex E of the plan. Annex E is referred to in the reasoned justification. There is a strategic policy on the district housing requirement 2021 to 2041.

The technical evidence background paper produced by the South Worcestershire councils sets out the methodology for calculating the additional housing requirement for the 40 designated Neighbourhood Areas in south Worcestershire. It takes account the following factors:

- i. The overall strategy for the pattern of development to 2041. The SWDPR development strategy distributes the dwellings required in the SWDPR in the following proportions:

- 40.1% in new or expanded settlements 51.9% in the main urban areas and urban extensions
  - 4.7% in Category 1 villages
  - 2.4% in Category 2 villages
  - 0.8% in Category 3 villages.
- ii. The scale of additional development required to 2041. The adopted SWDP, which was tested and found sound at Examination makes provision for around 28,400 dwellings. The SWDP is therefore making provision for an additional 13,240 dwellings (including 500 at Mitton for Tewkesbury Council's needs) in the period to 2041 over-and-above those which have already been delivered or are likely to be delivered based on current housing commitments, completions and reallocations.
- iii. Relevant site allocations. The housing requirement for each Neighbourhood Area takes account of proposed allocations in the SWDP Review, together with any allocations in made or submitted Neighbourhood Plans.

NOTE: The methodology does not take account of any specific physical, environmental or infrastructure constraints to future growth in a Neighbourhood Area. The method acknowledges that not all Neighbourhood Areas may be able to deliver the housing requirements due to local constraints. If this is the case, then it should be explored and explained in the Neighbourhood Plan.

### **Lessons learnt/conclusions drawn**

D.27 Currently there are no MIQs so at this time there are no Inspector's questions or conclusions. It is too early to draw conclusions from this plan's approach. However, mindful of other plans' examinations there are potential risks if the plan is not consistent with consistent with national planning policy.

### **r. Stroud District Local Plan Review**

Submitted to examination 25 October 2021

Hearings held in March and June 2023.

Inspectors' letter 5 February 2024 Examination currently paused for the works to be undertaken to address the Inspectors' concerns about the strategic highway network.

### **Inspector's Question**

**MIQ Q17** Paragraph 65 of the Framework states that 'strategic policies should also set out a housing requirement for designated neighbourhood areas...'. The Council's evidence details that there are 17 neighbourhood areas within the District with 10 made Neighbourhood Plans (NP). The Council's Topic Paper on Neighbourhood Planning (EB5) explains that as no made or emerging NP allocate housing sites, housing requirements are to be set through site allocations in the Plan currently under our examination.

- a. Is this approach consistent with national policy, particularly with regard to paragraphs 65-67 of the Framework?
- b. Is it clear which sites are within each defined neighbourhood area and what the proposed housing requirements in these areas would be?
- c. What are the implications of these proposed housing allocations on the designated neighbourhood areas and any emerging or made NP?

### **Stroud DC information**

Stroud District Council has confirmed that during the Examination hearing sessions in 2023, the Inspector raised the issue of housing requirements for Designated Neighbourhood Areas. Stroud District Council were asked by the Inspector to provide the following modification:

*Disaggregate the Local Plan housing supply (when finalised) by parish (or NDP area if different) to identify the housing target for NDPs.*

Stroud DC has confirmed that they have agreed to include this as an appendix to the Local Plan once the final housing supply and distribution has been agreed. They are still considering what this actually looks like. Possibly the approach would be to take the final site allocation numbers for all sites within each Parish/Town Council and provide that as the requirement figure for neighbourhood development plan purposes. It would then be up to the neighbourhood development plan to propose more houses if they wanted to and provide the relevant evidence.

Table 2 housing supply in the submission plan does not include supply from future neighbourhood plans. Stroud DC has confirmed that the Stroud Local Plan has not relied on neighbourhood plans to provide housing numbers as so far none of the neighbourhood plans have shown interest. Kingswood PC in their hearing statement have raised that they haven't been asked to provide housing and they could have done through a neighbourhood plan rather than the site allocation in the draft local plan. However, all of their consultation responses have been clear they don't want any new housing.

### **Lessons learnt/conclusions drawn**

- D.28 Inspectors ask questions about this issue. The local plan policy on this issue needs to be consistent with NPPF and needs to be clear about what sites are included in the DNA figures and the housing requirement figures. It is important for the local plan to make clear what are the implications of DNA housing requirement figures for Designated Neighbourhood Areas and for neighbourhood plans.
- D.29 A supply-based approach is appropriate, using Designated Neighbourhood Area geography, which takes account of the finalised supply information. The latter implies including supply from Local Plan allocations that takes account of main modifications. If the approach also includes commitments and completions, then it suggests using the latest monitoring point information supplied to the examination. It is appropriate not to include a supply category relating to future neighbourhood plans if the evidence indicates that is little appetite for allocating sites in neighbourhood plans or that the plans are unlikely to be pro-growth.

### **s. Teignbridge Local Plan 2020-2040**

Regulation 19 consultation. Local Plan closed 13 March 2023

Local Plan Proposed Submission Addendum (Regulation 19) consultation  
8 November to 22 December 2023.

Summary in Appendix C Table 5 of this report.

Para 1.16 of the Reg 19 plan (Addendum version)

“....., there is no indication or guarantee that existing or newly designated Neighbourhood Plan areas will allocate sites, or do so within a sufficient timeframe, to meet the overall housing requirement for the district. As such, there is no specific housing requirements set for any Neighbourhood Plan area.”

### **Lessons learnt/conclusions drawn**

- D.30 The plan has not yet been submitted for examination, so at this time there are no Inspector's questions or conclusions. It is too early to draw conclusions from this plan's approach. However, mindful of other plans' examinations there are potential risks if the plan is not consistent with consistent with national planning policy.

## **t. Warrington Local Plan 2022/23 to 2038/39**

Local Plan adopted 4 December 2023 (following receipt of Inspectors report dated 23 October 2023)

### **Inspector's conclusions**

Inspectors Report Paragraph 50:

“There are four designated neighbourhood areas in the Borough. A significant part of three of these falls within the boundary of the South East Warrington Urban Extension Main Development Area (Policy MD2). Distributing the total number of houses between the different neighbourhood areas prior to a comprehensive development framework for the allocation site would be premature and prejudice this process. In the case of Lymm, the Local Plan proposes specific site allocations. In light of these particular circumstances, the Local Plan is justified in not identifying housing requirements for the designated neighbourhood areas”.

### **Lessons learnt/conclusions drawn**

- D.31 This shows the variability between plans and between Inspectors' conclusions. In this case not including designated neighbourhood area housing requirement figures in the plan is driven by the specific circumstances of being unable to evidence how to distribute housing on a strategic site across three DNAs.
- D.32 This is similar to the current situation for the 2<sup>nd</sup> new settlement in East Devon where figures for the site have not been included in Options 1 and 2 because of the lack of delivery information about phasing and distribution across the site. If and when a comprehensive development framework (e.g. a Masterplan) is available including phasing across the site, then the supply figures for the site could be included in a supply-based method for calculating DNA housing requirements.
- D.33 However, omitting a figure for Lymm is unusual precisely because there are proposed local plan allocations (they are known, 'expected' and quantified).

## u. West Suffolk Local Plan Regulation 19

West Suffolk Local Plan Regulation 19 – consultation 30 January to 12 March 2024

Strategic Policy SP 11 – Sets out its support for the preparation of neighbourhood plans. It sets out the housing requirement for designated neighbourhood areas over the plan period to 2040 and approach to areas designated or reviewed after this local plan is adopted.

SP11 “The minimum housing requirement for the period 1 April 2023 to 31 March 2040 for each designated neighbourhood areas is set out in appendix G of this plan. This provision accords with the spatial strategy of this local plan and which seeks to address the strategic housing needs of the district. The council has identified site allocations to meet the minimum housing requirement for each designated neighbourhood area in this plan. There is no need for the neighbourhood groups to repeat these allocations in their neighbourhood plans. Neighbourhood groups may choose to identify additional sites in their neighbourhood area to address their locally identified housing needs.

There is no identified housing requirement for the designated neighbourhood areas which only contain Type B villages and or the countryside, as no allocations are made in these locations in this plan.

Following adoption of the local plan, indicative housing requirements will be provided upon request for those neighbourhood plan bodies undertaking a review of their neighbourhood plan. They will also be provided where a new neighbourhood area is designated. The housing requirement will be assessed based on the approach set out in the National Planning Policy Framework or any successor policy.”

Appendix G of the Reg.19 plan gives a single housing requirement figure for each of the named DNAs. (There are 3 named neighbourhood plan areas with no housing requirement)

### Reasoned Justification (extract)

“4.4.40 Within each designated neighbourhood area, the housing requirement will reflect the number of homes allocated within that area. For neighbourhood areas only containing Type B villages and or the countryside (including small settlements within it), and where no housing allocations are made in this plan, there will be no housing requirement. This accords with the spatial strategy to make no provision for new homes given the lower order settlements limited range of services and facilities.

4.4.41 No housing requirement is set for Great Barton neighbourhood area as the plan is made and not currently under review. Neither is there a housing requirement for Exning neighbourhood area which, although it has a designated area, is no longer being taken forward.

4.4.42 The strategic housing requirement for each designated neighbourhood area, accords with the spatial strategy pattern and scale of growth for the settlement types within the neighbourhood plan area, dependent upon infrastructure and environmental capacity. This assessment has informed the allocation of sites in this plan. The neighbourhood housing requirement does not include an allowance for windfall provision to come forward, as windfall by its nature is unexpected delivery of homes and is not relied upon to meet the housing needs.”

### **Lessons learnt/conclusions drawn**

- D.34 The Regulation 19 consultation is in progress at the time of writing this technical report so at this time there are no Inspector’s questions or conclusions. It is too early to draw conclusions from this plan’s approach. However, mindful of other plans’ examinations there are potential risks if the plan is not consistent with consistent with national planning policy.
- D.35 It is noted that this plan does not rely on a windfall allowance as part of its district supply to meet the housing requirement but considers that the allowance is a contingency buffer as an additional source of housing supply. The LPA has chosen not to rely on future windfalls to meet housing needs when calculating the DNA housing requirements.

## **v. Wiltshire Local Plan**

Pre-Submission draft 2020-2038 (Regulation 19) September 2023 – consultation closed 22 November 2023.

The draft plan acknowledges NPPF policy on providing a housing requirement for each designated Neighbourhood Area. Paragraph 3.46 states that:

“...The requirement for each designation is effectively determined by the type of settlements in the plan area, as set out below. The Plan anticipates that new neighbourhood areas will be designated over the Plan period and so sets out requirements for all settlements to provide a framework to support the preparation of neighbourhood plans across the Plan period”.

Paragraph 3.49 states “The neighbourhood plan area designation housing requirements are provided as a part of each Principal Settlement and Market Town's policy, and are listed for Large Villages and Local Service Centres in the tables in the Rural Area section for each of the four Area Strategies”.

**Lessons learnt/conclusions drawn**

- D.36 The plan has not yet been submitted for examination. At this time, it is not wholly clear whether the figures are based on the whole Designated Neighbourhood Area or are only for the named settlements, and whether only supply within the settlement boundaries is to be counted, or what happens if a settlement is in more than one DNA.
- D.37 Mindful of other Inspectors' concerns about the need for policy clarity this would suggest the need to ensure there is clarity about the geography used, what supply is counted and when and implications for neighbourhood plans.

## APPENDIX E Comparison of Windfall Options A and B

**Table 3 Comparison of percentages derived from Windfall Options A and B**

Designated Neighbourhood Area	Windfall Option A (share of district's average annual windfalls*)			Windfall Option B (share of district's Census 2021 households)		
	Annual Average	Percentage	Apportioned District Windfall Allowance	Total	Percentage	Apportioned District Windfall Allowance
All Saints	0.4	0.3	6	238	0.4	8
Axminster	2.2	1.6	31	3,678	5.5	108
Axmouth	0	0.0	0.0	228	0.3	6
Aylesbeare	1.4	1.0	20	255	0.4	8
Beer	1.2	0.9	17	586	0.9	18
Bishops Clyst	3.0	2.2	42	665	1.0	20
Broadclyst	2	1.4	28	2,445	3.7	73
Broadhembury	4	2.9	57	307	0.5	10
Budleigh Salterton	3.4	2.5	48	2,567	3.8	75
Chardstock	1	0.7	14	389	0.6	12
Clyst Honiton	1	0.7	14	139	0.2	4
Clyst St. George	1.4	1.0	20	354	0.5	10
Colyton and Colyford	4.6	3.3	65	1,516	2.3	45
Cotleigh	0	0.0	0	94	0.1	2
Dalwood	0	0.0	0	184	0.3	6
Dunkeswell	3.2	2.3	45	835	1.3	26
East Budleigh with Bicton	0	0	0	455	0.7	14
Exmouth	34.8	25.2	495	15,998	24	472
Farringdon	0.6	0.4	9	148	0.2	4
Feniton	0.4	0.3	6	852	1.3	26
Hawkchurch	0.6	0.4	9	237	0.4	8

Designated Neighbourhood Area	Windfall Option A (share of district's average annual windfalls*)			Windfall Option B (share of district's Census 2021 households)		
	Annual Average	Percentage	Apportioned District Windfall Allowance	Total	Percentage	Apportioned District Windfall Allowance
Honiton	8	5.8	114	5,316	8.0	157
Kilminster	0.4	0.3	6	407	0.6	12
Luppitt	0.4	0.3	6	186	0.3	6
Lypstone	4.2	3.0	60	894	1.3	26
Membury	0.8	0.6	11	226	0.3	6
Monkton	0	0.0	0	77	0.1	2
Newton Poppleford and Harford	2.2	1.6	31	989	1.5	29
Otterton	2.8	2.0	40	292	0.4	8
Ottery St. Mary	10.6	7.7	151	3,357	5.0	98
Payhembury	3.8	2.7	54	308	0.5	10
Rockbeare	2.4	1.7	34	374	0.6	12
Seaton	2.2	1.6	31	3,874	5.8	114
Sidmouth (including Sidford and Sidbury)	8.2	5.9	117	6,976	10.4	204
Stockland	0.4	0.3	6	282	0.4	8
Uplyme	2.2	1.6	31	740	1.1	22
Upottery	0	0.0	0	306	0.5	10
West Hill	2.2	1.6	31	854	1.3	26
Whimple	3.4	2.5	48	768	1.1	22
Woodbury	3.2	2.3	45	1,369	2.0	39
Yarcombe	0.6	0.4	9	212	0.3	6

\* Windfall completions in the DNA on non-garden land sites of 20 or less for the 5 monitoring years 2017/18 to 2022/23 inclusive  
Data from the EDDC housing monitoring database which was used to identify windfall completions in Table 9 and then to calculate the basic windfall allowance rate in Table 10 the East Devon Housing Monitoring Update end March 2023 Table  
Weblink to the report on the council's website: [hmu-to-year-end-31-march-2023](https://eastdevon.gov.uk/media/ii1ddtjo/hmu-to-year-end-31-march-2023-sept-2023-v2.pdf)  
<https://eastdevon.gov.uk/media/ii1ddtjo/hmu-to-year-end-31-march-2023-sept-2023-v2.pdf>

**APPENDIX F TABLE 5 DNA HOUSING REQUIREMENTS – SUMMARY**

NET HOUSING SUPPLY IN THE PLAN PERIOD (ACTUAL AND FORECAST COMPLETIONS) BY SUPPLY CATEGORY FOR EACH DESIGNATED NEIGHBOURHOOD AREA (AT 2023 MONITORING POINT / REGULATION 18 STAGE)

DESIGNATED NEIGHBOURHOOD AREA	Emerging Local Plan Allocations	Adopted Cranbrook Plan Allocations	Neighbourhood Plan* Allocations (without planning permission)	Future Neighbourhood Plan Provision	Completions 01/04/2020 to 31/03/2023	Commitments at 31/03/23	TOTAL DNA Minimum Housing Requirement Figure (OPTION 1)	Windfall allowance	TOTAL DNA Minimum Housing Requirement Figure (OPTION 2)
All Saints	0	0	0	0	2	0	2	8	10
Axminster	1,115	0	0	0	182	140	1,437	108	1,545
Axmouth	0	0	0	0	0	3	3	6	9
Aylesbeare	0	0	0	0	1	6	7	8	15
Beer	0	0	0	0	1	42	43	18	61
Bishops Clyst #	102	0	0	0	10	87	199	20	219
Broadclyst	175	90	44	0	777	1,261	2,347	73	2,420
Broadhembury	10	0	0	0	12	12	34	10	44
Budleigh Salterton	152	0	0	0	38	51	241	75	316
Chardstock	30	0	0	0	0	1	31	12	43
Clyst St. George	580	0	0	0	1	2	583	10	593
Clyst Honiton #	0	0	0	0	1	1	2	4	6
Colyton and Colyford	49	0	0	0	21	87	157	45	202
Cotleigh	0	0	0	0	0	0	0	2	2
Dalwood	0	0	0	0	0	2	2	6	8
Dunkeswell	43	0	0	0	4	25	72	26	98
East Budleigh with Bicton	0	0	0	0	2	6	8	14	22
Exmouth	730	0	0	0	401	534	1,665	472	2,137
Farringdon #	0	0	0	0	2	3	5	4	9
Feniton	42	0	0	0	14	11	67	26	93

<b>DESIGNATED NEIGHBOURHOOD AREA</b>	<b>Emerging Local Plan Allocations</b>	<b>Adopted Cranbrook Plan Allocations</b>	<b>Neighbourhood Plan* Allocations (without planning permission)</b>	<b>Future Neighbourhood Plan Provision</b>	<b>Completions 01/04/2020 to 31/03/2023</b>	<b>Commitments at 31/03/23</b>	<b>TOTAL DNA Minimum Housing Requirement Figure (OPTION 1)</b>	<b>Windfall allowance</b>	<b>TOTAL DNA Minimum Housing Requirement Figure (OPTION 2)</b>
Hawkchurch	38	0	0	0	2	3	<b>43</b>	8	<b>51</b>
Honiton	397	0	0	0	143	147	<b>687</b>	157	<b>844</b>
Kilmington	28	0	24	0	2	2	<b>56</b>	12	<b>68</b>
Luppitt	0	0	0	0	1	1	<b>2</b>	6	<b>8</b>
Lympstone	359	0	0	0	14	113	<b>486</b>	26	<b>512</b>
Membury	0	0	0	0	2	2	<b>4</b>	6	<b>10</b>
Monkton	0	0	0	0	0	0	<b>0</b>	2	<b>2</b>
Newton Poppleford and Harpford	0	0	0	0	10	11	<b>21</b>	29	<b>50</b>
Otterton	23	0	0	0	15	2	<b>40</b>	8	<b>48</b>
Ottery St. Mary	416	0	5	0	101	50	<b>572</b>	98	<b>670</b>
Payhembury	0	0	0	0	7	16	<b>23</b>	10	<b>33</b>
Rockbeare	0	780	0	0	14	13	<b>807</b>	12	<b>819</b>
Seaton	217	0	0	0	48	204	<b>469</b>	114	<b>583</b>
Sidmouth (including Sidford and Sidbury)	206	0	0	0	64	196	<b>466</b>	204	<b>670</b>
Stockland	0	0	0	0	1	2	<b>3</b>	8	<b>11</b>
Uplyme	0	0	19	0	11	14	<b>44</b>	22	<b>66</b>
Upottery	0	0	0	0	0	2	<b>2</b>	10	<b>12</b>
West Hill	57	0	0	0	2	5	<b>64</b>	26	<b>90</b>
Whimble	33	500	0	0	12	14	<b>559</b>	22	<b>581</b>
Woodbury	354	0	0	0	17	36	<b>407</b>	39	<b>446</b>
Yarcombe	0	0	0	0	1	5	<b>6</b>	6	<b>12</b>
<b>TOTAL (ALL DNAs)</b>							<b>11,666</b>		<b>13,438</b>

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**Notes:**

**Numbers shown are not final and are all subject to change at this stage.**

**The table will be updated to align to the emerging Local Plan as decisions are made AND the Annual Housing Monitoring Updates, up to a set point in time when figures will be fixed for inclusion in the final Plan**

Local Plan Allocation means 'preferred' and 'second choice' sites in the December 2022 Regulation 18 draft of the emerging Local Plan.

# Housing numbers by DNA are not yet included for the further new community proposed by the draft emerging Local Plan as they are not yet available.

Cranbrook Plan Allocations in the adopted Development Plan Document are the 4 Expansion Areas in Policies CB2 to CB5

\*Neighbourhood Plan Allocation means site allocated in a Made neighbourhood plan or neighbourhood plan with recommendation for referendum (as of end February 2024) (where the site has not been wholly completed or consented (committed))

Neighbourhood Plan Allocations consented or completed since 01/04/20 are included in Commitments and Completions figures.

Provision from future neighbourhood plans (emerging or not yet started and not yet recommended to referendum) are not included in these minimum figures (indicated by being shown as zero in all cases). Site allocations in these would be additional supply.

Dwellings completed on sites before 01/04/2020 are not included in the figures as they fall outside the Plan Period of the emerging Local Plan

Windfall allowance means a part of the district windfall allowance apportioned to the DNA using the method set out in the Technical Report

Option 1 is the preferred option for calculating the housing requirement figure for a Designated Neighbourhood Area (based on the sum of all housing supply categories (**excluding** a windfall allowance))

Option 2 is the alternative option for calculating the housing requirement figure for a Designated Neighbourhood Area (based on the sum of all housing supply categories (**including** a windfall allowance))

Planning application reference means the 'parent' application for the developed (as referred to in Appendix 2 of the Housing Monitoring Updates published by the Council annually):

[Monitoring - East Devon](#)

**APPENDIX G Detailed Tables of DNA Housing Requirement by DNA -Supply categories and Totals (AT 2023 MONITORING POINT / REGULATION 18 STAGE)**

See [separate file](#) for the detailed tables (**as at the 2023 Monitoring Point / Further Regulation 18 Stage consultation**).

These will be updated for submission to the Local Plan examination.