



# East Devon Housing Need, Supply and Requirement Interim Topic Paper



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## 1 Introduction :

### The purpose of the topic paper and the policy it supports

- 1.1. **Document status** – This technical paper is part of the East Devon Local Plan evidence base. It explains how evidence has been used to justify 3. *Strategic Policy – Levels of future housing development*. This policy is in the emerging East Devon Local Plan (EDLP) which the Council is consulting on in autumn 2022. This is the ‘plan-monitor-manage’ policy which focuses on housing provision requirements. The paper enables the explanation on the use of the evidence to be available at the time that the Council approves the draft Plan for consultation, and to be available during the consultation.
- 1.2. It is an interim topic paper at this time. The Council intends to update the evidence in 2023 when the latest housing monitoring information is available and we produce detailed housing delivery forecast (‘trajectories’) to inform the local plan as it progresses towards the Regulation 19 Publication Plan stage. Therefore, there will be a full Housing Topic Paper about the use of technical evidence to justify the policy on the level of future housing development, to accompany that plan. It may be necessary to revise the topic paper again, for example during the Local Plan examination process.
- 1.3. The Council intends to produce a suite of topic papers as evidence documents, where necessary, to show how evidence has been used to justify policies. Where appropriate, future Housing Topic Papers will cross-reference other topic papers where these explain the context such as the derivation of the spatial strategy.
- 1.4. **Geography** – The topic paper focuses on the administrative area of East Devon district.
- 1.5. **Purpose** The topic paper aims to help readers to understand the EDLP and this strategic housing policy on *Levels of future housing development* as the plan progresses through plan making towards adoption. It presents a narrative that justifies the housing provision requirement totals for the plan area and other policy components set out in Strategic Policy 3.
- 1.6. This topic paper is itself evidence because it is an audit trail document. It shows what evidence the Council relies on and explains how the Council uses that evidence to demonstrate the policy is ‘sound’. The tests of soundness are set out in the Government’s National Planning Policy Framework (NPPF) 2021.
- 1.7. The subject matter in this topic paper is technical. Government policy requires the Council to justify planning policy using evidence. The nature and complexity of our housing evidence reflects the Government’s national planning policy requirements which are set out in the NPPF and other planning policy documents, and the Government’s suite of related Planning Practice Guidance documents (PPGs).

- 1.8. The Council acknowledges that the evidence is substantial, complex and can appear daunting. The narrative in this topic paper is therefore aimed at helping the reader to understand the essential aspects of housing need, supply and policy requirement, the relevant evidence and how the Council has used that evidence to derive the strategic policy on the levels of future housing development in East Devon. This includes evidence on affordable housing to justify the level of affordable housing which is to be planned.
- 1.9. The Government does not set a mandatory housing requirement figure for the local plan. Instead Government policy requires the Local Planning Authority to establish a minimum housing requirement figure in a strategic policy in the local plan that is consistent with national planning policy and guidance. The Government sets out in guidance how to calculate local housing need based on a formula (the 'standard method'). It is the Council's role to establish both the scale of local housing need and the district housing requirement policy figure through the plan making process, informed by evidence.
- 1.10. This paper therefore explains how the housing provision levels have been calculated. The focus is on translating forecast housing need into minimum policy housing provision requirement targets for the plan period 2020 to 2040. This starts by outlining the policy context for establishing objectively assessed housing need before going on to follow a 5-step process which establishes the following:

**STEP 1: The Local Housing Need (LHN)** .Evidence about local housing need on which the plan relies is provided by an objective assessment of housing need in the plan period which is provided by the East Devon Local Housing Need Assessment September 2022 (LHNA 2022). The Council also considers the latest national statistics on the 'affordability ratio' published by the Office for National Statistics. The LHN is entirely about need, to the exclusion of any supply side factors. It is evidence about housing need in East Devon to the exclusion of any policy objectives and value judgments. Sections 2 to 4 of this paper focus on:

- Use of the Government's Standard Method to calculate the East Devon Local Housing Need (see *Section 2*); and
- Whether there an alternative methodology is justified that would:
  - Result in an East Devon Local Housing Need lower than the standard method (*Section 3*); or
  - Result in an East Devon Local Housing Need higher than the standard method (*Section 4*).

**STEP 2: Unmet need from elsewhere** The topic paper looks at whether there is any evidence of unmet need from elsewhere that should be met in East Devon. This is set out in *Section 5*.

**STEP 3: Housing supply** Evidence about the amount of identified and forecast housing supply in the plan period is set out and addressed in

*Section 6* of this paper. The forecast of supply is compared to housing need to judge whether the scale of need can be met.

**STEP 4: Housing provision requirement total** The scale of housing provision requirement is a matter of planning policy which is established by the Local Plan. The requirements referred to in this paper are expressed as minimum housing 'targets'. *Section 7* shows how we used the evidence to translate LHN into the EDLP minimum housing provision policy targets. Supply-side matters, are taken into account in that translation. The forecast of supply is compared to housing requirement to judge whether the scale of requirement can be met. A further comparison is made to take account of allowing for a 10% 'headroom', where supply would need to be 10% above the minimum District requirement target.

**STEP 5 Housing provision requirements - affordable housing and market housing** The strategic policy also includes minimum housing requirement targets for affordable housing and market housing, the latter simply being the residue of total housing requirement after the affordable housing requirement is deducted. *Section 8* in the topic paper shows how we used the evidence to translate Affordable Housing Need as evidenced in the LHNA 2022 into the EDLP minimum affordable housing provision policy target. Affordable housing supply-side matters are taken into account in that translation.

- 1.11. **Other policy components** *Section 9* will look at other policy components in this policy, such as the approach to the use of brownfield land for housing, small and medium sized sites, and housing requirements for Designated Neighbourhood Areas.

## 2 East Devon LHN – Standard method

- 2.1. Justifying the level of local housing need in East Devon is Step 1 in the process of justifying the level of housing provision requirement to be set out in East Devon Local Plan policy. Sections 2, 3 and 4 of this topic paper cover Step 1 and they focus on:
- Use of the Standard Method to calculate Local Housing Need
  - Whether an alternative method can be used that results in Local Housing Need that is lower than the Standard Method
  - Whether an alternative method can be used that results in Local Housing Need that is higher than the Standard Method.

### Policy Context

- 2.2. The National Planning Policy Framework (NPPF) was last revised on 20 July 2021. It sets out the Government’s planning policies for England and how these should be applied. It provides a framework within which locally prepared plans for housing and other development should be produced.
- 2.3. The need to plan for our development needs is set within the context of the Government’s objective of seeking to significantly boost the supply of homes (paragraph 60 of the NPPF).
- 2.4. As required by the NPPF (paragraph 11) the council is required to prepare a Local Plan that positively seeks opportunities to meet the development needs of the area, and that the strategic policies within the plan should, as a minimum, provide for objectively assessed needs for housing, as well as needs that cannot be met within neighbouring areas (as established through statements of common ground) unless.
- i. the application of policies in this Framework that protect areas or assets of particular importance provides a strong reason for restricting the overall scale, type or distribution of development in the plan area<sup>1</sup>; or

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<sup>1</sup> NPPF Footnote 7 The policies referred to are those in this Framework (rather than those in development plans) relating to: habitats sites (and those sites listed in paragraph 180) and/or designated as Sites of Special Scientific Interest; land designated as Green Belt, Local Green Space, an Area of Outstanding Natural Beauty, a National Park (or within the Broads Authority) or defined as Heritage Coast; irreplaceable habitats; designated heritage assets (and other heritage assets of archaeological interest referred to in footnote 67);

- ii. any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole.
- 2.5. NPPF defines local housing need as:  
*The number of homes identified as being needed through the application of the standard method set out in national planning guidance (or, in the context of preparing strategic policies only, this may be calculated using a justified alternative approach as provided for in paragraph 61 of this Framework).*
- 2.6. In regard to housing need, the NPPF (paragraph 61) states that to determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance. It continues that only in exceptional circumstances would an alternative approach which also reflects current and future demographic trends and markets signals, be justified.
- 2.7. Planning Policy Guidance on Plan Making Paragraph: 038 Reference ID: 61-038-20190315 provides essential guidance for strategic policy making authorities, such as East Devon District Council, regarding evidence for plan-making purposes. This topic paper demonstrates how evidence supporting the Council's plan making relating to housing policy is in accordance with the following Government guidance:

**How can strategic policy-making authorities gather evidence needed to justify policies?**

*“Policies need to be justified. Evidence to underpin policies can be taken from a wide variety of sources, including the Authority Monitoring Report and planning application and appeal decisions. Strategic policy-making authorities will need to consider carefully the need to commission evidence that will add delay and cost to plan production. Wherever possible, authorities may wish to prepare evidence in-house or jointly to speed up the process, and obtain best value for the taxpayer. Strategic policy-making authorities may wish to seek advice on this, for example, from the Planning Advisory Service as part of their ongoing plan-making support.*

*The evidence needs to inform what is in the plan and shape its development rather than being collected retrospectively. Strategic policy-making authorities may wish to consider ensuring that their assessment of and strategies for housing, employment and other uses are integrated, and that they take account of relevant market signals.*

*Wherever possible, assessments can share the same evidence base and be conducted over similar timescales, but strategic policy-making authorities need to take care to ensure that the purposes and statutory requirements of different assessment processes are respected.*

*Assessments should be proportionate, and should not repeat policy assessment that has already been undertaken. Wherever possible, strategic policy-making authorities should consider how the preparation of any assessment will contribute to the plan's evidence base. The process should be started early in the plan-making process and key stakeholders should be consulted in identifying the issues and any relevant data that the assessment must cover."*

- 2.8. Planning Policy Guidance on Plan Making Paragraph: Paragraph: 039 Reference ID: 61-039-20190315 provides further guidance for strategic policy making authorities, such as East Devon District Council, regarding the steps in gathering evidence to plan for housing. Again, this topic paper demonstrates how evidence supporting the Council's plan making relating to housing policy is in accordance with the following Government guidance:

**What are the steps in gathering evidence to plan for housing?**

*"Strategic policy-making authorities will need a clear understanding of housing needs in their area. The steps in building up this evidence include:*

- *establishing the overall housing need (conducted using the standard methodology unless exceptional circumstances justify an alternative – see local housing need guidance);*
- *identifying the housing need of specific groups;*
- *working with neighbouring authorities and key stakeholders to establish the housing market area, or geography which is the most appropriate to prepare policies for meeting housing need across local authority boundaries".*

## Housing Market Area

- 2.9. Early work on plan making and evidence gathering prior to 2020 focused on the Greater Exeter Housing Market Area. Since the District Council's decision to not proceed with the Greater Exeter Strategic Partnership for plan making, the Council's plan making and evidence gathering has focused on the District of East Devon.
- 2.10. Nevertheless, there are times when strategic cross-boundary matters are relevant for plan-making. These can include the issues within the Housing Market Area and the Functional Economic Market Area, to which national guidance in PPGs relates. The Greater Exeter HMA is the same area at the Greater Exeter FEMA.
- 2.11. Therefore, the East Devon LHNA 2022 includes an Appendix which confirms that East Devon, Exeter City, Mid Devon and Teignbridge District lie within the Greater Exeter Housing Market Area. The Appendix justifies the extent of the HMA. That Appendix is included in each of the four district LHNA 2022 documents. This ensures that:

- Work on the East Devon Local Housing Need Assessment 2022 complied with PPG (the LHNAs for the districts in the Greater Exeter HMA were produced through a joint commission working to a jointly agreed methodology);
- Work relating to the East Devon Housing and Economic Land Availability Assessment (HELAA) aligns with PPG on HELAA<sup>2</sup>. For the purposes of the East Devon HELAA this has meant that the Councils in the Greater Exeter HMA use a jointly agreed HELAA methodology.

- 2.12. At their meeting on 22nd June 2021, the Council's Strategic Planning Committee agreed a formal agreement of the scope, resourcing, timetable and governance arrangements for preparing a non-statutory Joint Strategy for East Devon District, Exeter City, Mid Devon District and Teignbridge District Councils. This arose following the change of approach to joint plan making with the authorities within the Greater Exeter area. A non-statutory Joint Strategy covering strategy and infrastructure matters is considered to be the most appropriate way of ensuring a collaborative and co-ordinated approach to meeting development needs across the sub-region. The scope, resourcing, timetable and governance arrangements considered to offer the most appropriate way to deliver a Joint Strategy in a timely manner.
- 2.13. **The following was recommended to Council and subsequently approved by a Senior Officer (through delegated decision taking power consequential to the decision of the Extraordinary Meeting of Council held on 26th July 2021):**
- 1. That option 5 as set out in the report be approved.**
  - 2. That the scope, resourcing, timetable and governance arrangements set out in this report for preparing a non-statutory Joint Strategy for East Devon, Exeter, Mid Devon and Teignbridge Councils be agreed and that as part of engaging the consultant and their brief each authority will consume its own housing numbers be approved.**
- 2.14. For the avoidance of doubt, the Joint Strategy<sup>3</sup> does not determine the scale of housing need or housing requirement in East Devon. It is being steered by the Planning Advisory Group comprising officers from the four districts (East Devon DC, Exeter City Council, Mid Devon DC and Teignbridge DC) and Devon County Council. PAG meets regularly to manage the joint commissioning of and budgeting for evidence gathering.

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<sup>2</sup> This requires the assessment to be undertaken and regularly reviewed working with other local planning authorities in the relevant housing market area or functional economic market area, in line with the duty to cooperate and to maintain statements of common ground. (PPG Paragraph: 007 Reference ID: 3-007-20190722).

<sup>3</sup> This joint strategy is being developed by consultants (LDA) and is currently work in progress

## Justifying the level of East Devon local housing need (LHN)

- 2.15. It is the Council's role as the Local Planning Authority to evidence the level of housing need in East Devon which the Council then relies on to inform its strategic policy-making (ie for the Local Plan). However it is the Government's planning policy set out in the NPPF which requires strategic policy-making authorities to identify objectively assessed needs. It is Government policy which expects the authorities to follow the Government's Standard Method for assessing local housing need (as set out in the Government's Planning Practice Guidance<sup>4</sup> on assessing housing and economic needs) unless there are 'exceptional local circumstances'. PPG expects the local housing need figure to be assessed at the start of plan making and for the strategic policy making authority to keep it under review.
- 2.16. PPG on housing and economic needs assessment makes clear that assessing local housing need is the first step in the process of deciding how many homes need to be planned for. This means that identifying need is separate from, and therefore independent of, other matters. Need does not take account of land availability or site constraints, or other factors that are considered when establishing the local plan's policy housing requirement.

### The East Devon Local Housing Need Assessment (ORS) 2022

- 2.17. In 2021 East Devon District Council, working collaboratively with Exeter City, Mid Devon District and Teignbridge District Councils, produced a consultants' brief for undertaking a new assessment into future housing needs for each of the four districts. The consultancy firm Opinion Research Services (ORS) were appointed to undertake this work. These evidence reports have now been completed.
- 2.18. Joint commissioning has been an efficient way to procure evidence, and ensure evidential consistency across the four districts in the Exeter Housing Market Area (HMA). Collaborative working also demonstrated a positive approach towards the Duty to Cooperate. Although commissioned jointly by the four councils, it should be noted that each council has its own separate district LHNA report. It is for each Council to determine the use of the report relevant to its area.
- 2.19. On 7 October 2022 the East Devon Strategic Planning Committee recommended endorsement of the use of the East Devon Local Housing Need Assessment September 2022 as evidence for the purposes on the new Local Plan. The recommendation(s) was/were approved by a Senior Officer. The LHNA 2022 is part of the local plan's evidence base.

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<sup>4</sup> PPG [Housing and economic needs assessment - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/90222/housing-and-economic-needs-assessment.pdf) last updated 16 December 2020

- 2.20. The East Devon Local Housing Needs Assessment September 2022 supersedes the previous East Devon Local Housing Needs Assessment 2020.
- 2.21. The consultants' report opens with an executive summary that can be read to provide a relatively quick overview of key conclusions from the work, though for a more complete picture the report should be read in its entirety.
- 2.22. The East Devon LHNA 2022 report focuses on quantifying and justifying the Local Housing Need (LHN) for East Devon, and identifying and quantifying the types of housing need. This includes the Affordable Housing Need (AHN). It also justifies the extent of the Exeter Housing Market Area (HMA) within which East Devon lies. This is in line with the National Planning Policy Framework and the Planning Practice Guidance.
- 2.23. The Council considers that evidence in the East Devon Local Housing Needs Assessment - September 2022 (LHNA 2022) is robust and can be relied on to inform plan-making. This includes use of the LHNA 2022 evidence to justify the level local housing need in the district, and the subsequent use of the evidence figure to inform the Council's consideration of potential the options for the level of housing provision, including affordable housing need and other types of housing need.
- 2.24. It should be noted that the LHNA 2022 does not provide evidence about the housing needs of Gypsies, Travellers and Travelling Showpeople. That evidence will be provided by the Gypsy and Traveller Accommodation Assessment. This which will inform a separate policy on Gypsy and Travellers and Travelling Showpeople accommodation requirement in the local plan, when the evidence is available.

## **LHN - Standard method and results**

- 2.25. The standard method for calculating the Local Housing Need is set out in Planning Practice Guidance<sup>5</sup>. The standard method identifies a minimum annual local housing need figure using a formula to identify the minimum number of homes expected to be planned for. PPG considers that this approach addresses projected household growth and historic under-delivery of housing.
- 2.26. PPG makes clear that any other method will be used only in exceptional circumstances. The standard method is not mandatory if circumstances warrant an alternative approach but PPG emphasises that we can expect this to be scrutinised more closely at examination.
- 2.27. The standard method has changed over time. Paragraphs 2.16 to 2.24 of the East Devon LHNA 2022 provides the timeline of changes. The calculated

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<sup>5</sup> Planning Practice Guidance Housing and Economic Development Needs paragraph 004 Reference ID: 2a-004-20201216 [Housing and economic needs assessment - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/housing-and-economic-needs-assessment)

Local Housing Need in the LHNA 2022 uses the latest methodology set out in PPG which was last updated on 16 December 2020.

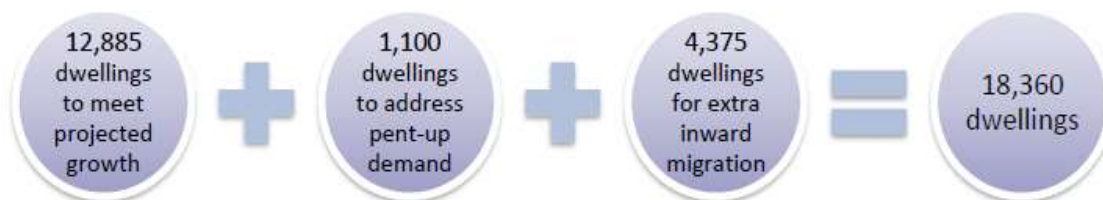
- 2.28. The Government’s standard formula for calculating Local Housing Need. The formula is reproduced in the LHNA 2022 – Chapter 2, paragraph 2.25.
- 2.29. Chapter 6 and Appendix A in the East Devon LHNA 2022 report explain how Local Housing Need is calculated using the Standard Method. This method relies on 2014 subnational household projections with an uplift for affordability. Appendix A - Figure 78 on Page 108 provides the calculations for East Devon, based on the Government’s standard formula for calculating Local Housing Need.
- 2.30. LHNA 2022 Figure 48 on Page 69 shows that the “40% cap” element of the Standard Method formula does not apply in East Devon. This is because the Standard Method LHN result of 918 dwellings per year is not more than 140% of the adopted Local Plan annual target of 950 per year. Furthermore the 35% Cities and Urban Centres uplift in the Standard Method does not apply to East Devon for the reasons set out in LHNA 2022 paragraph 2.24. Likewise, the 40% cap and the Cities and Urban Centres uplift do not apply to the latest LHN figure of 946 dwellings per year.
- 2.31. Figure 48 of the LHNA 2022 (reproduced below) shows the results of the steps in the standard method process using the East Devon data.

Figure 48: Establishing the minimum LHN figure for East Devon (Source: CLG, ORS; Note: Annual housing figures are rounded to the nearest whole number)

| Local Authority | Step 1: Setting the Baseline                  | Step 2: Affordability Adjustment + Step 3: Cap |           |                  |                             | Step 4: Cities and Urban Centres Uplift |  | 20 yr LHN (LHN x 20) |
|-----------------|---|--|-----------|------------------|-----------------------------|---|--|----------------------|
|                 | CLG 2014-based Avg Annual HH Increase 2021-31 | Afford Ratio 2019                              | SM Uplift | 40% Cap applies? | Annual HH Increase x Uplift | 35% uplift applies?                     | Final Annual LHN (inc 35% uplift where applicable) |                      |
| East Devon      | 664   | 10.13  | 1.38      | No               | 918                         | No                                      | 918  | 18,360               |

- 2.32. Appendix A of the LHNA 2022 report reviews the Standard Method in detail.
- 2.33. The LHN calculations in Figure 48 use the ONS 2019 affordability ratio statistics (published March 2021). This was the ratio available at the time that the LHNA 2022 technical work was undertaken. That ratio is used in the standard method to adjust the base-line household projections for East Devon to take account of housing ‘affordability’ in East Devon.
- 2.34. In summary, the key results of the LHN in the LHNA 2022 are as follows:
- a) The Government’s Standard Method formula for calculating local housing need, uses an affordability adjustment which relies on affordability ratio statistics published annually by the Office for National Statistics (ONS). Using the Standard Method the LHNA 2022 assessed the Local Housing Need for East Devon district as 918 dwellings per year.

- b) PPG makes clear that the Local Housing Need for the whole plan period is calculated simply by multiplying the LHN annual rate by the number of years in the plan period. (ie 18,360 dwellings over the 20 year period 2020 to 2040).
- c) The diagram below shows that as well as meeting projected growth and enabling more households to form from the pent up housing demand, the LHN figure results in an additional 4,735 dwellings would enable more net inward migration. This is a direct consequence of the Standard Method.



- 2.35. Inevitably, new information emerged and Government policy and guidance changed as the LHNA work progressed. It was incorporated into the LHNA where it did not cause significant delay and/or require re-doing statistical work that had already been undertaken. The LHNA report does refer to initial 2021 Census results (published June 2022) and the ONS 2020 affordability ratio statistics (published March 2022) but these were published too late to be used to shape the technical LHNA work which had reached an advanced stage. This does not undermine the robustness of the East Devon LHNA 2022 report as evidence for the purposes of preparing the plan at this time. Evidence work has to finish if it is to inform and not delay the plan-making process.
- 2.36. The LHNA 2022 report (Footnote 37 on Page 69) reports the more recent statistics published by ONS which are used by the standard method to calculate the LHN. **Based on those latest statistics, the East Devon Local Housing Need is now 946 dwellings per year.**
- 2.37. **Unless there is any evidence in this Topic Paper to justify using an alternative method, then the Local Housing Need for East Devon is 946 dwellings per year.**
- 2.38. As a result, to calculate the total housing need for the plan period, and to be consistent with PPG, it means multiplying 946 dwellings per year by 20 years. **This gives a total East Devon Local Housing Need of 18,920 dwellings.**
- 2.39. 946 dwellings per year housing need is the Local Housing Need figure which is the starting point for justifying the scale of the East Devon housing provision requirement to be set by local plan policy.
- 2.40. The LHNA 2022 also emphasises that the ONS statistics used by the Standard Method are updated each year. Consequently, the Local Housing Need may change in the future. The Council will take this into account when plan making.

- 2.41. The need to continuously update the local housing need figure is one reason as to why it is important that the council progresses with its draft Local Plan and has this figure 'fixed' as the starting point for its Local Plan preparation.
- 2.42. As explained in LHNA 2022 (paragraph 2.24 last bullet point) the Local Plan will be tested in the context of the last set of national statistics and LHN, published before the Local Plan is submitted for examination. PPG makes clear that the local housing need calculated using the standard method may be relied upon for a period of 2 years from the time that a plan is submitted to the Planning Inspectorate for examination. This means that as the housing requirement policy relies on the use of the Local Housing Need evidence, then the housing requirement is only 'fixed' for 2 years from the point at which the draft local plan is submitted for Examination.

### Changes to the Planning System

- 2.43. The Local Housing Need figure of 946 dwellings per year complies with the current national planning policy in NPPF and PPGs as at October 2022.
- 2.44. Government planning policy is subject to change. In the Government's White Paper: Planning for the Future (August 2020) a series of proposals were set out that would seek to 'radically' reform the planning system; ensuring that it is 'fit for purpose'. The focus was on a system that is streamlined and modernised (fit for the 21st Century), with a new focus on design and sustainability but which also ensured that more land is made available for development.
- 2.45. As part of the proposals the Government at that time set out its intention to utilise the standard method for establishing housing requirement figures which ensure enough land is released in the areas where affordability is worst; to stop land supply being a barrier to enough homes being built. The Government stated that the housing requirement would factor in land constraints and opportunities to more effectively use land, including through densification where appropriate, to ensure that the land is identified in the most appropriate areas and housing targets are met.
- 2.46. The proposals outlined that the standard requirement would differ from the current system of local housing need in that it would be binding and so drive greater land release. It is proposed that the standard method would be a means of distributing the national housebuilding target of 300,000 new homes annually, and one million homes by the end of the Parliament, having regard to:
- The size of existing urban settlements (so that development is targeted at areas that can absorb the level of housing proposed);

- The relative affordability of places (so that the least affordable places where historic under-supply has been most chronic take a greater share of future development);
- The extent of land constraints in an area to ensure that the requirement figure takes into account the practical limitations that some areas might face, including the presence of designated areas of environmental and heritage value, the Green Belt and flood risk;
- The opportunities to better use existing brownfield land for housing, including through greater densification. The requirement figure will expect these opportunities to have been utilised fully before land constraints are taken into account;
- The need to make an allowance for land required for other (non-residential) development; and
- Inclusion of an appropriate buffer to ensure enough land is provided to account for the drop off rate between permissions and completions as well as offering sufficient choice to the market.

2.47. Since the publication of the White Paper the Government has published its response to the consultation as well as its Levelling-Up White Paper<sup>6</sup> (February 2022) and the Levelling Up & Regeneration Bill<sup>7</sup> (May 2022). The Bill is currently at Committee stage and that stage was expected to conclude by the end of October 2022. The Bill had not started the report stage by 2 November 2022. The Bill was put forward by a previous administration. It is unclear at this time what changes to the Bill may occur as the result of the recent changes in the national government administration.

2.48. The Council will review the Local Housing Need (and any replacement concept or method) if necessary, in the light of the Bill's progression and any regulations, national planning policy and guidance as they emerge.

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<sup>6</sup> [Levelling Up the United Kingdom - GOV.UK \(www.gov.uk\)](https://www.gov.uk/levelling-up-white-paper)

<sup>7</sup> [Levelling Up and Regeneration: further information - GOV.UK \(www.gov.uk\)](https://www.gov.uk/levelling-up-and-regeneration)

### 3 Alternative Method – Any reasons for a lower LHN?

#### Use of alternative method?

3.1. NPPF (paragraph 61) states that to determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance. It makes clear that only in **exceptional circumstances** would an alternative approach which also reflects current and future demographic trends and markets signals, be justified.

3.2. PPG Paragraph 15<sup>8</sup> states that

*“Where an alternative approach results in a lower housing need figure than that identified using the standard method, the strategic policy-making authority will need to demonstrate, using robust evidence, that the figure is based on realistic assumptions of demographic growth and that there are exceptional local circumstances that justify deviating from the standard method. This will be tested at examination.*

*Any method which relies on using household projections more recently published than the 2014-based household projections will not be considered to be following the standard method as set out in paragraph 60 of the National Planning Policy Framework. As explained above, it is not considered that these projections provide an appropriate basis for use in the standard method.”*

3.3. As part of the first step in determining the East Devon housing requirement provision, the Council has considered whether the use of an alternative methodology is justified as an alternative to the Standard Method for calculating the East Devon Local Housing Need.

3.4. **Section 3 of this paper investigates whether there are any exceptional circumstances** that would justify the use an alternative approach that would result in an East Devon Local Housing Need that is **lower** than the Standard Method.

#### Are there any ‘exceptional circumstances’?

3.5. The Council relies on the evidence in the East Devon Local Housing Needs Assessment 2022 to assess whether there are exceptional circumstances.

3.6. LHNA 2022 Appendix A reviews the Standard Method for calculating Local Housing Need. It focuses on whether there is evidence to show that there is erroneous demographic data relating to East Devon from the Standard Method which demonstrates there are exceptional circumstances relating to

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<sup>8</sup> Planning Practice Guidance Housing and Economic Needs Paragraph: 015 Reference ID: 2a-015-20190220

East Devon to justify an alternative approach. The assessment focuses on the PPG requirement that an alternative must be “**based on realistic assumptions of demographic growth and that there are exceptional local circumstances**”. The technical demographic data considered by the LHNA 2022 relate to the following:

- **Student population** – Whilst there may be issues about population estimates and projections in some smaller cities that had a large student population, the LHNA 2002 Appendix A paragraph 12 concludes that “*there is no evidence that East Devon is affected by this issue, therefore this cannot be considered a potential ‘exceptional circumstance’ that warrants closer examination*”.
- **Use of the first 10 years of household growth as the basis for forecasting growth for the 20 year plan period.** The LHNA 2002 Appendix A paragraph 16 agrees that the rate of household growth is higher in the period 2021 – 31, than it is in subsequent year. This is a very common pattern where the impact of increase of an ageing population is that household dissolution gradually rises in the 2030s when compared to household formations and the net growth rate of households slows..... The standard method for Local Housing Need uses the average growth rate between 2021 and 2031. If this period was extended, then the average growth rate would be lower, and the Local Housing Need figure would be lower. Paragraph 17 concludes that “*Nonetheless, this is a common pattern, therefore these cannot be considered ‘exceptional circumstances’.* Therefore, the test of ‘exceptional circumstances’ required by PPG to justify a lower than standard method LHN is not met with regard to the rate of forecast household growth“
- **Population change** The LHNA 2002 Appendix A paragraph 18 to 20 look at the data for demographic components that lead to population change, and considers that the data for East Devon is relatively stable over time. Paragraph 21 concludes that “*The data for East Devon reflects current and future demographic trends. There is a steady pattern in the population growth of East Devon. First, there is negative natural change which is forecast to continue to rise through the plan period. Second, net migration regularly and substantially exceeds net natural change in the past and is projected to do so to the end of the plan period. These trends are consistent with an ageing population and loss of population in younger age cohorts. This is a demographic characteristic which East Devon shares with other similar areas. These appear to be stable trends and those trends are also experienced by other coastal/ retirement areas in England. As such they cannot be considered to be ‘exceptional circumstances’ in the NPPF/PPG sense. Therefore, the test of ‘exceptional circumstances’ required by PPG to justify a lower than standard method LHN is not*

*met with regard to the implications of migration on the total population growth projections”.*

- **Migration trends** The LHNA 2002 Appendix A paragraph 23 concludes that : *“Migration was higher between 2014 and 2019 than projected by the 2014 based household projections. This reduces the likelihood that the projections were significantly over-estimating growth in the area. Consequently, there is no evidence to justify reducing the net migration assumptions which underpin the district’s 2014 subnational projections and the Standard Method. Migration trends do not support a lower Local Housing Need figure”.*
- **Total Population** The LHNA 2002 Appendix A paragraph 29 concludes that : *“East Devon population growth rates have tracked the ONS admin-based population estimates from 2011 onwards. The growth rate in the mid-year population of East Devon has increased since 2011, but that has been matched by the admin-based data, indicating there is no underlying systemic error in the data that would warrant further investigation nor constitute ‘exceptional circumstances”.*
- **Housing supply, house prices and affordability** The LHNA 2002 Appendix A paragraph 29 concludes that *“Despite the increased level of housing supply, median house prices have continued to rise in East Devon. The ratio of median house price to median gross annual workplace-based earnings has dipped marginally in East Devon in recent years. This ratio is used to determine the adjustment to take account of affordability at step 2 of the Standard Method calculation, and this reduction in the ratio has resulted in a slightly lower LHN. There is no basis to use this trend to justify a lower LHN figure.”*

3.7. LHNA Appendix A paragraph 32 concludes that:

*“The evidence set out in this appendix indicates that there is no evidence exceptional circumstances apply in East Devon due to erroneous data, so there are no grounds for seeking a lower housing needs figure. Recent dwelling delivery has also been keeping pace with the LHN figure. However, this does not rule out that a higher housing need figure being required to balance jobs and workers, but this issue is considered separately in Appendix C.”*

3.8. To be consistent with PPG, Paragraph 2.36 of this paper has already concluded that unless there is further evidence, the latest LHN figure of 946 dwellings per year<sup>9</sup> based on the latest ONS statistics should be used as the LHN for East Devon. This supersedes the lower LHN figure of 918 dwellings per year in LHNA 2022 Table 48 which was based on the previous ONS statistics.

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<sup>9</sup> East Devon LHNA 2022 – footnote 37

- 3.9. Based on the evidence in Section 3 of this Topic Paper, the Council concludes that there are no exceptional circumstances that would justify using an alternative approach that would produce a level of housing need lower than the Local Housing Need derived from the Standard Method, identified by the LHNA 2022.

## 4. Alternative Method – any reasons for a higher LHN?

- 4.1. As part of the first step in justifying the housing requirement, **Section 4 of this paper investigates whether there are any exceptional** circumstances that would justify the use an alternative approach that would result in an East Devon Local Housing Need that is **higher** than the Standard Method outcome.
- 4.2. It is the Council’s role as local planning authority to determine the extent of any increase when establishing its housing requirements. This will involve evidence-based judgements over a range of different factors.
- 4.3. The Local Housing Need calculated by the Standard Method is a minimum figure. PPG on Housing and Economic Needs Assessment Paragraph: 010 Reference ID: 2a-010-20201216 makes clear that there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates. According to the PPG, circumstances where this may be appropriate include, but are not limited to situations where increases in housing need are likely to exceed past trends because of:
  - Growth strategies for the area that are likely to be deliverable, for example where funding is in place to promote and facilitate additional growth (e.g. Housing Deals);
  - Strategic infrastructure improvements that are likely to drive an increase in the homes needed locally; or
  - An authority agreeing to take on unmet need from neighbouring authorities, as set out in a statement of common ground (*this is considered in Section 5 of this Paper*).
- 4.4. LHNA 2022 Appendix C Paragraph 69 states that “Preparing plans that have the flexibility within the land supply to deliver a greater number of new homes than the current LHN will help to ensure that fluctuations in the LHN in future years are more likely to be accommodated without changes being needed, given that the housing requirement is only fixed for 2 years from the point at which plans are submitted”.

### Growth Strategies – Economic growth

- 4.5. Appendix C of the East Devon Local Housing Need Assessment September 2022 focuses on whether there is technical evidence to show that there are exceptional circumstances to justify an alternative approach. It looks at whether a housing number that is higher than the LHN may be considered for East Devon, and what alternative figure may be justified for the next steps of plan preparation. Ultimately, it will be for the local planning authority to determine the extent of any increase when establishing the housing

requirement. This will involve evidence-based judgements considering a range of different factors.

- 4.6. The Council concurs with LHNA 2022 Appendix C paragraph 70 that when considering the factors that could justify an uplift to the LHN, “*one of the most important is ensuring that the number of new homes takes account of changes that are anticipated in the local economy as well as population trends.*” Each settlement has different economic strengths and weaknesses, and these are a planning consideration which could mean that different areas have different prospects for growth. The key questions are:
- Whether there will be enough workers to take up the level of jobs growth forecast for East Devon for the plan period.
  - Whether the forecast increase in the number of economically active people living in East Devon will be sufficient to provide the workers to fill those jobs. If the number of economically active is insufficient will this result in:
    - Increased net in-commuting of workers from other areas; and/or
    - Loss of businesses in East Devon if businesses move to places where there is a suitable labour force.
  - Whether there will be enough dwellings to accommodate the forecast increase in economically active.
  - Whether there is additional need for housing to accommodate the workforce needed to fill the forecast increase in jobs.
- 4.7. The starting point for understanding the balance between jobs and workers is to assess how many additional economically active persons will be supported by the standard method figures for each local authority. ORS, the consultants for the LHNA 2022, have modelled future economic activity rates based upon localising the rates used nationally by the Office for Budget Responsibility. These take account of the projected growth in older persons in the labour market as pension ages change and also growing rates of women in the labour market.
- 4.8. Figure 93 in Appendix C forecasts that there will be an increase of 11,304 economically active persons resident in East Devon during the plan period 2020 to 2040. It should be noted that this does not represent the number of additional jobs which can be supported, for reasons that include the following:
- Some workers will hold more than one job;
  - Unemployment rates may change; and
  - Commuting patterns may change

- 4.9. Work is being undertaken by Hardisty Jones Associates on the Economic Development Needs Assessment (EDNA). Drawing on baseline forecasts of change in total employment in East Devon, this technical evidence work is considering net changes in the economy i.e. the forecast growth and decline of employment in particular sectors. The sectoral employment projections are converted to Planning Use Classes. The EDNA is also considering wider market factors.
- 4.10. However, economic activity is only one strand in the analysis. The EDNA results will need to be integrated with the LHNA evidence at a later date. This will assess whether there is evidence relating to economic growth and the ability to house the work force to support the forecast number of jobs that would justify a Local Housing Need figure higher than the scale of housing need identified through the Standard Method.
- 4.11. Integrated evidence need to answer the questions in paragraph 4.6 of this paper, in order to inform future stages of plan making for the East Devon Local Plan. This is likely to need evidence about :
- Commuting patterns<sup>10</sup> - for out and in commuting flows relating to:
    - The proportions of those resident workers in East Devon who work in East Devon those who work elsewhere
    - The proportion of workers in East Devon who live elsewhere (ie commute into East Devon to work)
  - Jobs forecasts for the plan period – scenarios
  - Unemployment rates
- 4.12. To be consistent with PPG, Paragraph 2.36 of this paper has already concluded that unless there is further evidence, the latest LHN figure of 946 dwellings per year<sup>11</sup> based on the latest ONS statistics should be used as the LHN for East Devon.
- 4.13. The Council is awaiting the completion of the Economic Development Needs Assessment to understand the scale of employment growth, before considering whether to commission further work to assess if this results in additional housing need relating to labour supply. Further work will also be necessary on the employment land supply side to provide evidence about whether the economic growth on which Local Plan policy is based is aspirational and deliverable, in line with the NPPF.
- 4.14. EDNA evidence was not available at the time of writing this housing topic paper to indicate whether there is a need to uplift the Local Housing Need figure above the Standard Method LHN of 946 dwellings per year.

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<sup>10</sup> Mindful that the latest data is from the 2011 Census. The results from the 2021 Census – Origin-Destination work place flow data (ie commuting) will not be available until the Census Phase 3 data release. The ONS website currently indicates that Phase 3 data release will be from spring 2023

<sup>11</sup> East Devon LHNA 2022 – footnote 37

- 4.15. The Council will review the position when further evidence becomes available. The Council will take account of forthcoming evidence from the Economic Development Needs Assessment to understand if there are any additional housing needs related to accommodating labour supply.
- 4.16. The District Council will therefore keep this matter under review.

## Strategic Infrastructure

- 4.17. The key source of evidence for the Local Plan that will identify infrastructure requirements will be a review and update of the East Devon Infrastructure Delivery Plan. The purpose of the IDP is to provide background evidence as to the key elements of physical and social infrastructure likely to be needed in the district for the plan-making period to support the delivery of the draft Local Plan.
- 4.18. An IDP is a 'live' Local Plan evidence base document which is regularly refined and updated as required to present the best and most up to date information on infrastructure requirements throughout East Devon.
- 4.19. The Infrastructure Delivery Plan Review for East Devon was published in November 2017.<sup>12</sup> The Infrastructure Delivery Plan for Cranbrook<sup>13</sup> was published in January 2020.
- 4.20. The forthcoming IDP review should assess the existing provision of infrastructure throughout the district, and to consider what additional infrastructure will be required in the future to support growth being allocated in the Local Plan. The IDP also considers how required infrastructure should be delivered, and if there are any gaps in information or funding which need to be addressed. The IDP is therefore vital in ensuring that the emerging Local Plan meets the requirements of the NPPF to outline when and how new infrastructure will be delivered.
- 4.21. The NPPF (2021) states that strategic planning policies within local plans should make provision for infrastructure for transport, telecommunications, security, waste management, water supply, wastewater, flood risk and coastal change management, community facilities (such as health, education and cultural infrastructure), and the provision of minerals and energy (including heat). The NPPF also states that local plans should consider the long term requirements for major improvements in infrastructure.
- 4.22. The NPPF outlines that local plans should set the contributions expected from development to deliver infrastructure, however such policies should not undermine the delivery of the plan. Local plans should also seek to provide infrastructure which widens transport choices, delivers advanced, high

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<sup>12</sup> [idp-review-2017\\_report.pdf \(eastdevon.gov.uk\)](#)

<sup>13</sup> [psd24-infrastructure-delivery-plan-july-2020.pdf \(eastdevon.gov.uk\)](#)

quality and reliable communications infrastructure, and supports infrastructure associated with renewable and low carbon energy.

- 4.23. The PPG outlines that local plans should set out a vision and framework for the future development of an area, which addresses the needs and opportunities relating to infrastructure. Local plan policy requirements for developer contributions should be informed by proportionate evidence of local infrastructure needs.
- 4.24. The PPG Paragraph: 059 Reference ID: 61-059-20190315 states that local plans should be

*“A plan is an opportunity for the strategic policy-making authority to set out a positive vision for the area, but the plan should also be realistic about what can be achieved and when. This means paying careful attention to providing an adequate supply of land, identifying what infrastructure is required and how it can be funded and brought forward.*

*At an early stage in the plan-making process strategic policy-making authorities will need to work alongside infrastructure providers, service delivery organisations, other strategic bodies such as Local Enterprise Partnerships, developers, landowners and site promoters. A collaborative approach is expected to be taken to identifying infrastructure deficits and requirements, and opportunities for addressing them. In doing so they will need to:*

- assess the quality and capacity of infrastructure, and its ability to meet forecast demands. Where deficiencies are identified, policies should set out how those deficiencies will be addressed; and*
- take account of the need for strategic infrastructure, including nationally significant infrastructure, within their areas.*

*The government recommends that, when preparing a plan, strategic policy-making authorities use available evidence of infrastructure requirements to prepare an Infrastructure Funding Statement (IFS). This should set out the anticipated funding from developer contributions, and the choices local authorities have made about how these contributions will be used.”*

- 4.25. The District Council anticipates undertaking work in 2023 to prepare an update of the Infrastructure Delivery Plan. This will inform the preparation of the Regulation 19 East Devon Local Plan (the ‘Publication Plan’).
- 4.26. The need for additional infrastructure and infrastructure improvements is expected to be largely driven by the need to support the scale of growth related to the Local Housing Need and the need to support economic growth.
- 4.27. To be consistent with PPG, Paragraph 2.36 of this paper has already concluded that unless there is further evidence, the latest LHN figure of 946

dwellings per year<sup>14</sup> based on the latest ONS statistics should be used as the LHN for East Devon.

- 4.28. To date, there is no evidence of planned strategic infrastructure that would be likely to drive an increase in the homes needed locally above the Standard Method.
- 4.29. The Council will keep this matter under review, pending the review of the Infrastructure Delivery Plan for East Devon.

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<sup>14</sup> East Devon LHNA 2022 – footnote 37

## 5. Housing Need – unmet need from other areas

- 5.1. The second step in the process in determining the housing requirement provision for East Devon, is when the Council considers whether there is evidence of any identified unmet housing need in other areas outside of the district, and whether, through the Duty to Cooperate, the District Council as Local Planning Authority has been asked to accommodate that need and agreed to accommodate that need (ie meet that need) within East Devon.
- 5.2. This section of the topic paper considers the following matters relating to unmet housing need:
- a) What is unmet need?
  - b) NPPF and PPG regarding ‘unmet need’
  - c) Duty to cooperate
    - 1. Other Local Plans’ stage of plan making – any unmet need?
    - 2. Statements of common ground
    - 3. EDDC responses to other LP consultations
    - 4. Responses to East Devon LP issues and options
  - d) Conclusions to date.

### What is unmet need?

- 5.3. Unmet housing need is identified when there is evidence of a gap (that is, a shortfall) in identified potential housing supply compared to the scale of Local Housing Need as identified and evidenced in a Local Housing Need Assessment for the plan area in the plan period in a Local Planning Authority’s area.

### NPPF and PPG regarding ‘unmet need’

- 5.4. To be consistent with NPPF, if a local plan is to be found sound then one of the NPPF ‘tests of soundness’ that the plan must meet is the test that the plan is:

*“Positively prepared – providing a strategy which, as a minimum, seeks to meet the area’s objectively assessed needs<sup>21</sup>; and is informed by agreements with other authorities, so that unmet need from neighbouring areas is accommodated where it is practical to do so and is consistent with achieving sustainable development; “*

(Footnote 21 Where this relates to housing, such needs should be assessed using a clear and justified method, as set out in paragraph 60 of this Framework)

- 5.5. PPG on Housing and Economic Needs Assessment Paragraph: 010 Reference ID: 2a-010-20201216 states that :

*“there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates.*

*This will need to be assessed prior to, and separate from, considering how much of the overall need can be accommodated (and then translated into a housing requirement figure for the strategic policies in the plan).*

*Circumstances where this may be appropriate include, but are not limited to situations where increases in housing need are likely to exceed past trends because of:.....*

- an authority agreeing to take on unmet need from neighbouring authorities, as set out in a statement of common ground.”*

- 5.6. PPG on plan-making Paragraph: 011 Reference ID: 61-011-20190315 on the Statement of common ground: scope, states that a statement of common ground is expected to contain the following:

- a short written description and map showing the location and administrative areas covered by the statement, and a brief justification for these area(s);*
- the key strategic matters being addressed by the statement, for example meeting the housing need for the area, air quality etc.;*
- the plan-making authorities responsible for joint working detailed in the statement, and list of any additional signatories (including cross-referencing the matters to which each is a signatory);*
- governance arrangements for the cooperation process, including how the statement will be maintained and kept up to date;*
- if applicable, the housing requirements in any adopted and (if known) emerging strategic policies relevant to housing within the area covered by the statement;*
- distribution of needs in the area as agreed through the plan-making process, or the process for agreeing the distribution of need (including unmet need) across the area;*
- a record of where agreements have (or have not) been reached on key strategic matters, including the process for reaching agreements on these; and*
- any additional strategic matters to be addressed by the statement which have not already been addressed, including a brief description*

*how the statement relates to any other statement of common ground covering all or part of the same area.*

- 5.7. PPG on plan-making Paragraph: 012 Reference ID: 61-012-20190315 provides guidance on what information will a statement of common ground be expected to contain about the distribution of identified development needs. PPG states that:

*'When authorities are in a position to detail the distribution of identified needs in the defined area, the statement will be expected to set out information on:*

- a. the capacity within the strategic policy-making authority area(s) covered by the statement to meet their own identified needs;*
- b. the extent of any unmet need within the strategic policy-making authority area(s); and*
- c. agreements (or disagreements) between strategic policy-making authorities about the extent to which these unmet needs are capable of being redistributed within the wider area covered by the statement.'*

## **Duty to Cooperate**

- 5.8. East Devon District Council has actively and diligently undertaken Duty to Co-operate activities and will continue to do so. Activities include those carried out to identify if there are strategic cross boundary housing matters that the local plan should address.
- 5.9. To date, the Council has not notified other authorities that it may be appropriate to accommodate East Devon housing needs in their area or other local authority areas. *(see section 7 of this topic paper which concludes that at this time there is no evidence of unmet need in East Devon district).*
- 5.10. To date, the Council has not received notification from other Local Planning Authorities that they have evidence which demonstrates that they have unmet housing needs and why this should be met in East Devon (see section below on Duty to Cooperate).

### **1. Other Local Plans' stage of plan making – any unmet need?**

- 5.11. The current stage of plan-making for Local Planning Authorities adjoining East Devon are as follows:

| Local Planning Authority                                | Latest Plan-making stage   | EDDC understanding about housing need, supply and requirement  |
|---|--|--|
| Exeter City Council                                     | The Exeter Plan outline draft consultation. Consultation open from 26 September to 5 December 2022.  | Housing requirement in draft LP policy H1 matches Local Housing Need.<br>Supply forecast of 14,300 homes for 20 years allows for a headroom of 10% above the target of 650 new homes pa<br>(ie No unmet need identified) |
| Mid Devon District Council                              | Adopted Mid Devon Local Plan Review 2013-2033  | Housing provision requirement in Policy S2 and S3 – meeting identified need.<br>No unmet need identified.  |
| Teignbridge District Council                            | Latest: Teignbridge Local Plan Review 2020-2040 (Part 3) Wind Turbine, Gypsy and Traveller and Small Residential Site Options-consultation between 15 November 2021 and 24 January 2022.<br>The Local Development Scheme state that the next stage will be the Regulation 19 Proposed Submission in January 2023   | Work is in progress on the Local Plan review, and clarification of a housing requirement policy for Teignbridge District is awaited, No evidence available at this time to indicate any unmet housing need,              |
| Dorset Council  | Reg 18 Dorset Council Local Plan consultation January 2021   | Fig 2.7 Housing requirement and land supply indicates:<br>Requirement = 30,481 ...<br>Forecast Supply = 39,285 dws<br>(ie Implies no unmet need)   |
| Taunton Deane Borough Council and West Somerset Council | Following Parliamentary approval in July 2021, a new unitary council for Somerset will be formed on 1 April 2023 to replace the existing county and district councils. Existing councils will therefore no longer be progressing new plans through the statutory process based on their individual geographies. Existing county and district councils are working closely to scope the content and timescales for new Development Plan(s) to be prepared in the future as part the single unitary council.<br>No current information about unmet need. |  |
| South Somerset District Council                         |  |  |

|             |   |   |
|-------------|---|---|
|             |   |   |
| Other areas |   |   |
| Torbay      | Torbay Local Plan update 2022-40 : A Landscape to Thrive (Reg 18 consultation 7 October to 5 December 2022) | Need (standard method) is 600 dwellings pa. Torbay Council are challenging the use of the standard method for assessing Torbay’s need.<br>Draft Housing Policy SS1 is for requirement of 300 dwellings per year (5400 over 20 years). Insufficient information at this time to reach a conclusion about whether there is unmet need. Further information needed to provide evidence about whether there are exceptional local circumstances to justify not using the standard method to calculate the LHN and whether forecast potential housing supply would be able to meet need. |

**2. Statements of common ground**

5.12. At the time of writing this topic paper, no Statements of Common Ground between East Devon and other Local Planning Authorities have been agreed regarding the issue of unmet housing need.

**3. EDDC responses to other LP consultations**

5.13. East Devon District Council responses on the Dorset Local Plan and the Torbay Local Plan include matters relevant to the issue of unmet need in other Local Planning Authority areas.

**EDDC response to Dorset Local Plan Reg 18 consultation (Sep-Dec 2022):**

“Paragraph 2.2.5 In paragraph 2.2.5 reference is made stating that it is anticipated that East Devon will be able to meet its own housing need. From an East Devon District Council perspective work has not been undertaken on this issue so it is too early to draw this conclusion. We would hope to be able to comment further in the months ahead and would suggest that this is a matter that should be discussed and addressed through the Duty to Cooperate. As matters stand, however, plan reference should note the current state of affairs.

Paragraph 37.2.1 In paragraph 37.2.1 text advises of a vision in 2038 for Lyme Regis, stating at the fifth bullet point down, it will: "have a positive relationship with the nearby village of Uplyme, with the two communities working together to meet their needs." It is assumed that this is not a meant to be an at or post 2038 position (which a literal reading might infer) rather it is assumed to be about positive working from now to 2038 (and beyond). Text amendment should provide clarity. We would welcome the opportunity to actively work with you on issues around meeting development and other needs, as well as wider issues, though work is most likely to be around local rather than strategic considerations."

### **EDDC response to Torbay Local Plan documents (22 Feb 2022)**

The following proposed response was endorsed by the EDDC Strategic Planning Committee at their meeting on 1 November 2022:

"Thank you for providing the opportunity for East Devon District Council to comment on - Torbay Local Plan 2022-40: "A Landscape to Thrive" (your local plan consultation that concludes on 21 November 2022). I would advise that this council has no specific comments to make on the current consultation. There appears to be no evidence published to support the approach to housing numbers or how the proposed shortfall would be addressed and so we are unable to comment other than to reiterate points raised in the previous round of consultation that we set out below and would request you take fully into account in respect of your future work on plan making."

Plus a repeat of previous comments sent to Torbay Council in February 2022:

"In making representation on the Torbay plan consultation East Devon District Council recognise the challenges that are faced by Torbay but would highlight that these are not unusual. East Devon also has substantial landscape, environmental and biodiversity constraints as well as an extensive coastline and yet is seeking to meet its own housing needs even if this entails developing significant areas of green field land.

At this stage we remain unconvinced that all options for accommodating housing development in Torbay have been fully explored. As such we consider that further work should be undertaken by Torbay before finalising any conclusions around this matter. We would encourage further discussion with Torbay and other planning authorities and in particular would stress the importance of consistency of approach to any work undertaken in respect of assessment of development options.

With respect to specific points East Devon District Council consider that:

a) should Torbay Council accept the Government methodology for calculating housing need then they should firstly, and rigorously, examine every opportunity to accommodate this provision inside Torbay boundaries. From

available evidence it is not clear that this exercise has been fully undertaken to date.

b) in exploring potential for housing development, Torbay Council should be more active in identifying suitable land for development and contact land owners to encourage them to bring forward suitable sites for development and if necessary explore options to seek to acquire land for development themselves in order to provide for housing needs. c) should Torbay Council regard it as appropriate to seek to accommodate Torbay growth in other planning authority areas, then they should ensure a consistent approach to any site assessment work so that like for like comparisons are secured to inform possible site selections.

d) should Torbay Council regard it as appropriate to seek to accommodate Torbay growth in other local authority areas then account should be taken of wider than just environmental site constraints considerations. Specific account should be taken of the impacts of 'Torbay people' living in locations that might be remote from Torbay itself and the adverse impacts, such as increased travel (with resultant carbon emission), that could result.

e) before seeking to accommodate Torbay growth outside of Torbay, the Government housing requirement methodology and specifically its application in Torbay should be rigorously re-examined.

f) Torbay Council, given that it is only the housing provisions policies that are deemed out of date (and the Council are of the view that they cannot accommodate their needs) reassess whether there is merit in reviewing their local plan as a whole at this point in time to enable more options for accommodating housing needs or if there could be benefits in a later review rather than the current narrowly focused housing options review.”

#### **4. Responses to East Devon LP issues and options (January to March 2022)**

- 5.14. There were responses received as a result of the consultation on the East Devon Local Plan: issues and options consultation which raised issues about unmet need in other Local Planning Authority areas, although the Council considers that none of these supplied robust evidence that demonstrated the scale of unmet need and why it should be met in East Devon.
- 5.15. Three responses by Local Planning Authorities (Dorset Council; Torbay Council; and South Somerset District Council) to the East Devon Local Plan: Issues and Options consultation (January-March 2021) raised matters that were related to unmet housing need. These are listed in Appendix 1 to this topic paper.

- 5.16. There were no responses to the Issues and Options consultation received from other Local Planning Authorities about any potential unmet housing need in their area.
- 5.17. For completeness, responses to the East Devon Local Plan: Issues and Options consultation (January-March 2021) were received from developers and agents on behalf of clients who have asserted that there is unmet housing need in other authority areas and that this should be met in East Devon. These are also listed in Appendix 1. These are not part of the Duty to cooperate, but they do refer to 'unmet need'. They include responses submitted by the following:
- Ian Jewson Walsingham Planning Ltd
  - Dore Park Ltd (agent PCL Planning)
  - Eagle Investments Ltd (agent PCL Planning)
  - Waddeton Park (agent PCL Planning)
  - Hallam Land Management Ltd (agents: Savills).

## **5. Conclusions to date**

- 5.18. From the information available in this section of the topic paper, there is no evidence at this time of any quantified unmet housing need in other Local Planning Authority Areas, nor evidence demonstrating that any unmet need should be accommodated in East Devon.
- 5.19. Consequently the circumstances relating to unmet need as set out in PPG Housing and Economic Need Assessment paragraph 010 Reference ID: 2a-010-20201216 have not been identified at this time.
- 5.20. Therefore the District Council concludes that no additional housing need should be added to the Local Housing Need of 946 dwellings per year.
- 5.21. Mindful of this conclusion and the conclusion in Section 4 that there is no evidence at this time relating to the economy or strategic infrastructure, the Council concludes that at this time there is no evidence to justify setting the Strategic Policy housing provision requirement at a level higher than the current East Devon total Local Housing Need level of 18,920 dwellings for the Plan period 2020 to 2040.
- 5.22. The District Council will keep this matter under review and continue to be diligent in meeting its Duty to Cooperate.

## 6 Housing Supply

- 6.1. The third step in the process in determining the scale of housing requirement provision for East Devon, relates to **Housing supply**. In effect, assessing the potential supply it is a reality check. It considers what identified potential housing supply is forecast for delivery in the plan period and whether this is sufficient to meet a housing provision requirement based on the Local Housing Need of 946 dwellings per year.
- 6.2. At this stage of plan-making, site allocations have not yet been determined, but supply in potential sites put forward in the draft local plan for consultation can be considered. Inevitably, as plan-making progresses, sites may change. But the sites referred to in policies in the draft plan plus other supply sources (completions 2020/21 to 2021/22; commitments from planning permissions plus a windfall allowance) are appropriate for this housing topic paper.

### Justifying the scale of forecast supply

- 6.3. The Council has evidence about housing completions, commitments, potential supply of sites for future allocations, and a forecast windfalls allowance for the plan period. This is summarised in Table 1.

**TABLE 1 Forecast housing supply in the plan period by housing supply category**

| Housing supply category                   | Dwellings (approximate) Forecast delivery 01/04/2020 to 31/03/2040 | Percentage of supply identified |
|---|--|---------------------------------|
| Net completions 01/04/2020 to 31/03/2022* | 1,906  | 9.3                             |
| Net commitments at 31/03/2022*            | 4,389  | 21.5                            |
| Cranbrook DPD Expansion Area allocations  | 4,170  | 20.4                            |
| New town (delivery by 2040)               | 2,500  | 12.2                            |
| Urban extension north of Topsham          | 580  | 2.8                             |
| Tier 1 & 2 - Preferred sites              | 1,712  | 8.4                             |
| Tier 1 & 2 - 2 <sup>nd</sup> Choice sites | 1,515  | 7.4                             |
| Tier 3 & 4 - Preferred sites              | 993  | 4.9                             |
| Tier 3 & 4 - 2 <sup>nd</sup> Choice sites | 341  | 1.7                             |
| Forecast Windfalls allowance*             | 2,335  | 11.4                            |
| <b>DISTRICT TOTAL</b>                     | <b>20,441</b>  | <b>100</b>                      |

Notes:

\* 2022 Monitoring Point data

- 6.4. At this point, the initial housing supply evidence indicates a potential net housing supply of 20,441 dwellings in the plan period in East Devon if all the supply identified in Table 1 were to be delivered.
- 6.5. Of the 20,441 dwellings supply forecast, a net 10,465 are committed to development. That is, through having already been built (1,906) , or have planning permission (net 4,389) or are on the Cranbrook Expansion Areas allocated in the Cranbrook Plan DPD (4,170 dwellings) . The data source for the count of completions and commitments in Table 1 is the East Devon Housing Monitoring Update 2022.
- 6.6. The policy on housing requirement for the plan period is expressed in net terms so the supply assessment and comparisons in this topic paper are also on a net basis.
- 6.7. The reason for the small differences in completions and commitments in Table 1 compared to Table 2 (see below) is because Table 1 uses net supply figures (ie demolitions and other losses have been taken into account) whereas Table 2 (from the Strategic Policy in the draft plan) uses gross figures.
- 6.8. A further 2,335 dwellings are forecast as an allowance for future windfalls to 2040. Windfall sites are sites which come forward for development that are not allocations. The windfall delivery rate has been informed by the evidence in the 2022 Housing Monitoring Update. The forecast windfall allowance to the end of the plan period simply uses the HMU windfall forecast and continues the average annual windfall rate forecast for 2026/27 across the rest of the plan period. Justification of the windfalls is provided by the HMU, with further details in Appendix 3 to show how this is extended across the plan period.
- 6.9. The total forecast net supply from completions, commitments and Cranbrook Expansion area in the plan period is therefore 12,800 dwellings (i.e.10,465 + 2,335).
- 6.10. The remainder of the forecast potential supply for the plan period would be achieved from allocations in the Local Plan. Potential sites for consideration for allocation are listed in the Regulation 18 draft Local Plan which the Strategic Planning Committee considered at their meeting on 1 November 2022 and approved for consultation. These sites are categorised as being either Preferred Sites or 2nd Choice. A summary of the potential supply is set out in a table in policy in the draft plan (**2 Strategic Policy – Housing Distribution**). This is replicated in Table 2 below in this housing topic paper.
- 6.11. The forecast total potential from those Preferred Sites or 2nd Choice sites is **11,811** dwellings, which are expected to be delivered by 2040.

**TABLE 2 Replicated Reg 18 draft Local Plan policy on Housing Distribution**

## 2 Strategic Policy – Housing distribution

New housing will be distributed across East Devon in accordance with the table below. The housing numbers are gross and relate to the period 2020 to 2040, the new town has a longer term vision that takes into account the likely timescale for delivery and will see development of an extra 5,500 homes beyond 2040.

| Settlement                            | Completions<br>2020-22 | Commit-<br>ments | <i>Preferred<br/>Sites</i> | <i>2nd<br/>Choice</i> | Total<br>Allocations | Grand<br>Totals |
|---------------------------------------|------------------------|------------------|----------------------------|-----------------------|----------------------|-----------------|
| <b>Western side</b>                   | <b>841</b>             | <b>1,800</b>     | <b>7,250</b>               | <b>0</b>              | <b>7,250</b>         | <b>9,891</b>    |
| New town                              | 0                      | 0                | 2,500                      | 0                     | 2,500                | 2,500           |
| North of<br>Topsham                   | 0                      | 0                | 580                        | 0                     | 580                  | 580             |
| Cranbrook                             | 543                    | 801              | 4,170                      | 0                     | 4,170                | 5,514           |
| North of<br>Blackhorse                | 298                    | 999              | 0                          | 0                     | 0                    | 1,297           |
| Other locations                       | 0                      | 0                | 0                          | 0                     | 0                    | 0               |
|                                       |                        |                  |                            |                       |                      |                 |
| <b>Principal and<br/>Main Centres</b> | <b>691</b>             | <b>1,559</b>     | <b>1,712</b>               | <b>1,515</b>          | <b>3,227</b>         | <b>5,477</b>    |
| Exmouth                               | 269                    | 654              | 287                        | 746                   | 1,033                | 1,956           |
| Axminster                             | 111                    | 209              | 680                        | 370                   | 1,050                | 1,370           |
| Honiton                               | 167                    | 272              | 182                        | 289                   | 471                  | 910             |
| Ottery St Mary                        | 80                     | 37               | 248                        | 40                    | 288                  | 405             |
| Seaton                                | 32                     | 216              | 147                        | 70                    | 217                  | 465             |
| Sidmouth                              | 32                     | 171              | 168                        | 0                     | 168                  | 371             |
|                                       |                        |                  |                            |                       |                      |                 |
| <b>Local Centres</b>                  | <b>70</b>              | <b>160</b>       | <b>572</b>                 | <b>174</b>            | <b>746</b>           | <b>976</b>      |
| Broadclyst                            | 0                      | 3                | 175                        | 0                     | 175                  | 178             |
| Budleigh<br>Salterton                 | 39                     | 56               | 20                         | 132                   | 152                  | 247             |
| Colyton                               | 19                     | 79               | 25                         | 24                    | 49                   | 147             |
| Lypstone                              | 8                      | 10               | 197                        | 0                     | 197                  | 215             |
| Woodbury                              | 4                      | 12               | 155                        | 18                    | 173                  | 189             |
|                                       |                        |                  |                            |                       |                      |                 |

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| <b>Service Villages</b> | <b>252</b>   | <b>549</b>   | <b>421</b>   | <b>167</b>   | <b>588</b>    | <b>1,389</b>  |
|-------------------------|--------------|--------------|--------------|--------------|---------------|---------------|
| Beer                    | 1            | 43           | 0            | 0            | 0             | 44            |
| Branscombe              | 0            | 0            | 0            | 0            | 0             | 0             |
| Broadhembury            | 0            | 0            | 0            | 10           | 10            | 10            |
| Chardstock              | 0            | 0            | 30           | 0            | 30            | 30            |
| Clyst St Mary           | 2            | 12           | 72           | 30           | 102           | 116           |
| Dunkeswell              | 2            | 6            | 43           | 0            | 43            | 51            |
| East Budleigh           | 2            | 7            | 0            | 0            | 0             | 9             |
| Exton                   | 4            | 1            | 50           | 0            | 50            | 55            |
| Feniton                 | 13           | 9            | 42           | 0            | 42            | 64            |
| Hawkchurch              | 1            | 0            | 38           | 0            | 38            | 39            |
| Kilmington              | 1            | 1            | 47           | 5            | 52            | 54            |
| Musbury                 | 0            | 16           | 15           | 10           | 25            | 41            |
| Newton Popleford        | 6            | 15           | 0            | 0            | 0             | 21            |
| Otterton                | 14           | 3            | 0            | 23           | 23            | 40            |
| Payhembury              | 0            | 0            | 0            | 0            | 0             | 0             |
| Plymtree                | 1            | 2            | 0            | 0            | 0             | 3             |
| Sidbury                 | 0            | 0            | 0            | 38           | 38            | 38            |
| Stoke Canon             | 4            | 0            | 0            | 0            | 0             | 4             |
| Tipton St John          | 5            | 0            | 0            | 45           | 45            | 50            |
| Uplyme                  | 3            | 7            | 0            | 0            | 0             | 10            |
| Westclyst               | 188          | 421          | 0            | 0            | 0             | 609           |
| West Hill               | 5            | 3            | 51           | 6            | 57            | 65            |
| Whimble                 | 0            | 3            | 33           | 0            | 33            | 36            |
|                         |              |              |              |              |               |               |
| <b>Countryside</b>      | <b>99</b>    | <b>335</b>   | <b>0</b>     | <b>0</b>     | <b>0</b>      | <b>434</b>    |
| <b>Grand Total</b>      | <b>1,953</b> | <b>4,403</b> | <b>9,955</b> | <b>1,856</b> | <b>11,811</b> | <b>18,167</b> |

The Grand total, above, does not include projected future windfalls. Including the windfalls would add around an extra 2,335 dwellings to the overall grand total. Cranbrook supply figures are mostly allocations in the Cranbrook Plan and the 4,170 figure is **not** actually a preferred site it is an adopted Development Plan Document figure.

- 6.12. Table 2 above, aggregates the potential for housing supply from the sites by areas based on the settlement hierarchy (settlement tiers), based on the Preferred and 2<sup>nd</sup> Choice sites for housing development as set out in the draft Local Plan for consultation. The expectation is that these sites would be delivered in the plan period, except for the 2<sup>nd</sup> new town where 2,500 dwellings would be expected to be delivered in the plan period and the residue of the site (approximately 5,500 dwellings) delivered after the plan period.
- 6.13. This table includes 4,170 dwellings on the Cranbrook Expansion Areas that are expected to be completed by 2040. It should be noted that although the Cranbrook sites are listed as a 'Preferred Site' in the policy and therefore in Table 2 below, they are already allocated in an adopted Development Plan Document (the Cranbrook Plan). For the avoidance of doubt, the emerging East Devon Local Plan is not allocating or reallocating these Cranbrook sites, nor is it superseding the Cranbrook Plan allocations. Cranbrook supply is included in Table 2 so that the East Devon district supply analysis is complete.

#### **How many dwellings on potential sites to be allocated in the Local Plan?**

- 6.14. Deducting the 4,170 dwellings at Cranbrook from the 11,811 total, means that there is a **potential supply capacity of approximately 7,641 dwellings** forecast for delivery in the plan period on potential sites identified in the draft East Devon Local Plan as Preferred Sites or 2<sup>nd</sup> Choice sites (excluding Cranbrook).
- 6.15. These 7,641 dwellings do not include the residue of approximately 5,500 dwellings at the proposed New Town that are forecast for completion after the end of the plan period.

#### **Meeting housing need**

For the avoidance of doubt, all forecast housing supply in the supply categories in Table 1 is counted towards addressing the East Devon housing provision requirement set out in this policy, for the purpose of meeting the identified East Devon Local Housing Need.

#### **Meeting Local Plan requirement**

- 6.16. One of the key jobs of a local plan is to identify additional sites where housing in the future will be built in addition to those already identified from completions and commitments, or from the windfall allowance. Site allocations are the means to address the estimated current gap of **6,120** dwellings between the housing requirement of 18,920 and the 12,800 dwellings from forecast supply from completions and commitments, and the windfall allowance.
- 6.17. If the 7,641 dwellings on the aggregated sub-total of dwellings in Table 2 that are from Preferred or 2<sup>nd</sup> choice sites (excluding Cranbrook) were allocated

for development, then they would fill and exceed that estimate current 6,120 gap.

- 6.18. If the 7,641 dwellings on the aggregated sub-total of dwellings in Table 2 that are from Preferred or 2nd choice sites (excluding Cranbrook) were allocated for development, then when added to completions, commitments and windfall allowance, these supply sources in total would deliver **20,441** dwellings. This would be approximately **1,521** dwellings (**or about 8%**) above the minimum policy housing requirement of 18,920 dwellings.

### Supply Headroom

- 6.19. The scale of supply from potential supply from sites to be considered for allocations has taken into account the draft local plan's policy which builds in a degree of flexibility into the plan by introducing a 10% 'supply headroom' into policy. This means that the scale of supply which the Council seeks to identify would be 10% above the total requirement of 18,920. That means identifying a supply of 20,812 dwellings. This justification of the scale of supply headroom is set out in paragraphs 6.33 to 6.40 in this topic paper.
- 6.20. Supply identified so far would deliver about 8% above the minimum requirement. It does not yet reach the 10% headroom proposed in the policy. The Council will keep this matter under review as the plan progresses through the plan making process towards 'Publication' and submission, as site allocations are identified and site capacity is reviewed in light of the consultation responses and as more evidence becomes available.
- 6.21. Deducting the existing commitments of 10,465 and the future windfalls of 2,335 from the 20,812 requirement plus headroom figure means that we need to allocate sufficient land to accommodate at **least 8,012** new homes. With supply from potential sites for allocations for 7,641 dwellings identified in Table 2, this would require an additional supply for **a further 371 dwellings** to be identified if the proposed policy for a 10% supply headroom were to be met. Potential options for addressing that current gap include:
- A design approach that delivers some sites at a higher density
  - Further evidence and analysis of the delivery trajectory on sites – particularly on larger sites (see paragraphs 6.22 to 6.24 below regarding the need for trajectories to be realistic and to be consistent with PPG regarding deliverable and developable sites)
  - Identifying additional sites.

### Justifying the forecast supply - trajectory

- 6.22. NPPF requires that the plan should be aspirational and deliverable. The Council will need to provide evidence about when it expects that the dwellings from the supply categories in Table 1 will be completed. This means being realistic about

- **‘Lead-in times’** i.e. the time from when the first planning application for a site is submitted to and validated by the Council to the time when the first dwelling is completed. This involves many stages and processes. They include the need to forecast when sites might receive detailed planning permissions and how long it takes to discharge conditions so that development can commence. They include site preparation and issues such as demolition and remediating ground conditions, as well as constructing site infrastructure such as the access and some internal roads and drainage before a single house can start to be built.
  - **‘Build rates’** ie how many completions per year. The Council has to consider whether forecast build rates are achievable not just on an individual site but also across sites at specific settlements, and across sites within the same control i.e. of a house-builder.
  - **Market conditions** – which can trigger site and dwellings starts but can also delay site and dwelling starts or lengthen the time it takes to build a dwelling eg because of problems with supply chains or skilled construction labour supply
  - **The number of ‘outlets’ on a site.** This means the number of different house builders who are constructing the dwellings on a site. On small to medium sized sites there is usually only one builder. However, on larger sites there can be more than one. The number of outlets determines the build rate of the site. For example on a site of 8,000 dwellings if a builder can complete 100 dwellings per year it would take 80 years to complete the site. There is ample evidence of ‘volume builders’ being able to build at this rate on the largest sites in East Devon. However, if there are 4 builders all building at the same time each at a rate of 100 per year (and if the housing market were sufficiently strong to take up that supply) it would take 20 years to complete the site. In most cases, the Council does not control the number of outlets on a site. This is usually a contractual matter between the private landowner(s) and the house builder(s).
- 6.23. Government policy is to boost housing supply. Ways to speed up the process i.e. to speed up and widen the pipeline of housing supply can include targeting resources to speed up the development management process, and to help remove infrastructure barriers. However, most of the dwellings will not be built by the Council, so it is the house builders and their business models that largely determine when housing is built, in response to the market.

#### **Local Plan trajectory for the plan period**

- 6.24. The supply assessment in Table 1 is subject to further work to produce a detailed housing trajectory for each large sites. The district housing trajectory will aggregate the individual large site housing trajectories, which forecast housing completions on a year by year basis, as well as updating the forecast of the delivery of completions, commitments windfalls at the next monitoring point (31 March 2023). The trajectory will depend on sites being identified for

allocation, which will need to be informed by the forthcoming overall plan viability evidence to show whether the suite of plan policies in combination are deliverable in the plan period at a strategic level.

- 6.25. The Council will forecast supply delivery consistent with the Government's policy, guidance and definitions about 'deliverable' and 'developable' sites.
- 6.26. Some trajectory information is available for completions, commitments and windfalls. The Council publishes annual information on housing completions and housing commitments from planning approvals. The current data is available in the East Devon Housing Monitoring Update (up to 31 March 2022). This provides the completions for 2020/21 and 2021/22. It also includes forecasts of future housing delivery from commitments and windfalls. This has been informed by the Council's consideration of information about the delivery of major housing sites (10 and more dwellings), including information secured through engagement with builders, developers, agents and landowners of housing development sites.
- 6.27. The Council therefore also needs robust evidence to forecast when housing in the other supply categories in Table 1 would be delivered during the plan period, including delivery of housing from potential allocations. Work on this will progress in light of the evidence at the 31 March 2023 housing monitoring point. The results will inform the next update of this housing topic paper which will include the full trajectory for large sites and the district. This will inform next stage of plan-making. The evidence in or signposted by the next topic paper will include the Council's updated supply evidence, and provide:
- The detailed trajectory (as a table)
  - An illustrative trajectory (ie graphs) of forecast housing supply to be delivered in the plan period. This will show forecast supply 'Plan, Monitor, Manage' graph will show the forecast of net completions each year against the policy housing requirement in terms of 'Plan-Monitor-Manage', The graph(s) are expected to be included in an Appendix in the next version of the draft local plan. They will also be included in the next version of the topic paper, together with explanation of the methodology and detailed analysis of the results. The district trajectory is also the basis for the rolling 5 year housing land supply assessment that will also be included and explained in the next version of the topic paper.
- 6.28. The Council anticipates that the consultation on the draft Local Plan, as authorised by the Strategic Planning Committee on 1 November 2022, will result in responses from developers, builders and landowners about the potential lead-in times, build rates and number of outlets on sites identified as potential sites for allocation in the plan, as well as similar information about sites that have not been identified as Preferred or 2<sup>nd</sup> Choice sites at this time. The Council will consider and assess this information, alongside other sources, including the process of gathering updated information about forecast delivery of large sites commitments. This enables the Council to

produce a plan trajectory that is consistent with the NPPF and government guidance in PPG.

- 6.29. The updated trajectory evidence will need to be produced in time to inform plan making for the 'Publication' stage.
- 6.30. If the forecast supply in that evidence indicates that supply is not sufficient to meet the requirement, then the Council will need to consider how additional supply can be identified. If the evidence leads to a conclusion that the shortfall cannot be met, then the Council may need to consider the issue of unmet need, including engaging with other Local Planning Authorities to identify effective ways to accommodate that unmet need.
- 6.31. The Council will keep the ability of the housing supply to meet the housing requirement under review during the plan-making process. Policy may be updated when new evidence is available.

### **HELAA housing trajectory**

- 6.32. Currently the Council has evidence about the availability, suitability and achievability of housing sites from evidence in the East Devon Housing and Economic Land Availability 2022. The HELAA includes an interim trajectory of the HELAA sites. That trajectory has limitations, not least because the HELAA could not apply spatial strategy ahead of decisions on the emerging local plan. For the avoidance of doubt, it is important to note that the HELAA trajectory is not the trajectory for the Local Plan., the HELAA trajectory currently counts all sites identified by the HELAA as 'available, suitable and achievable'. Not all these sites will progress through the plan-making site selection process to be identified as site allocations in the Local Plan.

### **Justifying the supply headroom**

- 6.33. It's not enough simply to identify sufficient housing for forecast supply, including new site allocations, to match the housing requirement. The local plan should also manage the risks relating to the uncertainties of future housing delivery. The Council cannot guarantee delivery so it is realistic to acknowledge that some approved or planned sites may not come forward. An effective way to manage uncertainty is to reduce this risk by allowing for supply 'headroom'. That is, the level of forecast housing supply in the plan period is higher than the policy housing requirement. A supply headroom does not change the policy requirement figure. It does enable the supply to be flexible, so that if some sites do not come forward or are delayed there are other identified potential sites that could come forward earlier than forecast to help maintain and boost supply.
- 6.34. The policy proposes a 10 percent housing supply 'headroom'. This would be achieved by the plan identifying sufficient site allocations for housing or housing /mixed use so that when added to the other supply sources, total supply is about 20,800 dwellings, which is 10 percent above the 18,920 dwellings requirement.

- 6.35. The Council considers that it would be prudent to have a headroom of at least 10 percent. This is about 1,800 dwellings and it equates to about 2 years of supply. This is sufficient to provide flexibility and demonstrate that the plan has been prepared positively in a way that is aspirational but deliverable.
- 6.36. The degree of risk rises as the supply headroom/flexibility percentage falls. The Council is mindful of delays on some previous strategic site allocations in East Devon. Although the large Cranbrook Expansion Areas are now allocated, they still have to proceed through the development management process before housebuilding commences. The Plan also proposes a New Town, and although only part of this would be developed and probably not start to deliver completions until possibly 2030/31 the Council still needs to be mindful of the potential for slippage. In light of these two large supply sources, the Council considers that 10% headroom is necessary.
- 6.37. The policy housing requirement figure is a minimum target so if supply exceeds this figure by the end of the plan period, then this is not inconsistent with policy.
- 6.38. A higher percentage of headroom may provide further flexibility, but the Council is concerned that this could also create uncertainty about which sites would deliver and when. This could adversely impact on the timely planning and delivery of infrastructure needed to support site development. In reality the competition within the housing market may well determine the timing of which sites come forward.
- 6.39. The Council has not at this stage sought to include other measures in the plan. At this time there are no proposals to phase the timing of the delivery of housing sites. Nor are there proposals for 'reserve sites' – which are sites that are shown as allocations but not to be permitted unless and until specific circumstances are met.
- 6.40. The Council will keep under review whether further policy is needed to manage the risk of under-supply and/or manage the potential risk of accommodating housing pressure that is not being met in adjoining areas. At this time, the plan has not proposed phasing within site allocations. Nor are any sites categorised as 'reserve sites' in the draft plan. Reserve sites are sites to be held back and not to be delivered in the plan period unless monitoring identifies that specific circumstances have been met justifying their release.

### **Justifying the approach to monitoring and 5-year housing land supply**

- 6.41. Consistent with Government policy, the Council will need to monitor housing development and the achievement of the strategic policy on housing provision. This includes the ability to maintain housing supply. A key indicator is the 5-year housing land supply assessment evidence to demonstrate if

there are 'deliverable' sites with realistic prospects of the housing being delivered in the 5-year period. The Council will be able to include an Appendix in the plan showing the 5-year housing land supply assessment when the trajectory evidence is available.

- 6.42. The Council will need the local plan examination to confirm the 5-year housing land supply at the point of plan adoption, so the Publication Plan will need to:
- State clearly whether a 5-year land supply is forecast to be achieved at the point of plan adoption (assumed to be the end March 2024 Monitoring Point)
  - Be accompanied by published evidence to justify this conclusion; and
  - Be mindful of the potential for plan-making slippage, so it would be prudent to demonstrate a 5-year supply at the 2025 Monitoring Point.
- 6.43. A five year supply assessment has not been included in this interim topic paper because there is insufficient evidence at this time to generate a robust assessment for the plan period, not least because decisions will need to be made on which sites will be allocated. Information about site delivery provided in response to the Local Plan consultation together with further updated evidence to be gathered on large site commitments will help to inform the housing trajectory for the local plan.
- 6.44. More details about the calculations for the rolling 5 year housing land supply calculations for the local plan will be set out in the next version of this topic paper.

### **5 year land supply - Housing Monitoring Update and HELAA**

- 6.45. The Council produces a 5 year housing land supply assessment annually as part of the East Devon Housing Monitoring Update evidence, which is currently used for development management purposes. The latest 5 year housing land supply assessment in section 4 of the 2022 HMU<sup>15</sup> document relates to a Local Housing Need figure of 946 dwellings per year, but uses a 5% buffer because the latest (fourth) Housing Delivery Test result released in January 2022 for East Devon (covering 2018/19 to 2020/21) meant that East Devon District Council passed the test with a score of 123%, meaning no action is required. In line with NPPF and PPG, the 5 year land supply calculations in the HMU therefore incorporate a 5% buffer.
- 6.46. PPG also requires the Housing Land Availability Assessment to provide a 5 year housing land supply assessment. The latest East Devon HELAA 2022 is part of the local Plan evidence base. It does include a preliminary 5 year housing land supply calculation, which applies a 10% buffer because it would be related to plan-making (and HDT would not necessitate using a 20% buffer). However, as explained in the HELAA report, that assessment is preliminary and does not supersede the HMU 2022 5-year housing land supply for

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<sup>15</sup> [hmu-to-year-end-31-march-2022-aug-2022.pdf \(eastdevon.gov.uk\)](https://www.eastdevon.gov.uk/media/10000/hmu-to-year-end-31-march-2022-aug-2022.pdf)

development management purposes. Furthermore, the HELAA 5 year land supply assessment will be superseded by the 5 year land supply assessment in the next housing topic paper which will be evidence to support plan-making.

## 7 Housing Requirement

### Justifying the level of housing requirement for East Devon for the plan period

- 7.1. The fourth step in the process brings together the assessment of local housing need with the ability of supply to meet housing need.
- 7.2. The evidence in this topic paper shows that:
  1. A local housing need of 946 dwellings per year for East Devon District is justified, and the evidence can be relied on for plan-making purposes at this time.
  2. There is potential for housing supply from identified sources in East Devon to deliver approximately 20,441 dwellings in the plan period, and the evidence can be relied on for plan making purposes at this time.
  3. Supply of 20,441 exceeds the minimum housing requirement of 18920 dwellings in the plan period. Furthermore, the potential supply provides a supply headroom of 8%. Whilst this is not quite the 10% headroom sought by policy, supply may increase through design approaches, further information about delivery trajectories, or possibly additional sites.
  4. Consequently at this time, there is no evidence of unmet housing need.
  5. The assessment of supply from potential sites for allocation has not been subject to viability assessment, so may change. Sites may also change in response to further evidence such as the Strategic Flood Risk Assessment, the Water Cycle Study and the Infrastructure Delivery Plan.
  6. The supply evidence clearly shows that a significant scale of dwellings on housing sites and mixed use sites need to be identified as allocations by the Local Plan if the housing need is to be met within East Devon.
- 7.3. Further evidence about the implications of forecast housing supply are set out in Section 8 of this plan. That evidence leads to conclusion that much but not all of the Affordable Housing Need is forecast to be met, However, there may still be opportunities to deliver additional affordable housing through development, subject to the overall plan viability evidence.
- 7.4. Consequently, the Council concludes that including a Strategic Policy in the draft plan which proposes a total housing provision requirement of at least 18,920 dwellings (net) is justified at this time. In line with NPPF policy, this

local plan total housing requirement for the plan period is expressed as a minimum and in 'net' terms.

### **Justifying the annualised housing requirement**

- 7.5. This Strategic Policy in the draft Local Plan proposes that the annualised housing requirement for use in the trajectory and 5-year housing land supply will be 946 dwellings per year. This is a flat-rate delivery rate across the whole plan period, calculated by dividing the housing requirement by 20 years. The Council will keep this under review during plan making, mindful that further evidence about site trajectories and plan viability may impact on the timing and scale of development.

## 8 Housing Mix - requirements

8.1. This section of the topic paper is the fifth step in the process of justifying the total housing provision requirement, and the requirements for affordable housing and market housing. It focuses on the justification of housing mix within the policy in the consultation plan '3 Strategic Policy –Levels of future housing development'.

### Housing mix including affordable housing

8.2. The Strategic Policy on the levels of future housing development proposes a breakdown of the total housing requirement into two types of housing provision requirement which the policy quantifies, as follows:

- Affordable housing
- Market housing.

8.3. The purpose is to ensure that there is policy commitment towards the amount of these two different categories of housing tenure. It addresses housing need and ensures consistency with both the NPPF and the Council Plan's ambitions regarding housing.

8.4. Policies 39 to 44 in the draft plan for consultation provides more detailed policies about the mix of housing to be sought from residential development, including policy 40 on affordable housing. This topic paper does not consider the details in those housing policies.

### Affordable Housing Need

8.5. The East Devon Local Housing Needs Assessment September 2022 is the primary data source which identifies the scale of Affordable Housing Need in East Devon. It is important to note that the calculation of Affordable Housing Need is different and separate from the calculation of Local Housing Need.

8.6. Key results from the LHNA 2022 show that:

- a) The Affordable Housing Need in East Devon is forecast to be 8,011 households for the 20 year period 2020 to 2040. This equates to 401 households per year. This AHN figure covers both those who cannot afford market rents (2,760 households) and those who currently can afford to rent without the support of housing benefit but would like to buy (5,251 households). The 8,011 figure is based on the Government's definition of affordable housing which has an emphasis on affordable home ownership but takes no account of whether the households could afford affordable homeownership products.
- b) The report concludes that of those 8,011 households, only 3,530 households are in Affordable Housing Need because either they are

unable to afford to rent or own market housing or they are households who aspire to home ownership but who cannot afford to buy but where there is a realistic prospect of them being able to access an affordable homeownership product. This equates to 177 households per year. Translated into dwellings, this equates to 3,615 total affordable dwellings over the 20 year period. 3,615 affordable dwellings equates to 19.7% of the 18,360 total local housing need. As stated in the consultants' report, in line with NPPF, "*not every site in East Devon will necessarily deliver affordable housing at 19.7% so a higher level of affordable housing may need to be delivered on those sites capable of doing so, in order to meet the overall identified need. This higher level should be set such that it is sufficient to offset those smaller/brownfield developments on which less affordable housing is sought.*"

- c) The consultants' report provides a suite of forecasts. These breakdown forecast need by affordable housing product types. The initial forecast in Tables 52 and 53 is as follows:

No. of affordable dwellings; and as a percentage of the total affordable housing need:

|  |             |
|--|-------------|
| • Social rent                              | 2,312 (64%) |
| • Affordable rent                          | 472 (13%)   |
| • First Homes (at 30% discount)            | 566 (16%)   |
| • Other affordable homeownership products* | 265 ( 7%)   |

(\*eg Shared Ownership; Rent to Buy)

- d) The Affordable Housing Need assessment takes account of the Government's introduction of First Homes in May 2021 as a type of affordable homeownership. However, it does not build in Government policy for First Homes to be 25% of affordable housing delivered through planning obligations. At a 30% discount the 566 dwellings in Table 52 would equate to 15.7% of total affordable housing. This is well below the government policy requirement of 25%.
- e) The consultants' report also contains 5 sensitivity tests. These explore alternative options for affordable housing mix. They vary the assumptions made about the First Homes discount and the amount of affordable housing product types, in order to achieve government policy requirements regarding:
- 25% of affordable homes delivered through planning obligations to be First Homes; and
  - The fifth sensitivity test adds in the government policy requirement for 10% of the total number of homes delivered on a site to be affordable home ownership, subject to prescribed exemptions

## Justifying the affordable housing requirement for East Devon for the plan period

- 8.7. As required by the NPPF, this Strategic Policy establishes the scale of affordable housing requirement in East Devon for the plan period. The local plan uses the definition of affordable housing that is set out in the latest NPPF as amended by the Written Ministerial Statement on First Homes (24 May 2021).
- 8.8. The Council considers that the LHNA evidence about Affordable Housing Need is robust and relies on this evidence to justify the affordable housing requirement set out in this Strategic Policy.
- 8.9. The LHNA 2022 provides the evidence to forecast the need for affordable housing. First, it identifies a total Affordable Housing Need of 8,011 households for the plan period in East Devon. This would equate to 401 affordable dwellings per year. The 8,011 figure is based on the government policy and definition, which has no regard for whether those aspiring to affordable homeownership can access affordable home ownership options.
- 8.10. Within the total Affordable Housing Need of 8,011, the evidence demonstrates a need for 2,312 social rent and 472 affordable rent dwellings in East Devon. The other 5,227 dwellings relate to need from households currently able to rent market housing and are unable to afford market ownership but who aspire to homeownership. The LHNA 2022 forecasts that only 831 households would be likely to be able to access affordable home ownership. This implies that the remaining 4,396 are unlikely to be able to access affordable home ownership.
- 8.11. The Council is mindful of the need to meet housing needs but at the same time the local plan should be consistent with the NPPF which requires the plan to be prepared in positive way that is aspirational but deliverable. If the forecast 4,396 households aspire to but are unable to afford affordable home ownership products, then it is not realistic to provide those units as affordable homeownership. If built but not taken up, then developers may then seek to sell those dwellings on the open market. Alternatively, if there is little demand, developers may decide not to build those units and/or seek to vary consents so that units are built as market housing.
- 8.12. If those 4,396 dwellings would not be delivered as affordable home ownership units, there is no justification for the affordable housing requirement to be based on the 8,011 dwellings figure.
- 8.13. The LHNA 2022 evidence in demonstrates the need for 2,784 dwellings for social rent or affordable rent plus 831 affordable homeownership dwellings where households aspiring to home ownership are likely to be able to access affordable home ownership. In total this results in an Affordable Housing Need of 3,615 dwellings. However, this option does not achieve the

Government policy for 25% of all affordable housing delivered through planning obligations to be First Homes.

- 8.14. Council evidence on potential affordable housing supply has been used to produce a forecast of affordable home ownership products for the plan period. The forecast details are set out in Appendix 2. This forecast is summarised in Table 3 below.

**TABLE 3 Forecast affordable housing supply in East Devon in the plan period by housing supply category**

| Housing supply category                                    | Forecast delivery<br>01/04/2020 to 31/03/2040 |                                  |
|--|---|----------------------------------|
|  | Total<br>Affordable*                          | Affordable<br>Home<br>Ownership# |
| Net completions 01/04/2020 to 31/03/2022*                  | 374   | 153                              |
| Net commitments at 31/03/2022*                             | 551   | 221                              |
| Cranbrook DPD Expansion Area allocations**                 | 600   | 180                              |
| 2nd new town allocation#                                   | 356   | 143                              |
| Urban extension north of Topsham allocation#               | 203   | 58                               |
| Tier 1 & 2 - Preferred & 2 <sup>nd</sup> Best allocations# | 1,038   | 290                              |
| Tier 3 & 4 - Preferred & 2 <sup>nd</sup> Best allocations# | 429   | 122                              |
| Forecast Windfalls allowance*                              | 0   | 0                                |
| <b>DISTRICT TOTAL</b>                                      | <b>3,551</b>                                  | <b>1,167</b>                     |

Notes:

\* District Council – housing data – completions and commitments from development

\*\* Policies CB10 and CB11(Cranbrook Plan DPD – Proposed for Adoption) - 15% of dwellings to be affordable housing; 30% of affordable housing to be affordable home ownership; 4% of dwellings to be self-build/custom build where a proportion of affordable housing will be sought (assume 15% for the purposes of Table 2)

# Outside of Cranbrook DPD, the working assumptions are

- On previously developed land, 0% of housing is affordable housing
- on greenfield sites of 10 to 19 dwelling, 35% of dwellings will be affordable housing
- 2nd new town allocation 5% of the site capacity is discounted for self-build/custom build; then 15% is of the remaining 95% of site capacity will be affordable housing. 4% of dwellings to be self-build/custom build where a proportion of affordable housing will be sought (assume 15% for the purposes of Table 2)
- On greenfield sites of 20 to 249 dwellings. 5% of the site capacity is discounted for self-build/custom build; then 35% is of the remaining 95% of site capacity will be affordable housing.

- On greenfield sites of 250+ dwellings, 35% of site capacity will be affordable housing (and assume 35% of the 5% of dwellings to be self-build/custom build will be affordable housing for the purposes of Table 2).
- 8.15. The working assumption of a minimum of 15% of dwellings to be affordable dwellings at the 2nd new town allocation reflects the need to be realistic about the likely impact of necessary infrastructure requirements on viability. It also reflect the fact that the assumption has been informed by the viability evidence that justified the requirement for 15% housing to be delivered as affordable housing at the planned Cranbrook Expansion Areas. At this time there is no evidence to demonstrate that a higher percentage could be achieved. However, the Council aspires to more than 15%. The overall plan viability study for the East Devon Local Plan will test the affordable housing assumption. If that evidence demonstrates that a higher percentage of affordable housing could be viable then the Council will be able to reconsider this percentage figure for the Publication Plan.
- 8.16. Table 3 indicates that 3,551 affordable dwellings could be delivered in East Devon in the plan period if all the preferred and 2nd choice sites were allocated. This policy expresses the total housing requirement as a minimum, so counting the affordable housing supply including that from the headroom is consistent with policy. This figure of 3,551 does not take account of potential supply from future Rural Exceptions or First Homes Exceptions sites, or Neighbourhood Plan allocations without planning approval. They would add to the affordable housing supply from development, and count towards meeting affordable housing need.
- 8.17. The supply forecast does not include affordable housing achieved through other mechanisms. The Council is currently exploring ways to further add to or facilitate the delivery of affordable housing in East Devon, in order to create a 'step change' in the output of social and affordable homes.
- 8.18. There are already 429 affordable housing completions from 2020 to 2022 and commitments at the 2022 Monitoring Point comprising an estimated 74 'affordable rent plus' units (at the Cranbrook Expansion Area) and 562 units from other affordable home ownership products eg Shared Ownership (but not First Homes). Supply of affordable home ownership products (not First Homes) exceeds the forecast need for that type of affordable home ownership products in all the scenarios tested by the LHNA 2022. In part this reflects the timing of the planning permissions and legal agreements (before the change in Government Policy towards First Homes). It also reflects viability issues and the ability to deliver other types of affordable housing.

#### **Affordable Housing- Which LHNA forecast to rely?**

- 8.19. The East Devon LHNA 2022 generates a series of forecasts of market and affordable housing need. These are set out in Chapter 6 of the LHNA report, They including sensitivity tests which test the effect of varying assumptions

about the amount of First Homes discount (30% or 50%), reducing the amount of market housing and increasing the amount of affordable housing, and increasing the total Local Housing Need. There is also a hypothetical test regarding meeting the policy of 10% of affordable dwellings delivered through development being affordable home ownership.

8.20. **LHNA Table 52 - Overall need for Market and Affordable Dwellings (including affordable home ownership products) by property size.**

The forecast of 3,551 affordable dwellings supply in Table 3 is close to the forecast need for 3,615 affordable dwellings in the forecast in the LHNA in Table 52. However, this would not achieve the national policy regarding 25% of affordable homes being First Homes, nor the 10% of housing on future qualifying sites being for affordable home ownership.

8.21. **Sensitivity Test 1 LHNA Tables 54 and 55**—This forecast depends on a 50% discount for First Homes but where 23% of affordable housing need is First Homes. This is below the national planning policy target of 25%. It also would indicate need for 2312 social rent dwellings.

8.22. **Sensitivity Test 2 LHNA Table 56** - This forecast also depends on a 50% discount for First Homes and increases First Homes to be 25% of affordable housing need consistent with the national planning policy target of 25%. But this would be achieved by increasing the number of affordable housing, and reducing the total market housing, which is likely have some adverse impact on viability and raise questions about whether the affordable housing could be delivered. The test is based on a total provision of 18,630 dwellings (918 per year). The higher LHN of 946 per year (18920 total) would enable more market housing to be accommodated to achieve the affordable housing, but this forecast depends on the First Homes being 50% discount which reduces the amount of land value available to fund other types of affordable housing.

8.23. **Sensitivity Test 3 LHNA Table 57** This forecast depend on a 30% discount for First Homes (not 50%). It increases First Homes to be 25% of affordable housing need consistent with the national planning policy target of 25%. But this would be achieved by increasing the number of affordable housing, and decreasing the number of market housing. This is likely have some adverse impact on viability and raise questions about whether the affordable housing could be delivered. The test is based on a total provision of 18,630 dwellings (918 per year). The higher LHN of 946 per year (18,920 total) would enable more market housing to be accommodated to achieve the affordable housing, and this test relies on First Homes at 30% discount, so would enable a higher percentage of other affordable housing types compared to tests that rely on 50% discount.

8.24. **Sensitivity Test 4 LHNA Table 58** This forecast depends on a 50% discount for First Homes and an increase in Total Housing to 18,457. Whilst the total is below the latest LHN of 18,920 and would deliver 25% First Homes, it depends on a First Homes 50% discount. Like Sensitivity Test 2 this would

which reduce the amount of land value available to fund other types of affordable housing.

- 8.25. **Sensitivity Test 5 LHNA Table 59** This is more hypothetical forecast to show what would happen if a hypothetical 10% of all housing is delivered as affordable home ownership. The 10% assumption has been applied to all the affordable housing need. However, the planning policy only requires the 10% to apply to future qualifying sites. The forecast is therefore an overestimate. Although interesting to see the consequence of the assumption, it is not informed by the latest affordable housing supply forecasts in this topic paper, and is therefore should not be relied on for plan-making purposes.

#### **Which Affordable Housing Need forecast should inform plan-making?**

- 8.26. At this time the Council concludes that the scale of affordable housing need in Table 57 LHNA Sensitivity Test 3 is the forecast that potentially could achieve national policy relating to First Homes and likely to provide reasonable prospected of then prioritising the delivery of social rent because it does not rely on a 50% discount for First Homes. It would mean that the plan would be based on an affordable housing requirement to meet about 4,066 affordable housing need. This would be more of a stretch target than the 3,615 in the other scenario in Table 52 which uses a 30% discount but which would not be consistent with the national policy target for First Homes.
- 8.27. In order to achieve the 25% of affordable homes being First Homes, the LHNA indicates that under Sensitivity Test 3 to achieve the target, without increasing the Local Housing Need there would need to be 1,017 First Homes at 30% discount. This would increase the amount of affordable housing, in line with Government policy priorities.
- 8.28. Before concluding which affordable housing need to rely on however, it is necessary to consider what the implications of the mix of affordable housing types associated with Sensitivity Test 3.

#### **AFFORDABLE HOUSING TYPE MIX**

- 8.29. The Council has undertaken preliminary work to assess the potential mix of affordable housing types that would be needed if the overall affordable housing need of 4,066 dwellings were to be delivered. The mix of affordable housing is the subject of Policy 40 in the draft Local Plan. But the overall minimum target of at least 4,070 affordable dwellings in East Devon in the plan period sets the context for Policy 40. It is helpful at this stage to investigate some of the potential implications of the affordable housing requirement policy figure in terms of the possible mix of affordable housing types. This provides further evidence to help justify the level of affordable housing requirement in the Local Plan.

8.30. Table 4 is a summary of the results of that work. The calculations on which Table 4 is based are set out in Appendix 4 of this topic paper.

**TABLE 4 – Potential for achieving 25% affordable housing as first homes and prioritising social rent -**

| Supply sources                  | Types of Affordable housing |                 |                             |                                 | TOTAL |
|---------------------------------|-----------------------------|-----------------|-----------------------------|---------------------------------|-------|
|                                 | Social rent                 | Affordable rent | First Homes at 30% discount | Other affordable home ownership |       |
| Completions                     | 62                          | 162             | 0                           | 153                             | 377   |
| Commitments                     | 79                          | 251             | 0                           | 221                             | 551   |
| Cranbrook EA                    | 349                         | 71              | 0                           | 180                             | 600   |
| New town                        | 178                         | 36              | 107                         | 36                              | 356   |
| Rest of East Devon              | 1,644                       | -48             | 910                         | -325                            | 2,181 |
| TOTAL (LHNA Sensitivity test 3) | 2,312                       | 472             | 1,017                       | 265                             | 4,066 |

Note figures may not sum due to rounding

Source:

LHNA 2022 – Sensitivity Test 3 (totals are from Table 57)

EDDC – supply of affordable housing (known from completions and commitment and planned at Cranbrook (based on Cranbrook Plan policy)

EDDC – Planning Policy team – assessment of potential mix (See Appendix 4 )

8.31. Table 4 shows the consequences of affordable housing supply by category in the context of Sensitivity Test 3. Completions 2020 to 2022 and commitments at 2022 Monitoring Point are known. Supply at Cranbrook Expansion Areas is based on the DPD policy and a pro-rata breakdown of social and affordable rent. Policy 40 in the draft Local Plan focuses on the housing mix in the 2nd new town and in the Rest of East Devon. Existing commitments and completions in the Rest of East Devon exceed the sensitivity test forecast for affordable rent and other market ownership, indicating that the percentage for those two categories in the Rest of East Devon should be nil.

### **Analysis of affordable housing type mix**

8.32. Table 4 shows that there would be a forecast ‘excess’ of Affordable Rent and Shared Ownership housing in the Rest of East Devon (the negative numbers in red in Table 4) compared to the forecast in Sensitivity Test 3. This is the consequence of the lack of provision of First Homes provision at Cranbrook and the large scale of commitments and completions for other Affordable Home Ownership (eg Shared ownership) and Affordable Rent.

8.33. Discounting that 'excess', then in the future, sites in the Rest of East Devon therefore would need to provide the following:

- **910 dwellings as First Homes.**
- **1,644 Social Rent dwellings.**

Together this would potentially deliver **2,554 affordable dwellings** in the Rest of East Devon where:

- 910 First Homes equates to **36%** of the 2,554 dwellings; and
- 1,644 Social Rent equates to **64%** of the 2,554 dwellings.

8.34. Prioritising achieving the 25% First Homes target, followed by prioritising Social Rent housing would be consistent with national planning policy.

8.35. The forecast of 3,551 affordable dwellings supply in Table 3 is close to the forecast need for 3,615 affordable dwellings in the main forecast in the LHNA in Table 52. However, this would not achieve the national policy regarding 25% of affordable homes being First Homes, nor the 10% of housing on future qualifying sites being for affordable home ownership.

8.36. The current forecast of supply of 3,551 affordable dwellings is about 500 dwellings below the 4,066 affordable housing need in LHNA sensitivity test 3.

8.37. Current supply forecast of 3,551 is constrained by the low 15% affordable housing assumption at the New Town. If the overall plan viability study results indicate that this assumption could be increased to 20% or 25% then potential affordable housing supply would increase by between 200 and 400 affordable dwellings respectively in the plan period. This would reduce the gap significantly. In addition there may be other parts of East Devon where land values are such that sites could deliver more than 35% affordable housing and remain viable. Furthermore, if funding is available this could increase the amount of affordable housing. Higher rates of affordable housing delivery were achieved at Cranbrook when Government funding was available in the early years.

8.38. Exceptions sites and Neighbourhood plan allocations would add to that forecast. The Council acknowledges that overall housing supply is for meeting the housing requirement and headroom, so some sites may not come forward in the plan period.

8.39. The Local Planning Authority will keep this matter under review, and update forecasts about potential affordable housing supply as new evidence becomes available.

#### **CONCLUSION : Affordable housing requirement -policy**

8.40. Based on the evidence discussed in this section, the Council considers that it is appropriate at this time to base the affordable housing requirement policy

on the 4,066 affordable housing need in LHNA Sensitivity Test 3, mindful that the LHN of 946 per year is higher than that used in the LHNA 2022, and therefore this allows for more market housing than in Sensitivity Test 3. It does not rely on First Homes at a 50% discount, so should enable a higher percentage of other affordable housing type to be delivered.

- 8.41. There are reasonable prospects that affordable housing delivered through development could achieve close to the Affordable Housing Need of 4,066 dwellings.
- 8.42. The Council concludes that at this time the evidence justifies using this figure of 4,066 as the basis for the policy's affordable housing requirement for the plan period. The district affordable housing requirement figure has been rounded to the nearest 10 units, so is 4,070 dwellings for the plan period. The policy figure is expressed as net, minimum figure, consistent with NPPF. It equates to 20% of total forecast supply.
- 8.43. Provision for 4,070 affordable homes in total equates to an annualised figure of 204 dwellings per year.
- 8.44. However, the current delivery forecast of 3,551 is based on a working assumption of 35% affordable housing being delivered on future qualifying sites that meet the policy criteria, with a lower 15% rate at the second new town. The overall plan viability assessment will test those assumptions, and a range of other percentages of housing to be delivered as affordable housing. The Council will review this policy requirement when relevant evidence is available, and update this section in the next version of the topic paper.
- 8.45. At this stage the Council considers that the available evidence does not justify uplifting the District total housing requirement in order to deliver more affordable housing. The Council will keep this matter under review, pending future evidence, in particular the evidence on overall plan viability.

## Market Homes

- 8.46. Deducting the 4,070 dwellings from the 18,920 total housing requirement results in a requirement for 14,850 market housing, again expressed as a net minimum. This equates to 78% of the policy total housing requirement. This matches the percentage of market housing in Sensitivity Test 3.
- 8.47. The Council is mindful that market housing will be the main tenure of housing to be delivered in the plan period, and that the value achieved by delivering market housing is likely to be the principal means to secure the delivery of affordable housing.

## Affordable Home Ownership

- 8.48. To be consistent with current Government policy, the local plan policy requires 10% of dwellings on sites to be for affordable home ownership. Government policy on affordable home ownership focuses on First Homes, but there are other products such as Shared Ownership, Market Discount and Build to Rent.
- 8.49. This policy requirement applies to all major sites, which are sites of 10 or more dwellings. Smaller sites are therefore exempt.
- 8.50. Government policy also exempts the following development from providing 10% of dwellings as affordable home ownership, where it:
- a) provides solely for Build to Rent homes;
  - b) provides specialist accommodation for a group of people with specific needs (such as purpose-built accommodation for the elderly or students);
  - c) is proposed to be developed by people who wish to build or commission their own homes; or
  - d) is exclusively for affordable housing, an entry-level exception site or a rural exception site.
- 8.51. Table 3 shows the Council's current supply forecast for the potential delivery of affordable home ownership dwellings in the plan period. This is forecast to be 1,188 dwellings. This is derived from supply from commitments and completions (which are shared ownership housing products) plus a forecast of future affordable home ownership products (primarily First Homes).
- 8.52. Sensitivity Scenario 3 in the Local Housing Need Assessment 2022 forecasts affordable homeownership need to be 1,282 dwellings for the plan period (1,017 from First Homes and 265 from other types of affordable homeownership (eg shared ownership)).
- 8.53. However that 1,282 forecast is based on an assumption that the 10% requirement applies to total housing provision. This is not the case. The 10% assumption applies to future qualifying sites only, not to the total housing provision for the plan period. The calculations for the scale of affordable home ownership in relation to the Local Plan policy take account of policy exemptions (such as not applying to self-build custom build, and that brownfield sites are unlikely to deliver affordable housing if they are to be viable. The affordable housing supply counts take into account that 6,295 dwellings in East Devon have either been built or already have planning approval, and not all were required to provide affordable housing either because they met policy exemptions, or viability evidence demonstrated that they could not deliver the policy percentage.

- 8.54. It should also be noted that there is no 10% requirement set out in the Cranbrook Plan DPD policy CB10. Instead, the combination of that DPD's policy requirements for 15% of dwellings to be affordable housing requirement and for 30% of affordable housing to be affordable home ownership results in only 4.5% of the Cranbrook Expansion Area's capacity of 4,170 dwellings being affordable home ownership.
- 8.55. Mindful of the infrastructure requirements for the second new town and Government policy, Table 3 assumes that 6% of the housing will be for affordable home ownership. Again, this percentage may increase if the overall plan viability evidence demonstrates that a higher percentage of housing can be delivered as affordable housing.
- 8.56. This 10% requirement also interacts with the Government policy requirement for 25% of housing delivered through planning obligations to be First Homes. The relative mix of affordable housing products is considered under Policy 37. That combination may be a significant constraint on the plan's ability to prioritise other forms of affordable housing, particularly those that would depend on a higher financial contribution from the development in order to deliver them.
- 8.57. Therefore, at this time the forecast of 1,188 affordable home-ownership dwellings supply in the plan period is a reasonable forecast. The evidence in this topic paper supersedes the LHNA regarding the 10% target for affordable home-ownership, as the LHNA did not have supply information.
- 8.58. The Council will keep the issue of affordable homeownership under review, and revisit this in the next version of the topic paper when updated evidence is available.

## 9 Other policy targets in 3 Strategic Policy

- 9.1. The policy in the consultation draft local plan '3 Strategic Policy –Levels of future housing development' also includes clauses relating to:
- A target for the percentage of housing to be delivered on small and medium sized sites
  - The approach to brownfield (previously developed) land
  - Housing requirement targets for Designated Neighbourhood Areas

### Small and medium sized sites

- 9.2. To be consistent with NPPF about promoting the development of a good mix of sites, the Council will need to consider if it can identify through the development plan and brownfield registers at least 10 percent of the housing provision requirement to be met on sites no larger than one hectare. If this cannot be achieved, the Council will need to show through the preparation of the local plan policies, that there are strong reasons why this 10% target cannot be achieved from small and medium sized sites. The percentage of housing from these sites will be inserted into policy at the Publication Plan stage when there is further information about proposed allocations and updated 2023 housing monitoring plus updated windfall supply analysis.

### The approach to brownfield land

- 9.3. The following extracts from paragraphs 119 to 121 in the latest planning policy in NPPF provide the context for the approach to use of brownfield land for housing expressed in 3 Strategic Policy – Levels of future housing development.

*“119 Planning policies and decisions should promote an effective use of land in meeting the need for homes and other uses, while safeguarding and improving the environment and ensuring safe and healthy living conditions. Strategic policies should set out a clear strategy for accommodating objectively assessed needs, in a way that makes as much use as possible of previously-developed or ‘brownfield’ land<sup>47</sup> “*

*“footnote 47 Except where this would conflict with other policies in this Framework, including causing harm to designated sites of importance for biodiversity.”*

Paragraph 120 then states:

*“Planning policies and decisions should:.....*

- c) *give substantial weight to the value of using suitable brownfield land within settlements for homes and other identified needs, and support appropriate opportunities to remediate despoiled, degraded, derelict, contaminated or unstable land...*

And Paragraph 121 states:

*“Local planning authorities, and other plan-making bodies, should take a proactive role in identifying and helping to bring forward land that may be suitable for meeting development needs, including suitable sites on brownfield registers or held in public ownership, using the full range of powers available to them. This should include identifying opportunities to facilitate land assembly, supported where necessary by compulsory purchase powers, where this can help to bring more land forward for meeting development needs and/or secure better development outcomes.”*

- 9.4. The draft policy in the Local Plan proposes that the Local Planning Authority will balance the aspiration to maximise the delivery of residential development on previously developed land with:
- a. The need to maintain housing supply; and
  - b. This plan’s policies for other development to deliver the plan objectives and spatial strategy.
- 9.5. The Council has been diligent in its work to identify potential sites in preparation for the local plan. This includes three Call for Sites for the Housing and Economic Land Availability Assessment to date. This has identified some brownfield sites as ‘available’ which have been assessed through the HELAA process and in the site selection work to date. However, most sites put forward through HELAA are greenfield sites. Work continues on further investigation into identifying potential sites.
- 9.6. The Council is mindful of NPPF paragraph 16 bullet point b) where *“Plans should.....  
b) be prepared positively, in a way that is aspirational but deliverable”*.
- 9.7. If sites are not available, then they are not deliverable, and therefore should not be allocated in the Local Plan.
- 9.8. The Council will keep the matter of brownfield sites under review, through the plan-making process, pending future evidence about:
- The viability of brownfield site development from the overall plan viability assessment
  - Responses to the Regulation 18 Local Plan consultation
  - Site allocations and their delivery trajectories
  - The rolling 5 year housing land supply assessment for the Local Plan

## Housing requirement targets for Designated Neighbourhood Areas

9.9. NPPF paragraphs 66 to 67 are the context for the Council's intention to establish housing requirement targets for the designated Neighbourhood Areas within East Devon.

*“66 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.*

*67. Where it is not possible to provide a requirement figure for a neighbourhood area<sup>33</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”*

*Footnotes 32 and 33*

*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.*

*33 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*

9.10. To date, through local plan production work, the Council has not received requests from any Neighbourhood Planning Group for a housing provision requirement figure for the Designated Neighbourhood Area. However, Government policy requires that local plan policy sets out housing requirements for all Designated Neighbourhood Areas.

9.11. There are currently 40 Designated Neighbourhood Areas in East Devon. The Council intends to consult on the methodology to be used to identify the appropriate level of housing requirements. This public consultation will be held prior to determining and justifying the housing requirements for each designated Neighbourhood Area to be set out in policy in the Publication Plan.

- 9.12. In line with Government policy, the strategic policy in the draft local plan makes clear that the Local Planning Authority will provide an indicative figure when requested by the neighbourhood planning body, in those circumstances where it is not possible for the plan to provide a requirement figure. This would encompass Neighbourhood Areas designated after the Publication Plan is published.
- 9.13. The next version of this topic paper will signpost the methodology and the results of applying that methodology, to provide the evidence to justify the housing requirements for Designated Neighbourhood Areas to be set out in the Local Plan policy.

## Appendix 1 Issues and Options Responses - Unmet Need

### LPA responses to East Devon LP issues and options consultation

1. Two responses by Local Planning Authorities (Dorset Council and Torbay Council) to the East Devon Local Plan: Issues and Options consultation (January-March 2021) raised matters that were related to unmet housing need, as follows:
  - **Dorset Council** – Lyme Regis is constrained. Limited opportunities exist at the town to meet its needs both for employment space and for affordable homes. There should be consideration of the opportunities in the vicinity of Lyme Regis to help meet the needs of the constrained town. Sites well related to the town may have the potential to help meet its needs especially for affordable housing and these may be more suitable than sites within Dorset.
  - **Torbay Council** : Paragraph 60 of the NPPF also indicates that “any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for”. When the Greater Exeter Strategic Plan (GESP) was in existence, I advised the GESP team as part of the Duty to Cooperate that Torbay is unlikely to be able to accommodate its standard method derived housing need figure (586 dpa) beyond the current Torbay Local Plan termination date of 2030; and indeed the delivery of this level of growth is proving very difficult. Whilst East Devon is no longer in the GESP, it is within the Greater Exeter Housing Market Area (HMA) and Functional Economic Market Area (FEMA) that directly abuts and overlaps with Torbay. I would ask that the East Devon Local Plan Update takes into account neighbouring needs, as part as ongoing consideration of cross boundary matters.
2. There were no responses to the Issues and Options consultation received from other Local Planning Authorities about any potential unmet housing need in their area.
3. At and prior to the Issues and options consultation, East Devon District Council engaged with other local authorities. An example of a response is that from South Somerset District Council, whose response included Housing Needs and Distribution as follows:
  - South Somerset DC previously responded to a request for comments on cross-boundary strategic matters in December 2020. With regard to the email received on 19th January 2021 specifically in relation to the substantive matters to be addressed through the Duty to Cooperate, we have the following comments:

- Distribution of housing growth – potential to accommodate growth needs from elsewhere in East Devon or East Devon needs going into other local authority areas
- We have indicated in our Duty to Cooperate Statement (October 2020) that this is a matter which is a strategic cross-boundary strategic matter between SSDC and East Devon District Council.
- SSDC note the minimum local housing need requirement for East Devon. We would seek confirmation through the Duty to Cooperate that EDDC are able to meet their own housing needs within the district, and will not be approaching neighbouring authorities to accommodate any additional need.

### **Non-LPA responses to East Devon LP issues and options consultation**

4. Responses to the East Devon Local Plan: Issues and Options consultation (January-March 2021) were received from developers and agents on behalf of clients who raised matters relating to unmet housing need, including:

- **Ian Jewson Walsingham Planning Ltd:** “The Plan should make provision for more than the 928 homes identified by the 2020 standard methodology. This will ensure it includes flexibility and meets as far as reasonable, the need for affordable housing. The housing requirement will also need to ensure it addresses any unmet need from adjoining authorities such as Exeter.”
- **Dore Park Ltd (agent PCL Planning); Eagle Investments Ltd (agent PCL Planning); Waddeton Park (agent PCL Planning): - Co-operation and overall housing numbers** “Whether, and to what extent, this local plan review should accommodate housing and employment needs that Exeter City Council cannot meet is a matter that needs explicit and transparent consideration in this review. Failure to consider this matter effectively and explicitly may lead to problems with adopting the plan review in due course. Consideration of this matter must precede a consideration of the appropriate spatial strategy of the plan.

Thus, there is a ‘duty to co-operate’ point that needs to be borne in mind here. It is a matter of fact that the Exeter Local Plan (ELP) was adopted with a target figure of 12,000 new homes over the plan period 2006 to 2026. This figure was accepted despite the assessed need (at that time) being 15,000 new homes (that figure emerged via the RSS process and was designed to achieve a better alignment between job creation and housing). The Exeter local plan Inspector noted that there was no evidence that the 15,000 figure was inappropriate (see IR, paragraph 15). In this context, the Inspector accepted Exeter City Council’s ‘environmental capacity’ argument (albeit expressing some concern about the lower figure) on the basis that the words ‘at least’ were inserted before

the 12,000 figure (see also IR, paragraph 15). It is therefore a matter of fact that the Exeter plan failed to make full provision for the level of housing required to appropriately align with job creation.

This has led to a shortfall in allocated provision in the sub-region.

In practice Exeter City have failed to deliver sufficient new homes to make satisfactory progress towards meeting the plan target. Accordingly, the sub-regional deficit is a matter that this review cannot ignore. Despite this, the Issues and Options paper (I&O) does not consider the matter.”

- **Hallam Land Management Ltd (agents: Savills): Duty to Cooperate –** “Section 110 of the Localism Act 2011 sets out a ‘duty to cooperate’, requiring that Councils and public bodies engage constructively, actively and on an ongoing basis to develop strategic policies, and consider joint approaches to plan making in order to ensure the planning of sustainable development. It is also one of the tests of soundness against which local plans are assessed and whilst its future is under consideration by the Government it remains a relevant test at the time of this consultation.

The issue of the duty to co-operate in the area of Lyme Regis has been a long running debate as previously set out in our representations to the plan making process of the former West Dorset, Weymouth & Portland Council. Both the West Dorset, Weymouth & Portland Local Plan process and the East Devon Local Plan process were subject to scrutiny in this area with both Local Plan Inspector’s raising concerns regarding soundness and the requirement for further work to be undertaken to assess housing needs in the area. The East Devon Local Plan Inspector commented that *‘Engagement has not led to complete agreement with regard to how any un-met need in Lyme Regis would be addressed but there is a willingness to work together’*.

The East Devon Local Plan Inspector also recommended modifications to ensure that collaboration in the future occurs. The modifications recognised that at Lyme Regis there is a local expression of need for housing and employment, although this is not quantified through formal local housing and employment needs assessment in this area. A commitment is then made that *‘East Devon District Council will work with West Dorset District Council, Uplyme Parish Council and Lyme Regis Town Council to ensure over the long term that the most appropriate solutions to meeting the local needs of both communities are fully understood and explored and thereafter expressed in future policy documents’*.

The East Devon Local Plan Issues and Options consultation report sets out at paragraphs 2.7 and 2.8 the Council’s intention to work with its neighbours through the duty to cooperate. We welcome this acknowledgement, however, it is not clear from the information presented

either through the East Devon Local Plan consultation or Dorset Council's Local Plan consultation, the extent to which these discussions have taken place at this stage. We are unable therefore to determine the extent of assessment or collaborative discussions that have taken place between the Councils to address the needs of Lyme Regis.

If a site in East Devon was objectively assessed as the most sustainable location for housing growth, we consider that East Devon have it entirely within their power to allocate a site for housing in their Local Plan that could meet the housing needs of Lyme Regis in Dorset. The lack of commentary in the Local Plan consultations do not provide clarity as to whether such discussions have been had and we are therefore concerned that the duty to co-operate has not yet been met.

An example of the duty to co-operate working successfully can be seen in the adopted Cheltenham, Gloucester and Tewkesbury Joint Core Strategy. In making provision for an adequate supply of housing in Tewkesbury Borough Council, the Joint Core Strategy identified a provision of 500 houses in Mitton, a site located in the neighbouring authority area of Wychavon District Council. This was not a formal allocation but shown as a location that would deliver the housing requirements of Tewkesbury beyond its administrative boundary.

In this example, Wychavon District Council, without needing to review its own Local Plan, agreed to contribute 500 dwellings to Tewkesbury's supply and the Local Plan Inspector and accepted a Planning Statement signed by both Tewkesbury Borough Council and Wychavon District Council setting out an agreement for delivery of this cross-boundary site.

This example clearly demonstrates how cross boundary sites can be brought forward for development and we are concerned from the lack of available information as to whether Dorset Council and East Devon Council are working together effectively to support the long term growth needs of Lyme Regis. This needs to be addressed urgently, and the Local Plan should not proceed further without it considering how the needs of Lyme Regis can be sustainably met.”

## Appendix 2 Forecast of Affordable housing supply

See table on the next page.

### NOTES

The Council's Housing Department provided information on affordable housing completions (1 April 2020 to 31 March 2022) achieved through development and commitments. The forecast in the table below assumes that all will be delivered in the plan period.

The forecast for delivery of affordable housing at the Cranbrook Expansion Areas is calculated based on Policy CB10 in the adopted Cranbrook Plan. The forecast in the table below assumes that all will be delivered in the plan period.

The forecast for delivery of affordable housing at the other sites listed in Appendix relate to potential sites listed in the draft local plan, and the site capacities. However, not all sites would be required or expected to deliver affordable housing. For the purposes of the forecast the following assumptions are made:

- Nil affordable housing on brownfield sites
- Nil affordable housing on sites of less than 10 dwellings
- Allowance made for nil affordable housing relating to self/custom build
- 10% of affordable housing would be affordable home ownership.

No affordable dwellings are forecast from the windfall allowance.

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APPENDIX 2 AFFORDABLE HOUSING SUPPLY

|                | Site ref  | Site name   | Settlement Tier | Preferred Site | 2nd Choice Site | PDL percent | Affordable housing % | AH on Preferred Site | AH on 2nd Choice site | Affordable Home Ownership |
|----------------|-----------|---|-----------------|----------------|-----------------|-------------|----------------------|----------------------|-----------------------|---------------------------|
|                |           | New town  |                 | 2,500          |                 | 0           | 15                   | 356                  |                       | 143                       |
|                |           | North of Topsham                                    |                 | 580            |                 | 0           | 35                   | 203                  |                       | 58                        |
| Exmouth        | Exmo_04 a | Land at Marley Drive                                | 1               | 0              | 70              | 0           | 35                   | 0                    | 23                    | 7                         |
| Exmouth        | Lymp_09   | Land at Hulham Road                                 | 1               | 54             | 0               | 0           | 35                   | 18                   | 0                     | 5                         |
| Exmouth        | Lymp_10   | Land off Hulham Road                                | 1               | 75             | 0               | 0           | 35                   | 25                   | 0                     | 7                         |
| Exmouth        | Lymp_14   | Coles Field, Hulham Road                            | 1               | 59             | 0               | 0           | 35                   | 20                   | 0                     | 6                         |
| Exmouth        | Exmo_06   | Douglas Gardens                                     | 1               | 44             | 0               | 0           | 35                   | 15                   | 0                     | 4                         |
| Exmouth        | Exmo_08   | Littleham Fields                                    | 1               | 40             | 0               | 0           | 35                   | 13                   | 0                     | 4                         |
| Exmouth        | Exmo_16   | Land to the rear of Elm Lane                        | 1               | 5              | 0               | 0           | 0                    | 0                    | 0                     | 0                         |
| Exmouth        | Exmo_11   | Land to the South of Courtlands lane                | 1               | 0              | 12              | 0           | 35                   | 0                    | 4                     | 1                         |
| Exmouth        | Exmo_17   | Land to the South of Littleham                      | 1               | 10             | 400             | 0           | 35                   | 4                    | 140                   | 40                        |
| Exmouth        | Exmo_20   | Land at St. John's (also has ref GH/ED/76)          | 1               | 0              | 150             | 0           | 35                   | 0                    | 50                    | 14                        |
| Exmouth        | Lymp_07   | Land at Courtland Cros                              | 1               | 0              | 100             | 0           | 35                   | 0                    | 33                    | 10                        |
| Exmouth        | Lymp_08   | Land off Summer Lane                                | 1               | 0              | 14              | 0           | 35                   | 0                    | 5                     | 1                         |
| Axminster      | GH/ED/79  | Land east of Lyme Road                              | 2               | 93             | 0               | 0           | 35                   | 31                   | 0                     | 9                         |
| Axminster      | GH/ED/80  | Pestaller Farm, Beavor Lane                         | 2               | 200            | 0               | 0           | 35                   | 67                   | 0                     | 19                        |
| Axminster      | Axmi_02   | Land east of Musbury Road                           | 2               | 100            | 0               | 0           | 35                   | 33                   | 0                     | 0                         |
| Axminster      | Axmi_07   | Land at Axminster Carpets                           | 2               | 50             | 0               | 100         | 0                    | 0                    | 0                     | 5                         |
| Axminster      | Axmi_08   | Land east of Musbury Road                           | 2               | 68             | 0               | 0           | 35                   | 23                   | 0                     | 6                         |
| Axminster      | Axmi_09   | Great Jackleigh Farm                                | 2               | 0              | 270             | 0           | 35                   | 0                    | 95                    | 27                        |
| Axminster      | Axmi_10   | Scott Rowe Building, Axminster Hospital, Chard Road | 2               | 10             | 0               | 100         | 0                    | 0                    | 0                     | 0                         |
| Axminster      | Axmi_11   | Land east of Lyme Close                             | 2               | 0              | 100             | 0           | 35                   | 0                    | 35                    | 10                        |
| Axminster      | Axmi_12   | Land at Lea Combe, Field End                        | 2               | 9              | 0               | 0           | 0                    | 0                    | 0                     | 0                         |
| Axminster      | GH/ED/83  | Land west of Chard Road                             | 2               | 150            | 0               | 0           | 35                   | 53                   | 0                     | 14                        |
| Honiton        | Gitti_05  | Land to the west of Hayne Lane                      | 2               | 0              | 100             | 0           | 35                   | 0                    | 33                    | 10                        |
| Honiton        | Gitti_06  | Hayne Farm at Hayne Lane                            | 2               | 31             | 0               | 0           | 35                   | 10                   | 0                     | 3                         |
| Honiton        | Honi_01   | Land at Heathfield, East of Hayne Lane              | 2               | 0              | 79              | 0           | 35                   | 0                    | 26                    | 8                         |
| Honiton        | Honi_05   | Land to the north and south of King Street          | 2               | 0              | 40              | 100         | 0                    | 0                    | 0                     | 4                         |
| Honiton        | Honi_06   | Former Millwater School at Bottom Road              | 2               | 30             | 0               | 100         | 0                    | 0                    | 0                     | 3                         |
| Honiton        | Honi_07   | Land adjacent to St Michaels Church                 | 2               | 0              | 30              | 0           | 35                   | 0                    | 10                    | 3                         |
| Honiton        | Honi_10   | Land at Ottery Moor Lane                            | 2               | 21             | 0               | 0           | 35                   | 7                    | 0                     | 2                         |
| Honiton        | Honi_13   | Land at Middle Hill, Church Hill                    | 2               | 0              | 10              | 0           | 35                   | 0                    | 4                     | 1                         |
| Honiton        | Honi_14   | Land at Hurlakes, Northcote                         | 2               | 0              | 30              | 0           | 35                   | 0                    | 10                    | 3                         |
| Honiton        | GH/ED/39  | Land south of Northcote Hill                        | 2               | 100            | 0               | 0           | 35                   | 33                   | 0                     | 10                        |
| Ottery St Mary | Otry_01   | Barrack Farm  | 2               | 70             | 0               | 0           | 35                   | 23                   | 0                     | 7                         |
| Ottery St Mary | Otry_09   | Land at Thorne Farm                                 | 2               | 90             | 0               | 0           | 35                   | 30                   | 0                     | 9                         |
| Ottery St Mary | Otry_10   | Land at Salston Barton                              | 2               | 20             | 0               | 0           | 35                   | 7                    | 0                     | 2                         |
| Ottery St Mary | Otry_15   | Land at Bylands, Slade Road                         | 2               | 8              | 0               | 0           | 0                    | 0                    | 0                     | 0                         |
| Ottery St Mary | GH/ED/27  | Land south of Strawberry Lane                       | 2               | 60             | 0               | 0           | 35                   | 20                   | 0                     | 6                         |
| Ottery St Mary | GH/ED/29  | Gerway Farm   | 2               | 0              | 40              | 0           | 35                   | 0                    | 13                    | 4                         |
| Seaton         | Seat_02   | Land at Barnards Hill Lane                          | 2               | 40             | 0               | 0           | 35                   | 13                   | 0                     | 4                         |
| Seaton         | Seat_03   | Land to the south of Harepath Hill                  | 2               | 0              | 70              | 0           | 35                   | 0                    | 25                    | 0                         |
| Seaton         | Seat_05   | Land off Harepath Road                              | 2               | 100            | 0               | 0           | 35                   | 33                   | 0                     | 10                        |

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APPENDIX 2 AFFORDABLE HOUSING SUPPLY

|                    | Site ref | Site name  | Settlement Tier | Preferred Site | 2nd Choice Site | PDL percent | Affordable housing % | AH on Preferred Site | AH on 2nd Choice site | Affordable Home Ownership |
|--------------------|----------|--|-----------------|----------------|-----------------|-------------|----------------------|----------------------|-----------------------|---------------------------|
| Seaton             | Seat_09  | Land at Clay Common  | 2               | 7              | 0               | 0           | 0                    | 0                    | 0                     | 0                         |
| Sidmouth           | Sidm_01  | Land south west of Woolbrook Road  | 2               | 127            | 0               | 0           | 35                   | 42                   | 0                     | 12                        |
| Sidmouth           | Sidm_06  | Land west of Two Bridges Road, Sidford   | 2               | 30             | 0               | 0           | 35                   | 10                   | 0                     | 3                         |
| Sidmouth           | Sidm_17  | Peak Coach House, (Numbers 1-3 Belfry Cottages), Cotmaton Road                       | 2               | 11             | 0               | 0           | 35                   | 4                    | 0                     | 1                         |
| Broadclyst         | Brc1_09  | Land at Heathfield (Southeast of Woodbury View), Broadclyst                          | 3               | 15             | 0               | 0           | 35                   | 5                    | 0                     | 2                         |
| Broadclyst         | Brc1_12  | Land west of Whimble Road, Broadclyst  | 3               | 136            | 0               | 0           | 35                   | 45                   | 0                     | 13                        |
| Broadclyst         | Brc1_29  | Land to east of Town End, Broadclyst   | 3               | 24             | 0               | 0           | 35                   | 8                    | 0                     | 2                         |
| Budleigh Salterton | Budl_01  | Land adjacent to Clyst Hayes Farmhouse   | 3               | 0              | 50              | 0           | 35                   | 0                    | 17                    | 5                         |
| Budleigh Salterton | Budl_02  | Land at Barn Lane  | 3               | 0              | 38              | 0           | 35                   | 0                    | 13                    | 4                         |
| Budleigh Salterton | Budl_03  | Land at Barn Lane  | 3               | 0              | 44              | 0           | 35                   | 0                    | 15                    | 4                         |
| Budleigh Salterton | Budl_06  | Budleigh Salterton Community Hospital  | 3               | 20             | 0               | 100         | 0                    | 0                    | 0                     | 2                         |
| Colyton            | Coly_02  | Land at Hillhead   | 3               | 25             | 24              | 0           | 35                   | 8                    | 8                     | 2                         |
| Lympstone          | Lymp_01  | Little Paddocks, 22 Underhill Crescent, Lympstone                                    | 3               | 14             | 0               | 0           | 35                   | 5                    | 0                     | 1                         |
| Lympstone          | GH/ED/72 | Land at Meeting Lane, Lympstone,   | 3               | 131            | 0               | 0           | 35                   | 44                   | 0                     | 12                        |
| Lympstone          | GH/ED/73 | - Land north west of Strawberry Hill, Lympstone                                      | 3               | 46             | 0               | 0           | 35                   | 15                   | 0                     | 4                         |
| Lympstone          | GH/ED/75 | Land off Grange Close, Lympstone   | 3               | 6              | 0               | 0           | 0                    | 0                    | 0                     | 0                         |
| Woodbury           | Wood_10  | - Land at Gilbrook   | 3               | 60             | 0               | 0           | 35                   | 20                   | 0                     | 6                         |
| Woodbury           | Wood_16  | Land south of Broadway   | 3               | 67             | 0               | 0           | 35                   | 22                   | 0                     | 6                         |
| Woodbury           | Wood_20  | Land east of Town Lane   | 3               | 28             | 0               | 0           | 35                   | 9                    | 0                     | 3                         |
| Woodbury           | Wood_23  | Ford Farm  | 3               | 0              | 18              | 0           | 35                   | 0                    | 6                     | 2                         |
| Broadhembury       | Brhe_09  | Land opposite the Village Hall   | 4               | 0              | 10              | 0           | 35                   | 0                    | 4                     | 1                         |
| Chardstock         | Char_04  | Land off Green Land, Chardstock  | 4               | 30             | 0               | 0           | 35                   | 10                   | 0                     | 3                         |
| Clyst St Mary      | Sowt_03  | Land north of Sidmouth Road, Clyst St Mary   | 4               | 37             | 0               | 0           | 35                   | 12                   | 0                     | 4                         |
| Clyst St Mary      | Sowt_09  | Land at Bishops Court Lane, Clyst St Mary  | 4               | 35             | 0               | 0           | 35                   | 12                   | 0                     | 3                         |
| Clyst St Mary      | Sowt_11  | - Land at Bishops Court Lane, Clyst St Mary  | 4               | 0              | 30              | 0           | 35                   | 0                    | 10                    | 3                         |
| Dunkeswell         | Dunk_05  | Broomfields, Dunkeswell,   | 4               | 43             | 0               | 0           | 35                   | 14                   | 0                     | 4                         |
| Exton              | Wood_01  | - Land west of Oaklands  | 4               | 17             | 0               | 0           | 35                   | 6                    | 0                     | 2                         |
| Exton              | Wood_28  | Land north and east of Exton Farm  | 4               | 33             | 0               | 0           | 35                   | 11                   | 0                     | 3                         |
| Feniton            | Feni_05  | Land and buildings at Burland Mead   | 4               | 42             | 0               | 0           | 35                   | 14                   | 0                     | 4                         |
| Hawkchurch         | Hawk_01  | Norton Store, Hawchurch, Axminster   | 4               | 38             | 0               | 0           | 35                   | 13                   | 0                     | 4                         |
| Kilmington         | Kilm_09  | Land east of George Lane   | 4               | 37             | 0               | 0           | 35                   | 12                   | 0                     | 4                         |
| Kilmington         | Kilm_10  | Land to the west and south west of the Old Inn                                       | 4               | 0              | 5               | 0           | 0                    | 0                    | 0                     | 0                         |
| Kilmington         | Kilm_11  | Land to the east of and off Whitford Road, between Ashes Farm and The Beacon Chapel, | 4               | 10             | 0               | 0           | 35                   | 4                    | 0                     | 1                         |
| Musbury            | Musb_01  | Baxter's Farm  | 4               | 15             | 0               | 0           | 35                   | 5                    | 0                     | 2                         |
| Musbury            | Musb_03  | Churchpath Field   | 4               | 0              | 10              | 0           | 35                   | 0                    | 4                     | 1                         |
| Otterton           | Otto_01  | Land east of Hayes Close   | 4               | 0              | 10              | 0           | 35                   | 0                    | 4                     | 1                         |
| Otterton           | Otto_02  | Land adjacent to the North Star  | 4               | 0              | 8               | 0           | 0                    | 0                    | 0                     | 0                         |
| Otterton           | Otto_03  | Land at Hayes Lane   | 4               | 0              | 5               | 0           | 0                    | 0                    | 0                     | 0                         |
| Sidbury            | Sidm_34  | Land South of Furzehill, Sidbury   | 4               | 0              | 38              | 0           | 35                   | 0                    | 13                    | 4                         |
| Tipton St John     | Otry_04  | Land South of Otter Close Tipton St John   | 4               | 0              | 45              | 0           | 35                   | 0                    | 15                    | 4                         |

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### APPENDIX 2 AFFORDABLE HOUSING SUPPLY

|           | Site ref | Site name                              | Settlement Tier | Preferred Site | 2nd Choice Site | PDL percent | Affordable housing % | AH on Preferred Site | AH on 2nd Choice site | Affordable Home Ownership |
|-----------|----------|--|-----------------|----------------|-----------------|-------------|----------------------|----------------------|-----------------------|---------------------------|
| West Hill | West_01  | Land at Westhayes/Hayes End, Eastfield | 4               | 0              | 6               | 0           | 0                    | 0                    | 0                     | 0                         |
| West Hill | West_04  | Land adjoining Wind Mill Lane          | 4               | 26             | 0               | 0           | 35                   | 9                    | 0                     | 2                         |
| West Hill | West_06  | Land north and east of Eastfield       | 4               | 25             | 0               | 0           | 35                   | 8                    | 0                     | 2                         |
| Whimble   | Whim_11  | Land at Station Road                   | 4               | 33             | 0               | 0           | 35                   | 11                   | 0                     | 3                         |
| District  |          | Completions 1/4/2020 to 31/3/2022      |                 | 374            |                 | n/a         | n/a                  | 374                  |                       | 153                       |
| District  |          | Commitments as at 31/3/2022            |                 | 551            |                 | n/a         | n/a                  | 551                  |                       | 221                       |
| Cranbrook |          | Cranbrook                              |                 | 4,170          |                 | 0           | 15                   | 600                  |                       | 180                       |
|           |          | Sub TOTAL                              |                 | 10,880         | 1,856           |             |                      | 2,939                | 612                   | 1,167                     |
|           |          | <b>DISTRICT TOTAL</b>                  |                 |                |                 |             |                      | <b>3,551</b>         |                       | <b>1,167</b>              |

Note some site references in the draft plan policies and on the policies map include an additional letter to denote that part that is the preferred site or 2nd choice site. This post dates the work to produce the affordable housing supply, but does not change the forecast supply in this table. Likewise, some sites have been combined into a single site in the policies.

### Appendix 3 Forecast of future windfall supply

|          | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 | 2034/35 | 2035/36 | 2036/37 | 2037/38 | 2038/39 | 2039/40 |
|----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Forecast | 0       | 144     | 155     | 142     | 46      | 158     | 129     | 139     | 158     | 158     | 158     | 158     | 158     | 158     | 158     | 158     | 158     |

Source : East Devon Housing Monitoring Update 2022 paragraphs 3.6 to 3.11 and 3.14 (up to 2030/31) then the assumption of 158 windfalls per year thereafter to the end of the plan period.

## Appendix 4 Mix of Affordable Housing Types

1. The Council has investigated some of the potential implications of the affordable housing requirement policy figure in terms of the possible mix of affordable housing types. In particular, the work considered the potential for achieving 25% of affordable housing as First Homes, and then in prioritising social rent, to reflect the latest Government planning policy from the Written Ministerial Statement on 24 May 2021.
2. Table 4 in Section 8 of this topic paper is a summary of the results of that work. Explanations of how the figures were calculated are set out in this Appendix 4. The outcome of this work and analysis provides further evidence to help justify the level of affordable housing requirement in the Local Plan.
3. The calculations on which table 4 in Section 8 of this topic paper is based are set out below in this Appendix.
4. **FIRST HOMES:** To achieve 25% of affordable housing as first homes would mean 1,017 First homes would need to be delivered against an affordable housing requirement of 4,066 (rounded to 4070). This is the First Homes figure in the LHNA sensitivity test 3 (Table 57). No First Homes have been delivered through completions or to be delivered from commitments as at 2022 or in the Cranbrook Expansion Areas. To achieve 1,017 First Homes in the district means that all 1017 have to be delivered on new sites at the New Town and Rest of East Devon. (The 1,017 First Homes equate to 40% of the 2,358 affordable housing in the New Town and Rest of East – see paragraph 6 below).
5. **CRANBROOK EXPANSION AREAS – AFFORDABLE HOUSING MIX**  
Based on Policy CB10 in adopted Cranbrook Plan  
Note: Policy CB10 does not require the provision of First Homes

The mix is calculated as follows:

4,170 dwellings in total in the Expansion Areas  
Excluding 4% self/custom build = 4,003 dwellings  
15% affordable housing requirement =  $0.15 \times 4,003 = 600$  affordable

a) **Cranbrook Affordable Home ownership/other affordable** = 30%  
ie 30% of 600 = **180 eg Shared Ownership** (none are First Homes)

b) **Cranbrook Social and Affordable Rent** = 70%  
ie 70% of 600= 420 Social and Affordable Rent dwellings

The Cranbrook Plan does not specify a separate percentage for social rent or for affordable rent, so the Council has assumed that the 420 dwellings is split between these two types based on the percentages from LHNA table 57 ie 12.6% social rent to 2.6% affordable rent ( ie a ratio of 83% to 17%). This prioritises social rent as per PPG.

ie **Social rent** = 83% of 420 = **349 dwellings**  
ie **Affordable rent** = 17% of 420 = **71 dwellings**

6. **NEW TOWN AND REST OF EAST DEVON AFFORDABLE HOUSING MIX –**

The mix of affordable housing type for these two areas is a more complicated calculation. It starts with the 4,066 affordable housing need-district (Sensitivity Test 3 Table 57) and is calculated as follows.

4,066 total minus the sum of completions, commitments and Cranbrook EA  
ie  $4,066 - (377+551+600) = \mathbf{2,538 \text{ affordable dwellings}}$

7. **NEW TOWN** - The New Town portion of the 2,538 affordable dwellings is calculated as follows.

2,500 Total number of dwellings delivered in the plan period  
A minimum of 15% affordable housing on qualifying sites  
ie  $15\% \times (2,500 \text{ minus } 4\% \text{ for self /custom build}) = \mathbf{356 \text{ affordable dwellings}}$

- a) **Affordable home ownership** : To avoid overburdening and unbalancing the New Town with First Homes – the Council has assumed a rate of about 30% affordable homes being delivered as First Homes in the New Town (this is still higher than the national 25% target)

ie  $30\% \text{ of } 356 = \mathbf{107 \text{ dwellings that are First Homes}}$  in the New Town

ie this leaves a residue of  $10\% \text{ of } 356 = \mathbf{36 \text{ dwellings that are other affordable home ownership products in the New Town.}}$

- b) **Other types of affordable housing in the New Town** To accommodate First Homes provision means reducing the percentage of other types of affordable housing compared to the affordable housing mix at Cranbrook.

The Council has assumed 60% of New Town affordable housing is social and affordable rent ie  $356 \times 60\% = 214 \text{ dwellings}$

Then applying the same percentage ratio of 83:17 for these two rent products as were applied to Cranbrook Expansion Areas results in the following:

ie  $83\% \text{ of } 214 = \mathbf{178 \text{ Social Rent}}$  (which is 50% of the 356 New Town total)

ie  $17\% \text{ of } 214 = \mathbf{36 \text{ Affordable Rent}}$  (ie 10% of the 356 New Town total).

8. **REST OF EAST DEVON** The affordable housing mix for the Rest of East Devon is calculated as follows:

The need for affordable housing in the Rest of East Devon is the residue of the total district need for affordable housing (4,066 see *Sensitivity test 3*) minus the ability to deliver affordable housing from the other supply sources

ie  $4,066 - (377+551+600 +356) = \mathbf{2,182 \text{ dwellings}}$  –the affordable housing need to be delivered in the Rest of East Devon.

- a) **Affordable housing types in the Rest of East Devon** : The mix of affordable housing in the Rest of East Devon is then simply the District total minus all other supply sources for each type of affordable housing as follows:

$$\text{Social rent} = 2312 - (62+79+349+178) = \mathbf{1,644}$$

$$\text{Affordable rent} = 472 - (162+251+71+36) = \mathbf{- 48}$$

$$\text{First Homes} = 1017 - 107 = \mathbf{910}$$

$$\text{Other affordable home ownership} = 265 - (153+221+180+36) = \mathbf{- 325}$$

The 910 First Homes equates to 42% of the 2,182 affordable housing need to be delivered in the Rest of East Devon.