

Joint South West Devon Local Plan

Issue 3 Housing

Participant Statement by Persimmon Homes ID Ref No 989000

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Word Count: less than 3,000 excluding quotes and Inspector's questions

Inspectors Matter 3: Housing Main issues – Are the objectively assessed housing needs soundly based, supported by credible evidence and consistent with national policy? Are the housing requirements realistic, deliverable and justified by evidence? Does the JLP set out a positively prepared strategy for the delivery of housing within the plan area that is justified, effective and consistent with national policy? (Note: the assessment of suitability, availability, and deliverability of individual sites within the housing trajectories will be considered under Matters 7 and 8)

3.1 Establishing the objectively assessed need (OAN) for housing

Has the Housing Market Area (HMA) adopted for the assessment of housing need been defined in accordance with the advice in Planning Practice Guidance (PPG)?

1. The evidence has clearly defined the JLP HMA as having an overlap with the Cornwall HMA. However for the purposes of plan making the authorities have not adhered to the evidence and 'snapped' the HMA to best fitting administrative boundaries only. This is to simplify plan making contrary to the evidence and avoids dealing with the spatial logic of the area. As such it has disregard for the geographical nature of the HMA and indeed the relationship Plymouth has with Saltash.
2. The Plan should acknowledge that:
 - the HMAs overlap on the periphery of Plymouth where Saltash falls within both the Cornwall and Plymouth HMA; and
 - Saltash has a role in assisting the JLP authorities in meeting local needs
3. It is fully acknowledged that the remit of the JLP and its examination cannot dictate that housing provision should be made in Cornwall or anywhere outside of the extent of the JLP. However, the failure of the authorities to respond to their own evidence in defining the HMA and deal with the soundness of cross boundary issues in a positively prepared manner is unsound.
4. The JLP should recognise in the Plan that the HMA overlaps with the Cornwall HMA to include Saltash, and as such it has the capacity to assist in addressing the housing needs of the HMA.

Defining the JLP Housing Market

5. The starting point of considering this question is the advice from the PPG. This states that HMA's should be defined in relation to the relevant *functional area* (para 008 refers).
6. It then explores how HMA's should be defined acknowledging that there is no single source, but in principle a HMA is defined by household demand and preferences for housing that reflect *functional linkages between places and where people work and live*. Notably, the language used in the PPG and the NPPF avoids narrative that refers to administrative boundaries; instead it appropriately refers to *functional places* and *linkages* between them. Thus both the NPPF and PPG deal with spatial planning on a geographical in nature and not on an

administrative basis. The PPG even states that HMA's themselves may overlap (para 010 refers), as is the case here. This clearly establishes the key planning fundamental principle that Sustainable Development (as defined in the NPPF) is not the **servant** of administrative boundaries.

7. There may indeed be circumstances where HMA's are contiguous with administrative boundaries, but where they are not, such as across urban conurbations, the geographical reality and *functional area* must be considered appropriately, otherwise sustainable development is secondary to artificial boundaries. That is not positive planning and contrary to the NPPF.

Housing Market Assessment Definition Evidence HO13

8. While acknowledging that there is no single source of data for defining the HMA, the PPG provides 3 data sources that should be used:
 - House price and rates of change in house prices;
 - Household migration and search patterns
 - Contextual data such as travel to work data
9. Chapter 2 of its Strategic Housing Market Assessment [**HO13**] is the evidence for the definition of the HMA.
10. **HO13** rightly reviews the logic of the HMA and commences with the initial NHPAU work from CURDs (section 2.3 of **HO13** refers). It then tests whether the Plymouth, West Devon and South Hams function as a HMA based upon the latter two having the strongest relationships to Plymouth (2.3.4 refers) using the above PPG sources. On this basis, **HO13** is appropriate in its initial sources and methodology. Commentary is provided on **HO13** below. However the Councils' use of their evidence is where the matter falls.

Migration

11. Paragraph 2.4.2 sets out in respect of migration that *'the links are primarily into each of the constituent [JLP] authorities, together with relationships with Cornwall and Exeter...'*. The text and interpretation, however, downplays the evidence in the charts in Figure 2. This illustrates that Cornwall's relationship to Plymouth and West Devon is of *significant* magnitude.
12. It is understandable that the relationship between Cornwall and West Devon is significant, given that they share a lengthy administrative border with each other, however, of significant note is the relationship of Cornwall and Plymouth, which is far higher proportionally in Figure 2 than both South Hams and West Devon combined.
13. It can be concluded that on this source of evidence Saltash has a very strong functional relationship with Plymouth.

Commuting

14. The text under paragraph 2.5.1 states that Plymouth is a net importer of labour with a net inflow of 5,655 workers. Figure 3 illustrates from commuting that

significantly Cornwall is the highest of all by some way as a source of commuting into Plymouth. It is also notably the second highest location for out commuting. A similar profile is observed for West Devon, however, for the reasons above, it is the profile of the relationship between Plymouth and Cornwall that is significant in respect of Saltash.

15. Of note, Section 2.6 **[HO13]** sets out Travel to Work Area (TTWA) data which clearly demonstrates that the Plymouth TTWA also extends into the top end of Cornwall around Saltash, thus demonstrating the important functional relationship with Saltash that exists.
16. **HO13** Figure 9 clearly illustrates Saltash as part of the Plymouth TTWA, as the extract below shows.

Figure 9: Travel to Work Areas, 2011 Census



Source: ONS

17. It can be concluded that on this source of evidence Saltash has a very strong functional relationship with Plymouth.

House Prices

18. The evidence on house prices states that the variance across the HMA means that this source does not assist the definition of the HMA. However, it is of note that from Figure 10 **[HO13]** the variance between Plymouth and Saltash is minimal and Saltash has the least local variance from that of Plymouth.
19. It can be concluded that on this source of evidence Saltash has a very strong functional relationship with Plymouth.

Conclusions

20. Section 2.9 sets out the conclusions of **HO13** which states that the three authorities function effectively as a self-contained HMA. However it also states clearly that:

"There are strong economic and functional relationships between Plymouth and Saltash" (paragraph 2.9.5 refers).

21. Then having concluded from non-administratively constrained data that a functional relationship between Plymouth and Saltash does exist, and one that it states is essential to be recognised (para 2.9.5 refers), where the JLP fails is that, it then uses an artificial administrative boundary argument that Cornwall considers itself to be a self-contained housing market to dismiss its own functional area based evidence. It does so because of convenience rather than positive planning.
22. Weak justification is given that points to it being too difficult to do this time around and push this into the long grass of plan review. *'A the present time Cornwall is proceeding on the basis that it is a self-contained HMA and that the relationship should ne monitored and that may be at the net round of plan making a more joined-up approach to this part of Plymouth be pursued'* (para 2.9.5 refers). Paragraph 2.9.7 also recognises this relationship within the DtC arrangements.

Observations and Response

23. For the purposes of answering the question posed, the HMA boundary adopted has clearly been adopted for a matter of convenience of plan making despite the evidence clearly showing otherwise. The evidence in **HO13** clearly states that there is a functional relationship between Saltash and Plymouth, acknowledged specifically in paragraph 2.9.3.
24. On this basis, the HMA does not snap to the district boundary of Plymouth and extends to overlap the Cornwall HMA in respect of Saltash, which is in effect a suburb of Plymouth. The Plan as drafted even acknowledges the links to Cornwall at paragraph 2.10, and yet there are no actions to embrace or follow through on its own evidence.
25. **HO13** looks to push the issue further into the future local plan reviews to addressed the issue with ***more joined-up approaches***, thus a self-acknowledgement of the fact that there is a functional relationship to be addressed, and that the current is not joined up.

Proposals to make sound.

26. The rationale being that Cornwall has advanced its own Plan on the basis of its own HMA and that this is not a convenient time to tackle this issue in the JLP is not a credible argument. It is not necessary for two plans to be aligned in their plan making timescales to deliver/facilitate cross boundary growth needs. This has occurred elsewhere in situations where cross boundary issues need to be resolved through separate plan making process where timescales are not aligned.

This has even occurred at locations where the boundary between two locations not only separates district authorities and County boundaries, but also regional boundaries. If approaches elsewhere can address spatial planning across artificial boundaries by acknowledging that HMA's do not snap to such boundaries and do overlap, and within different plan preparation time periods, the justification that it cannot be achieved here is unsubstantiated.

27. As such cross boundary cooperation needs to be part of the JLP now with the Cornwall Local Plan review about to commence, and therefore in plan making terms the timing is opportune.
28. As set out above it is fully acknowledged that it is not with the remit of this Plan or its examination to allocate within or establish cross boundary need from the JLP into another Plan's area. However, as recommended by HO13 (para 2.9.7 refers) more joined up thinking should be established now through positively prepared policies that recognise the **functional relationship between Plymouth and Saltash**.
29. We have set out in other Matter Statements our response on what proposals would specifically make the plan sound in this regard and it is appropriate to discuss those within those matter statements and focus the response to this question on the matter in hand, the definition of the HMA and its overlap with Cornwall's HMA.
30. To not address this, is to adopt a principle of sustainable development (as defined in the NPPF) as being the servant of administrative boundaries. This is not the case, and nothing in the NPPF supports this position. In fact it is true that the NPPF promotes cross boundary working to deal with matters of HMA overlap (as acknowledged by the PPG) and policy should be included within the Joint Plan to facilitate this.

vii Does the housing growth requirement make sufficient provision for economic growth

31. HO13 sets out that it has tested employment forecasts requirements in respect of two economic forecasts (paragraph 4.2.1 refers). These are:
 - Baseline Scenario: based upon Experian's standard employment projections but taking into account of the fishing and defence sectors; and
 - Ten year migration trend scenario: based upon the Devon County Council 10 year migration scenario
32. From this it concludes that the Baseline Scenario can deliver 19,700 jobs and the 10 year migration scenario 20,400 jobs, with the difference between the two being 700 jobs.
33. Economic forecasting and the relationship with OAN is a complex process and HO13 is commended for the clarity upon the methodology that is followed. However, concern is raised as to the robustness of the approach of using the single forecaster of Experian as the only input to the economic forecasting process and the use of it as a 'closed model'.

34. The typical Experian economic forecasting model is a closed model on the basis that its economic forecasts are controlled by the level of population used as the principal input into the model, thus the model will not project more jobs than can be supported by the population it uses as its principal input.
35. In this case the level of jobs arising from both the Baseline and Ten Year migration scenarios are directly derived from the level of population inserted into the model. As a result, the finding of the two model outputs is that the Ten Year migration scenario provides slightly more jobs (700) than the Economic baseline forecasts. This is principally as a result of the population input into the Ten Year Migration Scenario (42,800 people – table 6 HO13) being higher than that used in the baseline economic scenario (35,000 people – table 4 HO13).
36. The above assumption over simplifies the issue give that the two population profiles will also have different structures, however, the point being made here is that the principal still exists that the economic forecasts are directly always derived from the population (workforce) that is inputted into it. On this basis, the workforce will always match the level of jobs. Therefore in simple terms, if the level of jobs forecast within the model for an area is always derived from the population / workforce used as its primary input, then the workforce can never exceed the level of projected jobs.
37. In the context of the above, the PPG sets out in paragraph 18
- "Where the supply of working age population that is economically active (labour force supply) is less than the projected job growth, this could result in unsustainable commuting patterns (depending on public transport accessibility or other sustainable options such as walking or cycling) and could reduce the resilience of local businesses. In such circumstances, plan makers will need to consider how the location of new housing or infrastructure development could help address these problems"*
38. As can be seen from the above, and in the context of the guidance on this matter in the PPG, the use of a closed economic forecasting model will always provide an output where the working age population balances with the level of projected economic growth, as the later is derived from the former. Thus the question being answered by HO13 is really how many jobs the working age population will support. However, what the PPG is asking, is a different question.
39. The PPG is asking whether the working age population will match projected job growth, where the first thing to be established is what is the level of economic growth expected/forecast for the area, and then secondly what is the level of the working age population. Where the second element is sufficient to support the level of jobs there is no requirement for economic uplift, however, where the second element is not sufficient to support the level of jobs economic uplift should be considered. Unfortunately HO13 does not provide a direct and clear response to this question.
40. It is common in establishing the OAN for Local Plans to use at least three independent economic forecasts from both open and closed models to derive a blended economic forecast of the level of jobs, against which to test the

preferred demographic population (workforce) growth against in order to directly answer the question contained in the PPG.

3.2 Spatial strategy – overall distribution of the housing provision across the JLP area

41. We rely on our original submissions for this section in the context of our response to Matter 3.1 above.

3.3 Assessing the supply of housing land to deliver Policy SPT3

ii. At March 2016 the Councils forecast a potential supply of some 29,800 dwellings during the plan period (TP3 Table 12a). Would this provide sufficient head room between the overall land supply and housing requirement figures to enable the Council to react quickly to any unforeseen change in circumstances and to ensure that the full requirement is met during the plan period?

42. A headroom within the Plan *per se* does not necessarily allow sufficient flexibility to react to changing circumstances. It is the nature of the headroom and circumstances that is pertinent.

43. A headroom is a planned over provision of supply to take into account of under delivery or a lag in any expected delivery from over ambitious delivery programmes, or general circumstances that can cause slight delay to scheme deliveries.

44. A headroom does not necessarily provide sufficient *flexibility to respond to rapid change (Paragraph 14 NPPF refers)*.

45. There is a distinction between the two.

46. If the headroom and is generated and supported by the delivery of significant major urban sites, as is the case here, then the headroom is equally vulnerable to delivery issues and does not form the function of being a mechanism for the plan to respond rapidly to changing circumstances. Therefore other tools are required in order to avoid speculative development coming forward that is not consistent with the Plan.

47. In such circumstances, planned interventions and mechanisms are more flexible responses to under delivery that can be activated by clear and recognisable supply triggers. Such mechanisms are reserve sites/Duty to Cooperate (DtC) mechanisms within Plans that permit specific plan led sites to be released early to support housing delivery under such circumstances.

48. The provision of reserve sites has an established principle within the South West where at Bodmin in Cornwall, Cornwall Council has taken the approach to identify sites in excess of the required need for the plan period to provide sufficient flexibility to avoid the risk of a major site not delivering. The Cornwall Local Plan Bodmin allocated 3100 units. However, the Site Allocations DPD which will be the subject of examination in February this year and identifies other sites

to provide flexibility as *reserve locations* (see Appendix 3 para 11.35 of the Cornwall Council SADP P 35).

49. The adopted Stratford upon Avon Local Plan also identified reserved sites as a mechanism to respond to rapid change and under delivery and specifically identified the reserve site mechanism as a far quicker response to changing circumstances than Local Plan review.
50. Equally, elsewhere in the adopted Joint Core Strategy between the authorities of Gloucester, Cheltenham and Tewkesbury includes mechanism within it to engage with the neighbouring authorities Joint Plan for Wychavon, Worcester and Malvern to ask them for assistance for cross boundary supply, even though the neighbouring plan is already adopted and contains no formal allocations adjoining their plan area. In this situation, the adjoining plan contains a facilitating policy that where a neighbouring authority asks for assistance on meeting need, sites can come forward outside of plan review through the development management process.
51. Therefore we advocate that a headroom that is supported significantly by large strategic sites that are planned to deliver early is not a mechanism for responding flexibility to change rapidly, and instead other mechanisms should be used, including that of positively prepared policies that ask neighbouring authorities for assistance where sites / locations are sustainably linked. We advocate that Saltash is such a location and that a mechanism be included within the JLP that facilitates a cross boundary discussion to bring forward sustainably linked sites in Saltash, through a reserve site included within the Cornwall Site Allocations / Local Plan review, or as the example above, as part of a plan led approach through the development control mechanism.

v. Monitoring targets for each LPA are set out in Annex 2 to the JLP. It is stated in TP3 para 8.22 that each LPA will monitor delivery against these target figures to ensure that the requirements of para 47 of the NPPF are being met. It is then stated in para 8.25 of TP3 that the PA targets in STP3 will be used for 5 year housing land supply analysis for development management purposes. Can the Councils please explain how this will work in practice? For example, if there is a shortfall in delivery within the PPA, would it become the responsibility of Plymouth CC or S Hams to find further allocations to make up the shortfall?

52. Policy STP3 is a policy for the supply of housing and as such irrespective of what it states about how housing delivery will be monitored, should a five year supply situation arise, it will by paragraph 49 of the NPPF have diminished weight. The level of weight will be a matter for the decision maker, however, the fact of the matter is that the policy will have diminished weight, and where weight is significantly diminished housing supply could be addressed across the JLP area, as a JLP policy.
53. On this basis, it is necessary to have positive policies that respond to this situation and avoid the policy having significantly diminished weight through positive interactions and mechanisms, the like of which has been set out in our response to matter 3.3ii. This will allow the plan to respond and avoid policy weight being diminished.

