



# Hearing Statement – Matter 3: Housing

Plymouth & S.W Devon Joint Local Plan

Emery Planning for Wainhomes (South West) Holdings Ltd

Project : 16-303  
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Joint Local Plan  
Client : Wainhomes (South West)  
Holdings Ltd

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**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?**

## **1. 3.1 Establishing the objectively assessed need (OAN) for housing**

**iii Representations by a number of housebuilders refer to a study in 2016 which found a requirement for 30,300 dwellings across the 3 local authority areas. What is the basis for the reduction in the requirement to 26,700? Does the reduction result from the use of the 2014-based subnational household projections?**

- 1.1 It is not clear upon what basis the Council has decided to discount the previous report, which was not explicitly consulted upon as part of the Regulation 19 consultation. PBA on behalf of the Council take a different approach in a number of different areas, despite being based upon the same evidence. The Council will need to explain its position in this regard.

**iv The PPG indicates that household projections do not reflect the consequences of past under delivery of housing. Is there evidence of past under delivery of housing within the defined HMA to indicate that household formation rates may have been constrained by supply?**

- 1.2 Yes. The extent of under-delivery is best demonstrated in Figures 15-18 of the SHMA (ref: HO13). Paragraph 5.2.2 identifies the non-delivery of Sherford (effectively a supply issue) as the primary reason for under delivery across the HMA. Paragraph 5.2.3 also states:

*“A further factor was the that the planning system was transitioning from the Structure Plan to the Regional Spatial Strategy which caused a period of uncertainty in land supply across the HMA.”*

- 1.3 Although the SHMA subsequently attempts to underplay the role of supply in relation to past completion rates (based on some unconvincing data), the conclusion at paragraph 5.29 is that it is necessary to consider whether an uplift should be applied to account for past undersupply.

**v Does the uplift for market signals which is included within the calculation of the OAN (HO13 Table 17) ensure that provision is made for any previous under delivery of dwellings in addition to high house prices and rental levels?**

- 1.4 Our main concern is that the distribution of development does not take account of uplifts where the evidence clearly indicates that they are required, i.e. within the TTVPA (South Hams and West Devon). We address this further in our response to question 3.2.

**vi Does the calculation of OAN adopt reasonable vacancy rates for each of the Councils (HO13 Table 7), and is it appropriate to take into account second homes?**

- 1.5 The vacancy rates applied are reasonable and reflect the available evidence. We were involved with the Cornwall Local Plan examination where the principle of making an allowance for second homes was debated in significant detail, and it was concluded that an allowance should be made. Clearly each case must be considered on its own merits, but we see no reason to take a different approach here, particularly in South Hams and West Devon, where there is a high degree of second home ownership.
- 1.6 Notwithstanding the above, it is concerning that there is no spatial application of this evidence within the proposed distribution of housing development. Second home ownership is predominately an issue in the TTVPA, where the plan seeks to distribute development significantly below baseline demographic levels.

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

- 1.7 This is not sufficiently clear, with the 2016 OAN report (HO17) indicating that a requirement of 30,300 dwellings would be sufficient to support projected jobs growth of 1,100 per annum (22,000 jobs). It is not clear why the projected jobs growth has decreased to 20,000 in the Assessment of Employment Forecasts (EC8).
- 1.8 We also note that the Assessment of Employment Forecasts (EC8) assumes a significant change in the net commuting balance to meet the projected level of jobs growth, with more than 2,000 jobs to be met through a shift in in-commuting. This equates to a 615% increase based upon current levels, which are acknowledged to be very low. We do not consider that such a shift is realistic or feasible, and it is not clear whether such approach aligns with the strategies of neighbouring authorities where these workers would reside. We also refer to paragraph 2a-018 of the PPG, which states:

*“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."*

- 1.9 We have also raised concerns in relation to the distribution of housing in relation to economic growth, particularly in the TTVPA. We address this matter further in our response to matter 3.2.

**viii The proposed housing requirement is criticised for falling below the currently adopted housing requirements for each of the Council areas. How does the proposal for 26,700 dws in the plan period comply with Government policy to boost the supply of housing?**

- 1.10 The proposal runs directly contrary to the aim of boosting significantly the supply of housing. The Councils have failed through successive plans to meet housing requirements and consequently the under-delivery impacts upon household projections, the starting point for this assessment of the OAN. Planning for a lower requirement will only serve to perpetuate past trends, and the Council's are effectively planning to play a reduced role in meeting the Government's ambitions to deliver at least 250,000 dwellings annually in England.

**x Have the needs of particular groups (eg older people and those requiring specialist support) been appropriately taken in to account in the OAN? How will the JLP help to deliver the housing needs of these groups?**

- 1.11 No. The institutional population is not included within the DCLG household projections or the DCC methodology. Part 2 of the SHMA identifies a need for 2,961 bed spaces for Registered Care during the plan period (HO13a, paragraph 6.14). Despite the significance of this need, the plan does not seek to set a requirement or allocate sites to provide for the needs of the institutional population (aside from students). This is a notable omission in the context of paragraph 50 of the Framework, especially given the blurred lines between C2 and C3 uses and changes in how the needs of the institutional population are met, particularly older persons.
- 1.12 Paragraph 6.14 of the SHMA Part 2 (HO13a) claims: "it would not be appropriate to increase the housing requirement to meet this need (as it is not housing) – although it may be appropriate to plan for the provision of this need separately". With respect, this comment is wrong. The PPG specifically provides at paragraph 3-037:

*“Local planning authorities should count housing provided for older people, including residential institutions in Use Class C2, against their housing requirement. The approach taken, which may include site allocations, should be clearly set out in the Local Plan.”*

1.13 We were also recently involved in the examination of the recently adopted Cheshire East Local Plan, where the need for C2 accommodation for older persons (i.e. the institutional population) is included within the overall housing requirement, and equates to approximately 6% of the total requirement (2,185 units of a requirement of 36,000 dwellings). The need is much higher in the JLP area. We consider that there are no local reasons for taking a different approach in this plan to that taken in the Cheshire East Local Plan.

## **2. 3.2 Spatial strategy – overall distribution of the housing provision across the JLP area**

**i The Councils' calculation of OAN indicates a requirement for the following distribution between the three Council areas in the JLP:**

Plymouth City 18,217

South Hams 3,924

West Devon 5,162

2.1 Of this total, some 600 would be provided within the DNP, leaving a requirement for 26,700 dwellings in the JLP.

2.2 Taking into account the Councils' assessment of housing land supply throughout the JLP area, the strategic objective to strengthen the focus of growth on Plymouth and in order to support the greater use and viability of sustainable transport modes in commuting to work (TP3 para 5.57), the distribution proposed as a monitoring target for the plan period in the JLP (Annex 2) is:

Plymouth City 13,200

South Hams 10,300

West Devon 3,200

**To what extent is it reasonable to distribute the housing requirement between the 3 Councils as proposed? Is this supported by credible evidence?**

- 2.3 In relation to the need identified through the SHMA, the Council's preferred approach is the 10 year migration scenario. However it is important to recognise from the outset that this is underpinned by past trends which reflect the implementation of a long standing policy approach of pursuing a vigorous growth strategy in Plymouth, at the expense of growth in the rural areas of South Hams and West Devon (and consequently out-migration of the economically active population).
- 2.4 The split between the Council's is not a true reflection of the distribution, due to the allocation of land on the edge of Plymouth (within the PPA) falling outside of Plymouth's administrative boundaries in South Hams. A direct comparison with the Council's calculation of the OAN is therefore meaningless, as large scale urban extensions on the edge of Plymouth but falling within South Hams District's administrative area have not previously formed a significant part of housing delivery in the area, and have therefore not been a factor in the household projections for South Hams.
- 2.5 If the quantum of development within the PPA that is to be delivered within the administrative boundary of South Hams is removed from the figure for South Hams, the residual figure for South Hams would be 4,500 dwellings (225 per annum). This is above the 10 year migration figure for South Hams which the Council claims to represent the OAN, but only very marginally above the DCLG household projections for the same period (4,386 dwellings). This is before the vacancy rate is applied (14.8%, bringing the need to 5,035 dwellings) and the recommended 25% uplift for market signals. Under this scenario the total OAN for South Hams is 6,294 dwellings (HO13, table 18). Consequently the amount of dwellings distributed to South Hams outside of the PPA would not even meet baseline demographic growth, and would fall significantly short of meeting the OAN.
- 2.6 The position in West Devon is even more severe. Under the SHMA Scenario 1, the OAN would be 5,722 dwellings (HO13, table 18). Even under Scenario 2, the OAN would be 5,162 dwellings (HO13, table 19). However, the plan proposes a requirement of only 3,200 dwellings for the District. This represents a very significant under-delivery against either baseline demographic scenario, let alone the full OAN with the uplift for market signals included.

2.7 We also note the importance attached to market signals by DCLG in the recent consultation on a standardised housing need methodology (Planning for the right homes in the right places). In the table supporting the consultation which applied the proposed formula, the requirements for Plymouth and West Devon would be as follows:

District	CLG consultation	Proposed JLP requirement
South Hams	354 per annum	225 per annum*
West Devon	318 per annum	160 per annum

**Table 1** – Housing need based on the CLG consultation proposals: *Planning for the right homes in the right places*

\*Excluding dwellings within the PPA

2.8 The identification of market signals uplifts for the two areas is important. The uplift cannot be of benefit in improving affordability in these rural areas if it is delivered in the PPA. The proposed distribution also runs directly contrary to the theme of ‘thriving towns and villages’ if demographic housing needs are not being met, and affordability issues are being allowed to perpetuate.

**ii The housing requirement is directed in Policy SPT3 to the two Policy Areas proposed in the JLP. A requirement for at least 19,000 dwellings is allocated to the Plymouth Policy Area (PPA), with at least 7,700 to the Thriving Towns and Villages Policy Area (TTVPA). Is the split between the PAs justified, and will it meet the needs of local communities and be sustainable?**

2.9 We do not consider that the proposed split is justified, it would not meet the needs of local communities, and it would not be sustainable in the context of the Framework read as a whole.

2.10 Firstly, towns and villages cannot ‘thrive’ if insufficient housing is provided to even meet the baseline demographic growth. Our comments set out above in response to question 3.2(i) also apply equally to the distribution to the PPA and the TTVPA.

2.11 Secondly, affordable housing needs within the TTVPA will not be met. The Housing Topic Paper forecasts an unmet need in the TTVPA of 750 affordable dwellings. However we consider that this figure may under-estimate the full scale of unmet need, given that the SHMA is based upon an assumption that the cost of housing could constitute no more than 35% of gross household income before affordable housing is required. The PPG does not specify an affordability ratio,

but the Government's previous practice guidance on SHMAs set this at 25%. Table 5.14 indicates that if 25% is applied, the affordable housing need would increase three fold. Furthermore, the SHMA excludes those on housing benefits from being in current need of affordable housing, even though such households clearly cannot afford private housing without such support.

- 2.12 Thirdly, the SHMA identifies an aging demographic profile within the TTVPA, and a significant need for older person's accommodation in the future. Paragraph 6.3 of the SHMA (HO13a) identifies that South Hams records the largest proportion of older persons only households (28.7%) within the HMA, followed by West Devon (27.2%) and Plymouth (20.5%). Paragraph 6.5 states:

*"The Objectively Assessed Need projections indicate that the population aged 65 or over is going to increase dramatically over the plan period from 81,778 in 2014 to 115,571 in 2034, a rise of 41.3%."*

- 2.13 The SHMA also indicates that there is a significant need for specialist accommodation, and notes that South Hams and West Devon Councils have indicated that there are no particular types of specialist accommodation or locations in which there is an unusually high level of vacancies currently (HO13a, paragraph 6.11).
- 2.14 Fourthly, such an approach would not support economic growth within the TTVPA. A strong rural economy should be at the heart of a policy to support thriving towns and villages. Paragraph 28 of the Framework requires planning policies to support economic growth in rural areas in order to create jobs and prosperity by taking a positive approach to sustainable new development. However only 5% jobs growth over the entire plan period is anticipated for South Hams under the 10 year migration scenario. It is highly unlikely that the 11% jobs growth anticipated for West Devon could be achieved given the reduction in the housing requirement and the OAN (even under the 10 year migration scenario).
- 2.15 The Council's case is that the distribution is based upon the availability of housing land within the PPA, the objective of focusing growth on Plymouth and the need to support sustainable transport modes in commuting to work. In response, there is no evidence to suggest that there is not land available within the TTVPA to support a significantly higher housing distribution. In terms of in commuting, accessibility is only part of sustainability, and paragraph 34 the Framework is clear on the need to take a wider view of all policies when considering

sustainable transport, particularly in rural areas. Furthermore an increase in housing growth within the TTVPA could be supported by economic development. It is also somewhat contradictory to suggest that commuting from the rural areas of the HMA to Plymouth is a major issue, whilst a significant increase in in-commuting from outside of the HMA is acceptable.

- 2.16 Economically, the Assessment of Employment Forecasts identifies that the proposed approach may actually increase unemployment in Plymouth City as jobs growth struggles to catch up with the increase in population. There is no reason why a focus on Plymouth could not be maintained whilst at the same time delivering sufficient housing within the TTVPA to meet the identified OANs, including the full uplift for market signals in each.
- 2.17 To conclude, we consider that the proposed approach is not justified and is not consistent with national planning policy. Furthermore, the distribution conflicts with the plan's own stated strategy of providing for 'thriving towns and villages' outside of the PPA.

### **3. 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?**

- 3.1 A supply of 29,800 dwellings would represent a flexibility factor of just 3,100 dwellings, or 11%. This is a very low flexibility factor in the context of a plan which relies upon a number of large strategic sites to deliver highly ambitious development programmes, including the Sherford New Community which is identified for 4,500 dwellings over the next 17 years, and which does not identify any reserve housing allocations.

**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?**

3.2 Paragraph 3.25 of the plan is clear on this issue. It clarifies that the JLP sets out a housing requirement figure for the Plan Area as a whole as well as for the PPA and the TTVPA. It must therefore demonstrate a 5 year supply against each of these targets. The tilted planning balance would therefore be engaged if a 5 year supply cannot be demonstrated within the PA or across the HMA as a whole. We consider that this represents a sensible approach to rectifying any deficiencies in housing land supply. Naturally the JLP will require ongoing joint working to ensure that the housing requirements are met, including bringing forward unallocated sites if an adequate supply of housing land cannot be maintained.

**vii In order to calculate a five year supply, is it appropriate to provide for the backlog within the first five years, with a 20% buffer to secure choice in supply? Would the five year requirement then be 9,815 in the first five years?**

3.3 Yes. Paragraph 3-035 of the PPG is clear that Local planning authorities should aim to deal with any undersupply within the first 5 years of the plan period where possible. Where this cannot be met in the first 5 years, local planning authorities will need to work with neighbouring authorities under the duty to cooperate.

3.4 In terms of the appropriate buffer, there have been very significant levels of under-delivery across the HMA over a prolonged period, as demonstrated in Figures 15-18 of the SHMA (ref: HO13). Therefore a 20% buffer should apply.