WHAT ARE PLYMOUTH’S FUTURE HOUSING NEEDS?

Plymouth Plan topic paper
Housing need and supply
What are Plymouth’s future housing needs?

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<th>What are Plymouth’s future housing needs?</th>
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</table>

This topic paper has been published as part of Plymouth Plan Connections. It is one of a series of topic papers that are being published to provide information and support the Council’s ongoing discussions with local people and organisations about the future of the city.

This topic paper looks at how many new homes should be built in Plymouth to meet the city’s needs, and how many homes we think can be built by 2031 – i.e. on sites we already know about or think might come forward for development over the plan period. It also looks at the need for affordable homes and housing for specific groups in the city.

To view all the topic papers and find out more about the Plymouth Plan, go to [www.plymouth.gov.uk/pptopicpapers](http://www.plymouth.gov.uk/pptopicpapers)
Introduction

Everyone has the right to a decent, safe and affordable home, which is suited to their needs and located in a community where they want to live. Delivering this aspiration is an essential part of the City Vision and of the wider agenda of creating sustainable, inclusive, mixed communities throughout the city.

A vital task for the Plymouth Plan is to set out a strategy for housing provision over the period 2011-2031 for the city, within the context of its sub-region, which:

- Supports Plymouth’s ambitious growth agenda and the city’s vision to become one of Europe’s most vibrant waterfront cities, where an outstanding quality of life is enjoyed by everyone. (see Strategic Overview Topic Paper)
- Contributes towards Plymouth’s urban renaissance, by helping to create more mixed, diverse, inclusive and well-connected urban areas – which encourage attractive, safe, well designed, quality developments, located in areas with good access to jobs, key services and infrastructure
- Promotes a wide choice of housing types, for both affordable and market housing, to meet the needs of all members of the community – ensuring a better balance between housing demand and supply as well as improving affordability
- Keeps the City’s housing requirements, and the ways in which they are being met, under regular review.
National Planning Policy Context

The publication of the National Planning Policy Framework (NPPF)\(^1\) in March 2012 set out the direction of policy change for the reformation of the planning system. At the heart of the NPPF is the presumption in favour of sustainable development. This includes ensuring a positive planning system which does everything it can to support sustainable economic growth.

Core planning principles are set within paragraph 17 of the NPPF. One of these in particular represents an important consideration with regards to housing provision. This states that planning should:

- Proactively drive and support sustainable economic development to deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs. Every effort should be made objectively to identify and then meet the housing, business and other development needs of an area, and respond positively to wider opportunities for growth. Plans should take account of market signals, such as land prices and housing affordability, and set out a clear strategy for allocating sufficient land which is suitable for development in their area, taking account of the needs of the residential and business communities.

Housing Need

The NPPF’s objective to boost significantly the supply of housing, requires authorities to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in the NPPF. Importantly the NPPF states in paragraph 159 that Local Planning Authorities (LPAs) should have a clear understanding of housing requirements in their area. They should:

- Prepare a Strategic Housing Market Needs Assessment (SHMNA) to assess their full housing requirements, working with neighbouring authorities where housing market areas cross administrative boundaries. The SHMNA should identify the scale and mix of housing and the range of tenures that the local population is likely to require over the plan period (2011-31) which:

  - Meets household and population projections, taking account of migration and demographic change;
  - Addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as families with children, older people, disabled people, service families and people wishing to build their own homes); and
  - Caters for housing demand and the scale of housing supply necessary to meet this demand

Housing Supply

The NPPF in Paragraph 47 states that Local Planning Authorities (LPA’s) should:

- identify and update annually a supply of specific deliverable sites sufficient to provide 5 years’ worth of housing against their housing requirements with an additional buffer to ensure choice and competition in the market for land.
- identify a supply of specific, developable sites or broad locations for growth, for years 6-10 and, where possible, for years 11-15 illustrating the expected rate of housing delivery for the plan period.
- set out a housing implementation strategy for the full range of housing describing how a 5 year supply of housing will be maintained; and
- set out an approach to housing density to reflect local circumstances.

The NPPF also states in paragraph 159 that LPA’s should prepare a Strategic Housing Land Availability Assessment (SHLAA) to establish realistic assumptions about the availability, suitability and the likely economic viability of land to meet the identified need for housing over the plan period.

An assessment of land availability is an important step in the preparation of local plans. An assessment should:

- Identify sites and broad locations with potential for development
- Assess their development potential
- Assess their suitability for housing development and the likelihood of development coming forward

Ensuring viability and deliverability

It is imperative that when identifying sites for housing development in order to meet the city’s ‘objectively assessed housing need’ and considering the policy requirements that they will be subject to that due consideration is given to ensuring the viability and deliverability of housing schemes.

The NPPF makes the point in Paragraph 173 that plans should be deliverable. It goes on to state that “the sites and scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened. To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer\(^2\) to enable the development to be deliverable.”

\(^2\) National Planning Practice Guidance states that this will vary significantly between projects to reflect the size and risk profile of the development and the risks to the project. It is the price at which a reasonable land owner would be willing to sell their land for the development. The price will need to provide an incentive for the land owner to sell in comparison with the other options available.
Further guidance is provided on viability in National Planning Practice Guidance which states that “Understanding Local Plan viability is critical to the overall assessment of deliverability. Local Plans should present visions for an area in the context of understanding of local economic conditions and market realities. This should not undermine ambition for high quality design and wider social and environmental benefit but such ambition should be tested against the realistic likelihood of delivery”. Furthermore guidance goes on to say that “plan makers should not plan to the margin of viability but should allow for a buffer to respond to changing markets…Policies should be deliverable and should not be based on an expectation of future rises in values at least for the first five years of the plan period.” As part of the process of preparing the Plymouth Plan the Council will be testing all the measures to be included in terms of viability.
**Local Context**

**Plymouth’s Local Development Framework**

The city’s current development plans cover the period 2006-2021+ (looking beyond to 2026). The city’s Adopted Core Strategy 2007 identifies a housing target of 17,250 dwellings over the period 2006-21 and a further 7,250 dwellings in the period 2021-26. This target was based on the requirements of the Draft Regional Spatial Strategy. Informed by the city’s aspirations to grow to over 300,000 people (see Strategic Overview topic paper) the Core Strategy makes provision for some 21,000 over the period 2006-21 and potential provision for a further 11,000 dwellings beyond 2021. The Core Strategy identifies the priority areas of the City Centre and Waterfront Regeneration areas, along with the city’s Eastern and Northern corridors to accommodate housing and economic growth.

**Plymouth’s Housing Plan**

Plymouth City Council’s housing plan\(^{(3)}\) details the city’s housing ambitions and sets out priority objectives for developing, improving and investing in people’s homes, neighbourhoods and communities up to 2017. At the core of the plan there are four key themes which set out strategic objectives that work towards the shared city and Council vision and priorities:

- **Growing the City** - Contributing to the economic prosperity, physical regeneration and growth of the city.
- **Better Homes, Healthy Lives** - Making homes safer, healthier and accessible.
- **Housing Choice, Smarter Solutions** - Increasing choice, tackling inequalities and preventing homelessness.
- **Successful Communities** - Making neighbourhoods safer, healthier, cleaner, cohesive and more prosperous.

The Plymouth Plan will incorporate and update theses Strategic Objectives and future Housing Plan reviews will reflect and deliver the Plymouth Plan’s overarching Housing Strategy.

Many people in Plymouth continue to feel the effects of the recent economic downturn, facing a cost of living crisis as household budgets are being squeezed with fuel, food and housing costs rising.

Our housing challenges require a credible response from the city and its partners and will be examined through the Plymouth Plan because:

- Without new and improved housing supply of the right homes, in the right place at the right price, the economic and physical regeneration of the city’s growth will be constrained.
- New models of affordable housing investment and delivery will be required, and we will need to maximise funding from other sources including use of public assets and land to kick start and maintain delivery with significantly less grant or with no grant at all.

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3 [www.plymouth.gov.uk/housing_plan](http://www.plymouth.gov.uk/housing_plan)
There is a need for infrastructure investment to unlock the city’s growth potential and to drive growth in its key opportunity areas.

Different solutions are needed in the current housing market to improve the city’s housing offer for all, with support for the most vulnerable.

With persistently high demand for major adaptations for people with disabilities, it is clear that much of our housing is inflexible and not accessible for many elderly or disabled people.

Improving housing standards to provide safe, secure, well designed, accessible and energy efficient homes can improve the health and wellbeing of all residents.

Access to good quality housing, at a price people can afford, will reduce inequality and provide the right environment in which children can thrive, get the best out of their education, and help adults get back into work.

Successful communities are achieved by working with residents to create a strong sense of place, where people feel safe, and have increased engagement and satisfaction in where they live.

**Plymouth's Housing Delivery 2006-14**

Significant progress has been made in the waterfront regeneration areas; the Area Action Plan for Devonport has been largely implemented and significant elements of Millbay & Stonehouse and Sutton Harbour Area Action Plans have been or are being implemented. In the Eastern Corridor new homes are being built at Plymstock Quarry and development at Sherford is expected to start on site soon. In addition significant progress has been made on the regeneration of North Prospect to replace and improve obsolete homes and help rebalance the local housing market.

However there remain significant challenges to realise our growth ambitions, particularly for the City Centre and Derriford, and we need to see a step change in overall future housing delivery if we are to achieve Plymouth’s growth agenda and address known housing needs. It will be important for our many housing challenges to be considered through the Plymouth Plan.

The Government has now abolished the top-down regional housing targets under the Localism Act 2011 which came into force 15 November 2011. The Draft Regional Spatial Strategy requirements were determined in a period of sustained economic growth. When the financial markets collapsed in 2008, there was a sudden and severe decrease in the number of people who were able to obtain a mortgage. This led to a huge reduction in the demand for new market housing, mainly affecting first time buyers, and this had a knock on effect on the supply of sites required to meet this reduced demand. The NPPF has in effect replaced the Draft Regional Spatial Strategy; however until the Plymouth Plan has been tested in a public examination the housing targets set out in the city’s Core Strategy are the targets that the NPPF requires the city to monitor itself against, despite the fact that they were set in a period of sustained economic growth and take no account of the impact of the prolonged recession and the huge reduction in the demand for market housing. With a significantly reduced number of prospective buyers in the market with access to finance it was unrealistic to expect house builders to deliver the levels of housing numbers envisaged before the recession as clearly supply would have outstripped the demand.
The city’s performance with regard to housing delivery since 2006 must therefore be seen against the backdrop of a sustained period of economic downturn. Prior to the recession the city was above target but the sudden and severe downturn has clearly impacted on house builder’s ability to deliver in recent years.

Figure 1: Delivery of Dwellings 2006-14

<table>
<thead>
<tr>
<th>Year</th>
<th>2006/07</th>
<th>2007/08</th>
<th>2008/09</th>
<th>2009/10</th>
<th>2010/11</th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
<th>Total to date</th>
<th>Annual Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>New build 1-4 dwellings</td>
<td>41</td>
<td>37</td>
<td>15</td>
<td>29</td>
<td>23</td>
<td>29</td>
<td>32</td>
<td>25</td>
<td>231</td>
<td>29</td>
</tr>
<tr>
<td>New build 5-9 dwellings</td>
<td>16</td>
<td>30</td>
<td>15</td>
<td>5</td>
<td>27</td>
<td>54</td>
<td>17</td>
<td>0</td>
<td>185</td>
<td>21</td>
</tr>
<tr>
<td>Conversions 0-9 dwellings (net)</td>
<td>83</td>
<td>100</td>
<td>73</td>
<td>51</td>
<td>42</td>
<td>14</td>
<td>8</td>
<td>29</td>
<td>402</td>
<td>50</td>
</tr>
<tr>
<td>Large Sites 10-49 dwellings</td>
<td>398</td>
<td>161</td>
<td>272</td>
<td>175</td>
<td>229</td>
<td>214</td>
<td>156</td>
<td>177</td>
<td>1782</td>
<td>223</td>
</tr>
<tr>
<td>Major Sites 50+ dwellings</td>
<td>891</td>
<td>475</td>
<td>630</td>
<td>282</td>
<td>236</td>
<td>289</td>
<td>453</td>
<td>240</td>
<td>3492</td>
<td>437</td>
</tr>
<tr>
<td>Sub-total Gross</td>
<td>1429</td>
<td>803</td>
<td>1004</td>
<td>542</td>
<td>557</td>
<td>600</td>
<td>666</td>
<td>471</td>
<td>6072</td>
<td>759</td>
</tr>
<tr>
<td>Students</td>
<td>0</td>
<td>0</td>
<td>93</td>
<td>0</td>
<td>0</td>
<td>16</td>
<td>10</td>
<td>292</td>
<td>411</td>
<td>51</td>
</tr>
<tr>
<td>Total</td>
<td>1429</td>
<td>803</td>
<td>1004</td>
<td>542</td>
<td>557</td>
<td>616</td>
<td>676</td>
<td>763</td>
<td>6483</td>
<td>810</td>
</tr>
<tr>
<td>Demolitions</td>
<td>-113</td>
<td>-13</td>
<td>-94</td>
<td>-141</td>
<td>-22</td>
<td>-146</td>
<td>-112</td>
<td>-32</td>
<td>-673</td>
<td>-84</td>
</tr>
<tr>
<td>Total (net)</td>
<td>1316</td>
<td>790</td>
<td>1003</td>
<td>401</td>
<td>535</td>
<td>470</td>
<td>564</td>
<td>731</td>
<td>5810</td>
<td>726</td>
</tr>
</tbody>
</table>

The following figures/tables illustrate the impact of the recession on the city’s house building during 2009 and thereafter. The city’s construction sector was hit hard by the recession. House construction rates fell from a peak of 1429 dwellings in 2006/7 to 542 dwellings in 2009/10 reflecting the economic downturn, lack of development and mortgage finance, and reduced confidence in developers and home buyers.

The Council responded immediately to the situation with the introduction of the Market Recovery Scheme\(^4\) and more recently with the ‘Get Plymouth Building’\(^5\) programme and the ‘Plan for Homes’\(^6\). The ‘Plan for Homes’ is an ambitious programme that will deliver 1,000 new homes each year for the next five years and identifies 16 new ideas to increase housing delivery which includes the release of over 100 acres of Council owned land for housing.

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4 The Market Recovery Scheme was an initiative introduced by the Council to help development to proceed during times when viability was a major constraint on development as a result of the economic downturn. It set out a flexible approach to the negotiation of planning obligations in order to incentivise early delivery of development. The provision of the scheme came to an end when the Council’s (CIL) came into effect on 1st June 2013.

5 [www.plymouth.gov.uk/homepage/environmentandplanning/planning/housingdelivery/housingdeliverygetplymouthbuilding.htm](http://www.plymouth.gov.uk/homepage/environmentandplanning/planning/housingdelivery/housingdeliverygetplymouthbuilding.htm)

6 [www.plymouth.gov.uk/homepage/environmentandplanning/planning/housingdelivery/housingdeliveryplanforhomes.htm](http://www.plymouth.gov.uk/homepage/environmentandplanning/planning/housingdelivery/housingdeliveryplanforhomes.htm)
The figures/tables below also illustrate that these initiatives are resulting in increased activity in the housing market with more homes being built and sold, also fuelled by the government’s Help to Buy\(^{(7)}\) initiative. The city is now seeing a gradual return to levels seen prior to the recession as the amount of available purchasers increase and house builder’s capacity to build improves as confidence in the housing market improves. Indeed the number of new dwellings (903) that started construction in the year 2013/14 are the highest seen since 2006/7. Furthermore table 2 shows that the city’s pipeline of deliverable dwellings over the next 5 years anticipates on average some 1,100 net dwellings per annum which clearly indicate that there is significant need/demand in Plymouth for new housing.

Since 2006, Plymouth has delivered an average of 810 dwellings per annum (gross) and 726 dwellings per annum (net). This timeframe covers a period of economic growth prior to the downturn so perhaps better represents housing delivery across the economic cycle.
Table 1: Dwelling Delivery (Current Plan Period – 2006-14)

<table>
<thead>
<tr>
<th></th>
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<td>30</td>
<td>16</td>
<td>5</td>
<td>27</td>
<td>54</td>
<td>17</td>
<td>0</td>
<td>168</td>
</tr>
<tr>
<td>Conversions 0-9 dwellings (net)</td>
<td>83</td>
<td>100</td>
<td>75</td>
<td>51</td>
<td>42</td>
<td>14</td>
<td>8</td>
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<td>236</td>
<td>289</td>
<td>453</td>
<td>240</td>
<td>3492</td>
</tr>
<tr>
<td>Sub-total Gross</td>
<td>1429</td>
<td>803</td>
<td>1004</td>
<td>542</td>
<td>557</td>
<td>600</td>
<td>888</td>
<td>471</td>
<td>6072</td>
</tr>
<tr>
<td>Students</td>
<td>0</td>
<td>0</td>
<td>93</td>
<td>0</td>
<td>0</td>
<td>16</td>
<td>10</td>
<td>292</td>
<td>411</td>
</tr>
<tr>
<td>Total</td>
<td>1429</td>
<td>803</td>
<td>1097</td>
<td>542</td>
<td>557</td>
<td>616</td>
<td>678</td>
<td>783</td>
<td>6483</td>
</tr>
<tr>
<td>Total (net)</td>
<td>-1316</td>
<td>790</td>
<td>1003</td>
<td>401</td>
<td>535</td>
<td>470</td>
<td>564</td>
<td>731</td>
<td>5810</td>
</tr>
</tbody>
</table>

Figure 3: Number of Dwelling Starts 2006/14

Number of Dwelling Starts 2006/14 (excludes small conversions)
Affordable Housing Delivery

The city’s strong track record of affordable housing delivery is a reflection of the effective partnership working with our partner Housing Associations and the Homes and Communities Agency (HCA) through the Plymouth Housing Development Partnership (PHDP), developers and other housing providers. Development of a range of new affordable homes by:

- Direct delivery by Housing Associations on acquired or city council sites
- Planning gain through S106 sites
- Bringing empty homes back into use
- Regeneration programmes

The following completions figures demonstrate our track record in the delivery of new affordable housing.

<table>
<thead>
<tr>
<th>Year</th>
<th>Affordable Homes Completed</th>
<th>Rent</th>
<th>Low cost homeownership</th>
<th>% of all homes completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008/09</td>
<td>290</td>
<td>191</td>
<td>99</td>
<td>26%</td>
</tr>
<tr>
<td>2009/10</td>
<td>335</td>
<td>198</td>
<td>137</td>
<td>62%</td>
</tr>
<tr>
<td>2010/11</td>
<td>368</td>
<td>240</td>
<td>128</td>
<td>66%</td>
</tr>
<tr>
<td>2011/12</td>
<td>276</td>
<td>178</td>
<td>99</td>
<td>45%</td>
</tr>
<tr>
<td>2012/13</td>
<td>266</td>
<td>138</td>
<td>128</td>
<td>38%</td>
</tr>
<tr>
<td>2013/14</td>
<td>183</td>
<td>125</td>
<td>58</td>
<td>25%</td>
</tr>
<tr>
<td>2014/15</td>
<td>400</td>
<td>300</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Table 3: Affordable housing completions and 2014/15 projections

Our Core Strategy target (CS15) is for at least 30 per cent of new dwellings on qualifying sites to be affordable, subject to viability. This equates to 3,300 new affordable homes by 2021.

Since 2006 and the start of the Core Strategy plan period a total of 2186 affordable homes have been delivered. This is 36 per cent of all new homes delivered during that time.

Housing mix

We aim to ensure that a mixture of different types, tenure and sizes of homes are developed to meet the needs of the city. This includes affordable rented accommodation for single people and families, opportunities for low cost homeownership and first time buyers, as well
as supported housing projects for vulnerable households, specialist housing projects for people with a range of disability, Lifetime Homes and properties built to full wheelchair standard.

We are exploring new funding and delivery models to seek to deliver social rented homes with our Housing Association partners to respond to the more acute housing affordability issues facing households, as well as a new market rented offer for the city to help provide better quality and security in the private rented sector.

Efficient Use of Land

The density of a development is an important consideration when assessing proposals ensuring that development is delivered sustainably. The highest densities should be located in close proximity to centres (City, District and Local), facilities and public transport interchanges, where there are the greatest opportunities to walk. Sustainable communities need to achieve a suitable critical mass of population to support local facilities and good public transport services. It is important that available housing sites deliver housing efficiently. The consequence of low density housing is effectively the requirement for more land and being unlikely to support and sustain local services or public transport as less people live within a particular area to demand services. Since 2006 the application of the city’s policies on sustainable linked communities, prioritising the use of previously developed land and promoting high density of development compatible with the creation of an attractive living environment has led to 94% of new housing development being provided on sites of more than 30 dwellings per hectare\(^8\) (See figure 4 below). On this basis it is not envisaged that the Plymouth Plan needs to include local density standards to ensure the efficient use of land within the city.

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8 Previous planning policy guidance dating back to 2000 identified a national density standard of 30 dwellings per hectare where possible; however the NPPF does not contain any such standards.
Figure 4: Density of New Build Dwellings 2006-14

Question 1

Do you think this approach is appropriate?
The Evidence Base - Plymouth’s Strategic Housing Market Needs Assessment (SHMNA) 2011-31

Plymouth City Council in partnership with South Hams District Council, West Devon Borough Council, Cornwall Council and Dartmoor National Park Authority (hereafter referred to as the Local Authorities) commissioned consultants to prepare a SHMNA for the Plymouth Housing Market Area. The SHMNA provides part of the evidence base to inform the development of planning policy, and to underpin local housing strategies in the Local Authorities. Specifically it will:

- Enable the local authorities to make more informed decisions regarding the targeting of housing related resources.
- Enable the local authorities to adopt an integrated approach to housing and planning strategy, policy development and review.
- Assist in developing housing and planning policies at the local and sub-regional level.

It is important to emphasise that the SHMNA forms a part of the evidence base for local plans and does not constitute policy or direct future housing growth to specific areas. The Councils are required to work together on a sustainable and achievable approach to housing need across their wider area as part of their Duty to Cooperate.

The Housing Market in Plymouth

In comparison with the UK, and much of the South West, Plymouth has relatively:

- Lower levels of owner occupation: 59.5% locally as opposed to 64.1% nationally
- Higher levels of private rented; 20.2% as opposed to 16.8%
- Higher levels of affordable housing; 19.3% as opposed to 17.7%
- More older privately owned or rented properties in poor standard of failings basic tests
- Higher concentrations of poorly maintained and fuel inefficient private housing occupied by older and vulnerable, low income households
- More poor standard social rented homes needing renewal and regeneration

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9 A housing market area is a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work...The extent of the housing market areas identified will vary, and many will in practice cut across various local planning authority administrative boundaries. Local planning authorities should work with all other constituent authorities under the duty to cooperate. DCLG, Planning Practice Guidance – Housing and economic development needs assessments, March 2014

10 The duty to cooperate was created in the Localism Act 2011...It places a legal duty on local planning authorities, county councils in England and public bodies to engage constructively, actively and on an ongoing basis to maximise the effectiveness of Local and Marine Plan preparation in the context of strategic cross boundary matters. The duty to cooperate is not a duty to agree. But local planning authorities should make every effort to secure the necessary cooperation on strategic cross boundary matters before they submit their Local Plans for examination.
High social and financial exclusion in a low waged economy, average earnings £23,600, 40% of households earning less than £20,000, with significant worklessness.

Significant demand for privately rented homes, and those in multiple occupation from both students and local people.

An outline of Plymouth’s current stock position can be summarised through the following:

- Plymouth has a total of 113,528 dwellings, 4,221 of these are currently classified as having no usual resident, equating to 3.7% of the total stock\(^{11}\)
- A net total of 7044 dwellings have been provided in the period 2001-11\(^{12}\). This represents an average of 704 dwellings per annum over the last 10 years. However over this time the annual level of completions has varied driven by the market peaking in 2007/8 and collapsing thereafter as result of the ‘credit crunch’ leading to the recent recessionary economic climate. Net annual delivery of dwellings was averaging over 1000 dwellings per annum in 2006-8 and then fell to an average of under 500 as a result of the economic downturn and in line with national trends.
- The profile of the housing stock shows that around 11% of homes are detached, 29% are semi-detached, 34% are terraced and 26% are flats. This profile is reflected in the size of properties, with the average number of rooms per household in 2011 being 5.1 and the average number of bedrooms 2.6.
- The latest stock condition data shows that 32% of the private stock across the City is classified as unfit\(^{13}\).
- According to the 2011 Census 4% of households are classified as living in overcrowded conditions.
- In terms of the tenure of housing the 2011 Census shows that 27% of households in Plymouth own their own property outright, 32% own their property with a mortgage, circa 1% live in shared ownership, 19% live in social housing (registered social housing provider rental property) and 18% live in the private rented sector (landlord or letting agency) with a further 3% living in other tenures (2% private rented other and 1% living rent free). Analysis of the change in tenure profile from 2001 indicates Plymouth has seen an above average increase in the private rented sector. The 2011 Census recorded just over 20% of households in this tenure – up by just over 5% from 15% in 2001.
- Tenure patterns reveal high concentrations of owner occupation in the East of the local authority area in particular. Lower levels of owner occupation are evident in the south and west of the city, corresponding to higher proportions of social rented tenure homes (see figures 5 to 8 below).

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11 Source: 2011 Census, A household space is the accommodation used or available for use by an individual household. A household space with no usual residents may still be used by short-term residents, visitors who were present on census night or a combination of short-term residents and visitors. Vacant household spaces and household spaces that are used as second addresses are also classified in census results as household spaces with no usual residents.

12 Source: Plymouth City Council, Housing Sites Database.

13 Source: The condition of Private Sector Housing in the South West Region – South West Regional Assembly (March 2009).
Figure 5: Tenure - Owned outright

Figure 6: Tenure - Owned with a mortgage
Figure 7: Tenure – Social rented and shared ownership

Figure 8: Tenure – Private rented (including renting from a landlord or letting agency)
Local housing pressures include;

- Lower quartile house costs 6.3 times lower quartile salary – housing affordability remains an issue for many
- Over 10,000 households on the waiting list with fewer lets becoming available
- 730 households seeking to downsize due to recent welfare reforms to bedroom tax
- 80% of future affordable housing needs are 1 & 2 bedrooms
- 52% increase in customers seeking housing advice / 607 households prevented from becoming homeless over the past 12 months, with an increase to 102 households in temporary accommodation.

**Demographic Drivers in Plymouth 2001-2011**

The SHMNA identified a number of important characteristics of the current population of the authority and the drivers which have influenced the profile of the population and households over recent years. A summary of the demographic trends influencing the operation of the housing market in Plymouth are set out below:

- Comparing the 2001 and 2011 Census shows that the population of Plymouth has grown by approximately 15,600 people over these ten years. This represents a growth of 6.5% over 10 years;
- Plymouth’s population profile has a notably high proportion of people aged 20 to 25 when compared to the England and Wales profile, with this having increased significantly between 2001 and 2011. By contrast the authority has lower proportions of people aged 30 to 40, with this age group seeing a notable contraction between 2011 and 2011;
- Natural change (births and deaths) has been the main driver of population change. The overall growth of the local authority’s population has also been influenced by internal migration. Interestingly the inward migration observed in the years prior to the recession has reversed to a net outflow since the recession. This observed trend is potentially linked to the changing availability of job opportunities as well as affordability challenges. (see figure 9 below)

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14 Since April 1st 2013, welfare reforms have cut the amount of benefit that people can get if they are deemed to have a spare bedroom in their council or housing association home. This measure only applies to housing benefit claimants of working age, and is commonly referred to as the bedroom tax, size criteria, under occupation penalty or removal of the spare room subsidy.

15 Census records the population of Plymouth in 2001 as 240,720 and in 2011 as 256,384

16 Movement in and out of people between Plymouth and other authorities in the UK
Plymouth’s average household size remained relatively constant between 2001 and 2011 at 2.29 persons per household which was also the picture nationally. This was the first time in 100 years where the average household size had not fallen between censuses. This trend of stability in average household size needs to be understood in the context of prevailing market and economic conditions, particularly in the four years preceding the Census 2011 date (2007-2011). This period has been generally characterised by a deep period of recession, sluggish income growth and limited net new employment opportunities. On the housing supply side, the same period has been characterised by low levels of private completions. The combination of these trends has meant that many households have been unable to form during this period for reasons of affordability and confidence, with a resultant concealment trend a likely contributor to stable average household sizes. Caution therefore needs to be applied in the interpretation of household sizes on its own as a leading indicator for housing demand. The data does not provide an indication of the propensity or likeliness of households to form in the future and in context of improved economic and supply conditions.
The scale of housing required 2011-2031 – What is Plymouth's Objectively Assessed Housing Need?

The Plymouth Plan’s starting point for establishing an appropriate housing target is to identify what the ‘objectively assessed need’ is for the City. It is imperative therefore to establish all the reasonable alternatives that could be construed as being appropriate, based on proportionate evidence. The SHMNA contains a detailed analysis of demographic market and economic drivers in order to identify a proposed dwelling requirement for Plymouth over the period 2011 to 2031. It produces 3 scenarios of population growth based on past trends and economic forecasts. Each scenario translates this into projected household growth and therefore the scale of housing required. These scenarios are assessed to test their reasonableness based on local circumstances, the city’s growth ambitions and the NPPF’s objectives, to significantly boost housing supply; for plans to be aspirational but realistic and positively prepared, justified, effective and consistent with national policy.

Scenario 1 - Trend based projection

Table 4: Trend based projection

<table>
<thead>
<tr>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Projected Population Relased SNPP 2010 (trend)</td>
<td>256,589</td>
<td>276,234</td>
<td>9,407</td>
<td>576</td>
<td>9,689</td>
<td>484</td>
</tr>
</tbody>
</table>

The trend based projection suggests that the population of Plymouth will continue to grow between 2011 and 2031. This reflects the fact that Plymouth has seen a growth in population between 2001 and 2011. The trend based projection essentially bases future population growth on the last five years from the projection base point. This explains why under this scenario Plymouth’s growth is comparatively low when set against the average trend between 2011 and 2011 with the last half of this period showing a lower level of population growth linked to a reversal of the flow of internal migration to a net outflow position. Importantly this projects forward the net outflow of migrants to other parts of the UK as seen within Plymouth since the economic downturn.

Analysis

The projection assumes in effect a continuation of the economic downturn and assumes for example that household sizes will continue to remain stable. It projects forward a continuation of outward migration to other authorities across the UK.

Under this scenario the labour-force in Plymouth would increase by under 600 across the projection period (2011-2031), reflecting the assumed strong net outflow of working age residents.

This scenario, therefore does not respond positively to the city’s radical vision and its high level aspiration for growth based on sustained economic improvements (see Strategic Overview topic paper).
In fact, the scenario represents a significantly lower dwelling requirement than what has been achieved in the City over the period 2001-2011 and is lower than what has been achieved in the city during the downturn. This scenario represents an excessively pessimistic and unrealistic projection highlighted in terms of the contraction of the labour force and ignores market signals for demand, including the development of major new housing schemes such as at Sherford and Plymstock Quarry. It therefore does not sit well with the NPPF’s objectives to boost significantly the supply of housing, addressing the needs for affordable housing and to plan positively, and significantly does not represent positive planning.

In order to objectively assess need for housing as required by the NPPF it is vital that a distinction is made between the level of need and demand based on a continuation of trends and baseline economic futures. The following two scenarios are based on economic projections intended to provide an indication of the future direction of economic change. Essentially, they are similar approaches but the model outputs vary because they have a slightly different take on the future path of the UK economy. In considering these projections it is important to acknowledge that they assess future change based on historic performance and the assessed relative comparative strengths of the economic structure of the area in the context of forecast changes to UK wide economic sectors. These projections do not claim to integrate planning policy interventions and/or undefined programmes or projects of economic investment. They do however represent a good starting point in understanding the potential of the economy and the potential impact this will have on changing population and household growth.

Scenario 2 – Employment led (Oxford Economics)

Table 5: Employment led (Oxford Economics) projection

The next two scenarios differ from the above scenario, because they are based on projections of job growth which are then translated into demographic change and a need for new homes. For more detail on how these employment forecasts are derived and why we believe they are realistic assessments of the economic growth potential in Plymouth, please refer to the Employment Land Review evidence base study and the Economy Topic Paper.

Oxford Economics

Oxford Economics (OE) models are economically driven. Given changes in economic conditions drive labour market performance, which in turn affects migration patterns and housing demand/make-up, economic based forecasts are essential. For example, if employment or productivity changes in one sector, there are implications for all sectors of the economy through indirect (supply chain) and induced impacts.
The employment creation will then put downward pressure on unemployment, while encouraging increased commuting into the economy, and making it a more attractive location for migrants. This would effectively drive up population and housing demand (and put more demand on public services).

OE population and migration forecasts, along with employment will be driven by a combination of official forecasts and our view of the future economic conditions.

Analysis

Under this scenario the labour-force in Plymouth would increase by just over 7000 jobs across the projection period (2011-2031) which would only replace the jobs lost in the city between 2001 and 2010.

This scenario would also appear to ignore market signals for demand. It represents a dwelling requirement akin to what has been achieved in the City over the period 2006-2014, a period in which the housing market was heavily influenced by the impacts of the recession. It therefore does not sit well with the NPPF’s objectives to boost significantly the supply of housing, addressing the needs for affordable housing and to plan positively, and significantly does not represent positive planning.

This scenario does not therefore respond positively to the city’s radical vision and its high level aspiration for growth based on sustained economic improvements (see Strategic Overview topic paper)

Scenario 3 – Employment led (Experian)

Table 6: Employment led (Experian) projection

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Number of Persons</th>
<th></th>
<th></th>
<th>Dwellings Required 2011-2031 (3% vacancy assumed)</th>
<th>Net annual average dwelling requirement 2011-2031</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment led Experian</td>
<td>256,589</td>
<td>309,173</td>
<td>22,103</td>
<td>18,240</td>
<td>22,756</td>
</tr>
</tbody>
</table>

Table 6: Employment led (Experian) projection

Experian

The overall forecasting approach is based on a methodology that combines long-term supply and demand influences with short-term demand side factors. In the short- to medium-term, economic performance is driven by demand side influences. But supply potential – defined by such factors as productivity, participation, infrastructure, and demographic profile - is the long-term determinant of regional growth.

Analysis

The Employment led (Experian) projection best addresses the city’s market and affordable housing need and the inequalities that exist within the city. Under this scenario the labour-force in Plymouth would increase by over 18,000 jobs which responds well to the city’s aspirations.
for growth by aiming to increase the amount of jobs in Plymouth beyond the 2001 position and not aiming to simply replace the jobs lost in the city in the latter half of the last decade due to the impacts of the recession.

The Experian projection responds well to market signals which indicate high levels of housing demand in and around the City. It responds well to the city’s radical vision and its high level aspiration for growth based on sustained economic improvements and a population in the Plymouth area of 300,000 plus (see Strategic Overview topic paper) whilst also presenting a realistic housing need.

The Experian forecast also site well with the NPPF’s objectives to boost significantly the supply of housing, addressing the significant need for affordable housing and to plan positively.

Conclusion

The Employment led (Experian) projection is therefore considered to be the Council’s preferred forecast for its objectively assessed housing need over the period 2011-2031 meaning a dwelling requirement of 22,766 at an average of 1,138 dwellings. Further evidence will still be required to support the city’s objectively assessed need and these alternative scenarios will be subject to a Strategic Environmental Assessment\(^\text{17}\) which will be an integral part to inform the production of the Plymouth Plan, which will consider all the likely significant effects on the environment, economic and social factors.

**Question 2**

Which scenario do you think best represents the city’s future housing need 2031?

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17 Strategic Environmental Assessment: A procedure (set out in the Environmental Assessment of Plans and Programmes Regulations 2004) which requires the formal environmental assessment of certain plans and programmes which are likely to have significant effects on the environment.
**What type and size of housing will the city need in the future?**

Under all the scenarios Plymouth is projected to have an ageing population. The following table shows the projected change in the age profile of the population under each of the modelled scenarios. This shows that under the trend based projection the number of persons aged 18-74 would increase by only a modest amount. Under the employment led-scenarios this position is different as there is an assumption that working age persons migrate into the authority to take up employment opportunities, this is most pronounced under the employment-led (Experian) scenario which assumes a significant growth in the employment levels in Plymouth. Significantly the table clearly shows that under all of the scenarios the number of older persons (defined as those aged 74 and over) increases significantly. Under the trend based forecast scenario this age group makes up only 7.9% of the total population in 2011 but by 2031 this is projected to increase to 11% of the population (between 10.3% and 10.8% of the population under the employment-led scenarios).

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Projected Change in Population 2011 - 2031</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0-17</td>
</tr>
<tr>
<td>Re-based SNPP 2010</td>
<td>7,868</td>
</tr>
<tr>
<td>Employment-led Experian</td>
<td>13,471</td>
</tr>
<tr>
<td>Employment-led OE</td>
<td>8,551</td>
</tr>
</tbody>
</table>

*Source: Edge Analytics, GVA, 2013*

**Table 7: Projected change in the age profile of the population 2011-2031**

The types of household are also projected to change, with the ageing population noted above one influencing factor. Primarily however the projections outlined in the SHMNA show a notable uplift in single person and couple households. The SHMNA concludes that the projected trends around the changing demographic profile of the city are likely to alter the types and sizes of houses which will be required in the future. It suggests that there may be a high demand for smaller properties suitable for meeting the needs of older person households within the city. Under the scenarios but more significantly under the employment led scenario the growth in family households, aged 25-44 in particular is significant.

Also significant are the 27% of Plymouth population identified with some sort of disability – higher than national averages. These population pressures will require continued emphasis on Lifetime Homes and disabled housing provision, as well as sheltered housing and extra care – in order to ensure that the City meets identified housing needs and to support independent living.

The SHMNA therefore indicates that the city must consider a range of specialist housing solutions in order to meet the needs of an ageing population and people with specific support needs. There are numerous types of housing schemes and projects that can meet these needs; some of these are general needs for older persons with little specific support available other than flexible design and allocations to older persons. Other models allow some form of warden or on call support such as sheltered or supported schemes; others provide a full range of high level support. The ‘health and well-being paper’ sets out the range of housing,
health and support needs that can offer housing solutions for these client groups. The topic paper will make recommendations on the specific solutions the city will need to consider to meet this need.

However, some of the general principles of older persons or supported housing are set out below to allow a degree of cross reference between topic papers:

**Housing for older people**

Older people’s resources, aspirations and needs are varied so the range of bespoke housing choices needs to increase, offering more fit for purpose affordable solutions to their housing needs. Recognising also that many people want to live in mainstream housing, new homes should be developed to higher energy efficiency and accessible standards, such as Lifetime Homes and purpose built bungalows. This might encourage some older people to downsize to more manageable, adaptable and affordable homes, releasing larger homes for families.

**Extra care housing**

Between 2011 to 2031 there is a projected increase of 30% of older persons (65+); with an 83% increase of those aged 85+. From ‘More Choice, Greater Voice’ document the recommendation is that there are 25 extra care units per 1000 head of population over the age of 75. This results in a need of 500 units of extra care for Plymouth. As we currently have 274 extra care units across six schemes in the city, this leaves a shortfall of 226 units.

A recent review of extra care demand (Co-operative Commissioning and Adult Social Care) identified that extra care housing schemes offer considerable value for money in that the revenue cost of a placement in extra care housing is half that of an alternative residential / nursing care placement and care package.

The city is currently developing an Extra Care Scheme of 40 units with Aster Homes and there are plans for 1200 units of extra care housing at Sherford where there could be the possibility of Plymouth negotiating access to some of these units.

To meet this demand for extra care there is the need for at least four future extra care schemes in Plymouth.

**Other older person’s housing**

Other models of older persons housing will need to be considered and developed to meet the full spectrum of older persons need. These should be built to HAPPI (Housing our Ageing Population: Panel for innovation) principles of best practice; adaptable properties to allow the individual to reside within their home for as long as possible as their care and support needs change, fuel efficient to minimise fuel poverty and well designed to minimise personal isolation. These schemes might include:

- Older persons general need housing – both as open market units or as affordable housing units for rent. These might consist of smaller houses or flats.
- Sheltered housing – accommodation with a warden or on call facility for support
Floating support – support ‘as and when’ the individual requires within their existing property.

Pathway flats to free up hospital beds prior to hospital discharge when assessments and care plans are being established.

Extra care housing

Specialist high level care schemes e.g. for people with specific need such as dementia

**Disability / Wheelchair Housing**

Detailed research is being undertaken in order to quantify disabled and wheelchair accessible housing need in Plymouth. Emerging findings indicates substantial disabled housing needs in both open market and affordable housing in the city.

Depending on the method of calculation the amount of unmet disabled housing need in Plymouth ranges between 262 – 330 households. We have an existing programme of housing delivery which helps meet some disabled wheelchair accessible housing needs; primarily in the affordable sector on public sector land releases. However due to the extent and nature of identified need there is the need to deliver more disabled housing through planning gain – s106 developer provision.

Further information on the need for new homes meeting the needs of disabled people will be gathered through consultation with relevant client groups in the autumn of 2014. Should the Plymouth Plan set out a new planning policy requirement for new development to provide an amount of disable housing? Such a policy could set out a similar approach to that used for affordable housing, for example requiring that 4% of all homes provided on schemes of 25 dwellings or more (including conversion schemes) should help to meet this identified need. Since it would seem likely that the disabled housing provision would exceed lifetime homes standards, this requirement can be discounted off the 20% lifetime homes requirement.

**Question 3**

Should the Plymouth Plan set out a policy requiring new housing developments to provide homes for disabled people?

**Question 4**

Should we apply this disabled housing standard to student housing?

**Lifetime Homes**

To help provide more age friendly accessible and adaptable housing it is recommended that we improve our Lifetime Homes policy to a requirement for 20% on sites of 5 dwellings or above, including conversions and student housing.
Although new elements will be introduced to Part M of building regulations, which is about accessibility to and into the entrance level of the property, Lifetime Homes criteria go further than Part M; making the property adaptable for differing households' accessibility needs, with potential for improved access to storeys above the entrance level and key facilities.

**Self-Build and Custom Build Homes**

The SHMNA 2013 identified significant demand for self-build and custom build homes in Plymouth. This is reinforced by growing numbers of households registering an interest in self-build housing opportunities in the city. Plymouth maintains a Register of Interest for Self Build that currently has 72 households interested in self-building in the City. This recorded level of interest is likely to be the tip of the iceberg, and we anticipate many more people will express an interest in self-building in Plymouth when some of the self-build schemes we are promoting come on stream and gain publicity.

The city has appointed a Self-Build Champion and is developing a series of measures to support self-build in the City as part of Plymouth’s Get Plymouth Building and Plan for Homes initiatives, to increase the numbers of homes built, and to widen the range of housing options available to people in the City. The Council has undertaken a strategic land review of available land and identified a number of possible suitable self-build plots, and plans to bring forward self-build serviced plots as well as individual self-build plots of land.

To support increased self-build opportunities to meet demand, consideration should be given to the provision of serviced self-build plots within larger development sites. We need to explore options to continue self-build land supply including how we facilitate making non-public land available for self-build.

However with development viability a significant issue in Plymouth, it may be difficult to justify the prioritisation of self-build housing need alongside affordable housing, disabled housing or lifetime homes. Given the level of self-build housing demand in Plymouth, housing developers could consider de-risking developments with off plan self-build plots sales.

**Question 5**

Should we be considering making self-build provision a housing policy requirement and recommending a % requirement on sites above a particular quantum of development?

**Student Accommodation**

The University of Plymouth has been one of the city’s success stories, expanding significantly in terms of numbers of students and subjects taught. It has embarked on an ambitious programme of consolidating, improving and modernising its North Hill campus to the North of the City Centre creating a vibrant and mixed-use campus with a number of high quality buildings most notably the iconic Roland Levinsky arts building. The University has ambitions
to continue to improve its campus and is aiming to ensure that all first year students have the offer of accommodation in University managed Halls of Residence. This will mean the construction of further purpose built managed accommodation blocks.

Purpose-built student accommodation in the form of cluster flats and studio developments, in accessible locations with on-site management staffing, relieves the pressure on family-sized dwellings in popular locations such as Mutley and Greenbank and Derriford and reduces the need for students to commute by car. The Council supports this form of student accommodation as long as it is well-designed, provides a decent standard of accommodation and is suitably located to minimise any negative impacts on residential amenity\(^{(18)}\).

Table 8 below shows that since 2006, consent has been granted for just over 2600 student bed spaces however only less than half of those consented have been completed. Some developments have not been implemented for a variety of reasons which can include the viability of a scheme, as is the case with other types of housing development that receive consent.

<table>
<thead>
<tr>
<th>Status of site</th>
<th>Total dwellings</th>
<th>Total number of bed spaces/students (across Plymouth)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completed</td>
<td>328</td>
<td>1087</td>
</tr>
<tr>
<td>Sites Under Construction</td>
<td>80</td>
<td>110</td>
</tr>
<tr>
<td>Sites Not Started</td>
<td>156</td>
<td>1206</td>
</tr>
<tr>
<td>Planning Permission Lapsed</td>
<td>212</td>
<td>257</td>
</tr>
<tr>
<td><strong>OVERALL TOTAL</strong></td>
<td><strong>776</strong></td>
<td><strong>2660</strong></td>
</tr>
</tbody>
</table>

Table 8: Purpose built student accommodation permissions/implementation 2006-14

**Houses in Multiple Occupation**

Houses in Multiple Occupation (HMO’s) can make a valuable contribution to the private rented housing stock and provide essential housing suited to predominantly young and single people, including students, and those on low incomes. Students occupy significant numbers of HMO’s, although as mentioned above the University has a strategy to provide alternative accommodation through purpose built student accommodation developments which could free up properties for family dwellings or for young people affected by welfare reform. The ‘Decent Homes for All’ topic paper makes reference to the increased demand for HMO’s for people under the age of 35 as a result of welfare reforms.

The conversion of family dwellings into HMO’s however also reduces the local stock of family dwellings and can change the character of a neighbourhood. HMO’s are often associated with negative impacts such as noise, on street car parking, anti-social behaviour and run-down

\[^{(18)}\] See Development Guidelines Supplementary Planning Document (www.plymouth.gov.uk/developmentguidelinesfirstreview.htm)
properties. The city’s adopted policy framework (See Core Strategy Policy CS15 and the ‘Development Guidelines’ Supplementary Planning Document) supports the provision of HMO’s where the accommodation provided is of a decent standard but also sufficiently robust to resist, where appropriate, unacceptable proposals.

Empty Homes

In May 2014 there were 826 long term empty dwellings in Plymouth. Although this represents only 0.7% of the city’s total housing stock, the Council maintains a comprehensive approach to dealing with long term empty dwellings utilising a wide range of actions to bring properties back into use. The challenge is to build upon this activity to further maximise the use of the city’s existing buildings. One of the ways this can be achieved is to take a fresh look at empty and redundant commercial premises to see if they have the potential to convert into much needed housing.

Not only is an empty home is a wasted resource that could house a household in housing need, it also costs an owner £10,000 per year to leave a house empty.

Gypsy and Travellers

We need to ensure that the accommodation requirements for all sections of the community are met including the need to meet the accommodation requirements of Gypsies, Travellers and Travelling Show people.

We have undertaken a detailed assessment of accommodation needs for Gypsies, Travellers and Travelling Show people. The Gypsy and Traveller Needs Assessment which sets out this analysis of accommodation needs is published alongside this Topic Paper. It sets out that over the period covered by the Plymouth Plan there is a need to provide 49 new pitches. This figure breaks down to a need for 25 permanent pitches and 24 transit pitches. Through the Plymouth Plan we will develop effective strategies to meet that objectively assessed need in full through the identification of land for sites, within a reasonable time period.
Affordable Housing

What is our affordable housing need?

The analysis of the current need for affordable housing in the city over the next five years indicates a high level of demand. An annual need of 1,323 affordable homes is calculated as being required to meet the future needs over the next five years and the existing backlog.

It is interesting to note that the overall dwelling requirement is lower than the number of households requiring affordable housing. The term ‘housing need’ covers a spectrum of needs that individuals in the city might have. It will include people inappropriately housed for their current needs and will include people’s aspirations, as well as specific legislations determining a Local Authority duty to meet a ‘housing need’. For example, it will cover individuals living in a sub-standard property with a risk to their health, other examples can include affordability issues, the need for specialist adaptations, over-crowding, homelessness or the need and desire to own a first home or to move to a larger property. As a result the housing need will cover more efficient use of current properties, re-use of existing properties as well as the requirement to build additional new dwellings.

Specifically in terms of affordable housing the analysis indicates that there will be a high demand for smaller properties, 1 – 2 bed, with need for this size of property making up 80% of total need. This is also reflected by the profile of households in priority housing need on the Housing Register.

Importantly, however, the lower levels of turnover in larger properties also suggests that in order to address future need and the current backlog new larger affordable properties will also be required as part of the housing mix.

Plymouth has a growing population, with notable increases in the numbers of single people living alone – both young and old. This has implications for the profiles of house sizes required and reinforces the housing need for smaller dwellings and this is likely to increase.
Plymouth’s Future Housing Supply

In August 2013 Plymouth issued a call for sites in order that landowners/developers could put forward sites to be considered in the Strategic Housing Land Availability Assessment (SHLAA) in addition to sites previously identified. Plymouth City Council commissioned consultants to update the city’s SHLAA, last undertaken in 2009.

The SHLAA forms a key component of the evidence base to underpin polices and potential sites to be allocated in the Plymouth Plan to meet the objectively assessed needs of the City.

Whilst the assessment is an important evidence source to inform the Plymouth Plan it is important to note that it does not in itself determine whether a site should be allocated for development. This is because not all sites considered in the assessment will be appropriate housing allocations, perhaps because of competing priorities or because of concerns about deliverability or viability. It is the role of the SHLAA to provide information on the range of sites which are available to meet the city’s housing needs, but it is for the Plymouth Plan itself to determine which of those sites are the most suitable to meet the city’s needs.

One of the main challenges for the Plymouth Plan will be identify future sources of land supply for housing to ensure that sufficient land is identified to meet the city’s housing target over the plan period (i.e. up to 2031). The Council will seek to identify specific sites and possibly broad locations to help maintain a rolling five year supply of housing land over the plan period.

Five year supply of housing land

One of the Government’s main objectives in the NPPF is to ensure a sufficient supply of deliverable housing sites to meet local housing targets. The city’s adopted Core Strategy targets of 1000 dwellings per year from 2006-2016, and then 1,450 dwellings per year from 2016 to 2021 were based on the requirements of the Draft Regional Spatial Strategy. They were determined in a period of economic growth. Prior to the economic downturn and the collapse of the housing market, Plymouth was exceeding the Core Strategy housing target for the delivery of new housing. However as explained earlier (see local context section) house builders delivery rates have substantially reduced due to the lack of buyers in the market with available finance.

Whilst the evidence for the city’s emerging housing need for the period 2011-31 is discussed above, (see evidence base-SHMNA section) until the city’s ‘objectively assessed housing need has been tested through the public examination of the Plymouth Plan, the current housing targets in the adopted Core Strategy are the targets that the NPPF requires the city to monitor itself against, despite the fact that they were set in a period of economic growth and take no account of the impact of the recession.

It is in this context therefore that the city’s housing requirement for the next five years (2014-2019) continues to be based on the adopted Core Strategy targets. In addition the NPPF requires the inclusion of the perceived shortfall in housing delivery for the period 2006-13 and the addition of a buffer. In order for the city to be able to demonstrate a five-year supply of housing land.

19 The Government has now formally abolished Regional Spatial Strategies
year land supply against the requirements of the NPPF the city would need to identify over 10,500 deliverable dwellings over the period 2014-2019 equating to approximately 2100 dwellings per annum. An annual figure last achieved some 47 years ago and a figure that house builders would be unable to achieve in the present economic climate. For example house builders have yet to commence construction on over 6000 dwellings with planning permission in the city.

The city can however identify over 6000 dwellings deliverable dwellings for the period 2014-19 which represents a significant increase in deliverable dwellings for the next five years and a return to levels experienced prior to the recession. This also suggests the city could demonstrate a five year supply if it were set against the high growth scenario dwelling requirement discussed above (see evidence base –SHMNA section) However based on the requirements of the NPPF the city cannot at present demonstrate a five year land supply(21).

Deliverable Land

In order for sites to be considered as appropriate within the five-year period they need to be deliverable, which means they should be:

- Available – the site is available now. The Council considers that account should also be taken of sites that are highly likely to become available early within the appropriate five year period;
- Suitable – the site offers a suitable location for development now;
- Achievable – there is a reasonable prospect that housing will be delivered on the site within five years; and
- Viable – that the development of the site would be economically viable, in other words providing a competitive return to a willing land owner and willing developer to enable the development to be deliverable.

The Government’s established aim through planning is to ensure that enough land is identified and brought forward for development. In doing so, government policy recognises that residual land values(22) must be high enough to encourage landowners to sell land. The market is therefore important when identifying the Council’s evidence base in demonstrating the deliverability of its housing land supply.

20 Over 2000 dwellings have detailed planning permission but are yet to commence construction and just fewer than 4000 dwellings have outline consent which are awaiting detailed planning applications to come forward from house builders.


22 In simple terms, the residual land value method works on the basis that a developer knows the end value of the scheme and know the development costs (construction, interest and developer’s profit). Through deducting the total costs from the end value the developer knows what it can bid for the land. If the resulting land value is at a level attractive to the landowner, the owner will be more likely to sell. See section 3 of the SHLAA for further information.
Viability assessments of SHLAA sites have therefore been undertaken as part of the study to confirm the available housing potential in order to meet future housing supply. The assessments have taken into consideration the current economic climate and costs that will be associated with residential development in order to consider the “reasonable prospect” of a site being delivered.

In order to support the assessment of sites a SHLAA panel was formed to provide local knowledge of the development industry within the City and to inform and validate the viability assessments of sites for the study.

**SHLAA Findings**

The SHLAA identifies a deliverable supply (23) within the city’s administrative boundary of some 15,500 dwellings in the period 2011-31 at an average of some 776 dwellings per annum across the plan period (see table 9 below). This figure includes sites where dwellings are under construction, sites where there is a planning permission (assuming a lapse rate of 10%) and site specific opportunities, which include those sites which the study consider may not be viable but which are known to be progressing either due to the input of the Council as land owner or because a revised section 106(24) package has been negotiated.

The SHLAA identifies that there are some sites totalling 469 dwellings that are deliverable but are currently unviable. It also identifies that there are just over 3,500 dwellings that are at present allocated within a number of the city’s current Area Action Plans that are limited by constraints which cannot therefore be relied upon for delivery and should be monitored by the Council. This is generally due to the multiple ownership of the sites in question and the lack of any mechanism to bring the sites forward; however it is also clear that some sites such as Land North of Hazeldene Quarry will, in the long-term, become deliverable and may be relied upon by the Council in future iterations of the SHLAA. (see pages 22 & 23 of the SHLAA)

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23 Which can be considered to be Deliverable or Developable at the present moment in time.

24 Planning obligations under Section 106 of the Town and Country Planning Act 1990 (as amended), commonly known as s106 agreements, are a mechanism which make a development proposal acceptable in planning terms, that would not otherwise be acceptable. They are focused on site specific mitigation of the impact of development. S106 agreements are often referred to as ‘developer contributions’ along with highway contributions and the Community Infrastructure Levy.
<table>
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<tr>
<th>Source</th>
<th>2011-12</th>
<th>2012-13</th>
<th>2013-18</th>
<th>2018-23</th>
<th>2023-31</th>
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<td>Dwellings built on sites which are completed</td>
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<td>564</td>
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<td>Dwellings built or to be built on sites still under construction (5+)</td>
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<td>837</td>
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<td>Dwellings built, or to be built, on sites still under construction (4 or less)</td>
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<td></td>
<td>1904</td>
<td></td>
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<tr>
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<td>58</td>
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<td>497</td>
<td>776</td>
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<td>1,363</td>
<td>1,094</td>
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Table 9: SHLAA Review Summary of Findings 2011-31
Figure 10: SHLAA Review Summary of Findings 2011-31 (includes dwellings completed between 2011-13)
The Plymouth Plan will need to ensure that an appropriate level of housing provision is identified to meet the city’s objectively assessed need. The findings of the SHLAA will influence how much housing can be delivered over the plan period within the city to meet the need.

The Council’s preferred policy direction for its objectively assessed need housing target (the high growth scenario) suggests a potential dwelling requirement of some 22,700 dwellings in the period 2001-31. The SHLAA identifies a deliverable supply for the same timeframe of just over 16,000 dwellings which is just under 7000 dwellings short of meeting the high growth scenario dwelling requirement. However, as mentioned earlier the theoretical ability to bring forward this level of supply does not mean that sites for 15,500 new dwellings will be allocated in the Plymouth Plan. Additional work is still required to test more fully whether all of the sites accommodating the 15,500 homes are suitable allocations in the context of the emerging Plymouth Plan strategy, and also to ascertain whether any of the constraints on sites currently not considered as part of the deliverable supply should be removed through policy changes or other interventions. The Plymouth Plan timetable allows a period of about one-year between publishing for consultation a draft strategy for the City and publishing the full Plymouth Plan with site allocations included. The additional work will be undertaken during this period, enabling a thorough consideration of all representations received at this stage of the plan-process. The work will include completion of more detailed site allocations evidence base work, including capacity assessments of the City Centre. This will lead to publication of an integrated Land Availability Assessment (LAA), in accordance with the new provisions of the National Planning Practice Guidance (25) during the summer of 2015. The LAA will identify the supply of sites for housing and commercial developments and bring together all of the key evidence to justify the plan’s eventual site allocations.

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25 National Planning Practice Guidance on Housing and Economic Land Availability Assessments can be found at
What are the options to meet Plymouth’s Housing Need to 2031?

The key question for this part of the Topic Paper is how can we use this information to set out a strategy in the Plymouth Plan to meet this need for new homes, given that the Plan will look to meet a need for 22,700 new homes over the plan period? The results of the SHLAA suggest that there are 2 main scenarios for how the Plymouth Plan could meet this need:

Scenario One – Maximise the number of new dwellings built within the city boundaries.

The SHLAA sets out that there is an unconstrained supply of slightly less than 25,000 dwellings within the city’s administrative boundaries, which could be built by 2031. This finding would seem to suggest that the city can meet its needs entirely within its administrative boundaries.

This scenario, however, does contain some key implications for the future form of Plymouth. The SHLAA’s ‘unconstrained supply’ includes over 5000 dwellings on sites which are constrained by policy, and 3,500 dwellings on sites allocated in existing adopted Area Action Plans. ‘Unconstrained supply’ indicates those dwellings which are available for development and are deliverable for housing, but which are subject to policy constraints which would stop them gaining permission for housing development. These constraints include:

- Sites identified as being important green areas in the city.
- Sites in flood zones
- Sites with transport access problems
- Sites which are outside the built limits of the city and therefore subject to greenspace constraints
- Sites with ecological constraints.
- Employment sites which are in use.

The unconstrained supply also includes a number of sites which are not deliverable – i.e. a developer would not bring them forward for development because the costs of doing so are too great. These costs include those associated with the affordable housing requirements placed on developers by the Council, and section 106 costs which set out what a developer must do to mitigate the impacts of developing a site.

If the Plymouth Plan were to take an approach of maximising the number of dwellings to be built inside the city boundary, it would be necessary to relax the policies protecting these sites and affecting viability.

The implication of doing this would be:

- Large areas of the city’s greenspace would be developed, including green infrastructure, recreation areas, and areas which contribute to the character and attractiveness of neighbourhoods. This would inevitably mean that people living in the city would have less access to green areas than they do at the moment, and that new neighbourhoods would be created at the expense of these areas.
- We would lose some neighbourhood employment areas,
- We would need to be less strict on our transport requirements.
We might need to look at reducing the amount and type of affordable housing we ask for, reducing the planning obligation payments we seek through section 106 agreements, and reducing Community Infrastructure Levy rates.

The net result of these changes would be that the quality of the built environment in the city would be lower. The policy measures which we have put in place to improve quality of life for all, and to ensure that developments contribute to better communities would be lost, and we would struggle to deliver the amount of affordable housing we do today.

Such an approach would be likely to clash with some of the strategic policy objectives set out in other Plymouth Plan Topic Papers – for example the Natural Infrastructure Paper, Health and Wellbeing Paper, Local Transport Paper and Local Communities Papers. Fundamentally, it would clash with the overarching objective to improve the quality of life of Plymouth’s residents.

**Scenario 2 – The Quality City**

As set out in the Strategic Overview Topic Paper, the Plymouth Plan will be following the overarching vision which was set out in the “Vision for Plymouth” and in the adopted Core Strategy. This states that Plymouth should aspire to become “One of Europe’s finest waterfront cities, where an outstanding quality of life is enjoyed by everyone”. This second scenario is guided by the need to create a quality city, where the factors which are important to quality of life are not compromised. Such an approach would mean applying the Core Strategy’s ‘golden thread’, that all development should contribute to the creation of sustainable linked communities, and would also mean that the key policy principles which deliver this aspiration are not compromised.

As set out in scenario 1, maximising the supply of housing sites within the city would mean relaxing a number of key policy principles. Under scenario 2, these principles would not be changed, meaning that those sites identified in the SHLAA as being constrained by policy and therefore not suitable for housing, could not be brought forward for development and therefore would not be counted as part of the supply. The Strategy implied by this approach would be to use the SHLAA constrained supply of just over 15,500 dwellings as the starting point for meeting the city’s needs (subject to additional work to test more fully whether all of the sites are suitable allocations for housing or for other uses). Any sites from the unconstrained supply ‘pot’ would need to be looked at to decide whether they deliver the Quality City, before they could be counted as part of the supply. Although it is likely that there may be some sites in the unconstrained category that might pass this test, most sites are likely to continue to be assessed as not being suitable for housing development.

**Conclusion**

It is suggested that this scenario meets the overarching vision for the Plymouth Plan, and also complements the strategic objectives set out in other topic papers. It is therefore likely to be the favoured approach to be taken forward into the plan.
Next steps

From the above discussion on distribution options it seems clear that although the Council’s intention is to deliver as much of the city’s housing need as can be successfully accommodated within the city boundary, it is likely that the current identifiable housing supply within its boundaries will fall short of meeting the entirety of Plymouth’s need without compromising the quality of the city. This is unlikely to change substantially as a result of additional work. It is therefore likely that adjoining local authority areas will contribute to meeting the city’s housing need. Indeed, this is already provided for to a significant degree in that it has long been established that the development of the new settlement at Sherford accounting for just over 5000 dwellings outside the city boundary is meeting the needs of Plymouth. It is the Council’s view that a sub-regional planning framework should be prepared in co-operation with adjoining councils, to provide an agreed strategic context for how housing growth should be apportioned between local authority areas.

The councils will need to work together to consider reasonable alternatives to identify how to meet the city’s potential dwelling requirement of 22,700 dwellings.

Question 6

Which scenario do you think represents the best approach to be taken forward into the Plymouth plan to meet the city’s housing needs?
Meeting Affordable Housing Need

Our housing needs are high, and in particular the demand for housing that is affordable considerably outweighs supply. Despite our strong track record of delivery of new affordable homes (see local context section above), regeneration and bringing empty homes back into use, we need to do more to find solutions to the current housing shortage and to meet our ambition to increase housing supply to 1,000 new homes per annum to meet a range of identified housing needs.

The NPPF requires us to meet in full the affordable housing need. To demonstrate our efforts to do so we have considered a number possible planning policy options to achieve as much as we can through planning policy – s106 developer contributions.

Despite the need for more evidence, our current understanding of the likely impact of the following five options is provided below to encourage further debate on what we might do differently to improve affordable housing delivery through the planning system.

**Option 1 - Maintain the status quo. At least 30% affordable housing subject to viability**

In most cases since the Core Strategy was adopted (April 2007) 30% was shown to be not viable however a significant period of deep recession and its lasting effect has been experienced since 2008.

However we now have an improving housing market and the recent SHLAA analysis of the viability of sites that will make up our future land supply demonstrates that in the majority of cases 30% affordable housing should be deliverable, as well as CIL and S106 requirements and.

**Option 2 – Increase the % (35, 40, 45).**

Due to the high level of affordable housing need in the city, increasing the percentage of affordable housing sought on qualifying sites has been considered. However as we have not been able to achieve levels of at least 30% affordable housing, it is considered that raising the target will not generate increased delivery of affordable homes. This is supported by the SHLAA evidence. It is Likely to be counterproductive as a higher affordable housing requirement is likely to prevent a number of sites being brought forward as unviable and could also deter sites being brought to the table for consideration, in turn reducing the affordable housing numbers (as experienced in some local authorities). It is also important to balance and retain mixed sustainable communities to meet the needs of both people facing affordability issues, but also the demand in the market for new open market dwellings.

**Option 3 – reduce the % (25, 20?).**

Prior to the recession we were delivering higher levels of affordable housing on S106 opportunities than we have been able to since; the majority of S106 sites achieving 25% affordable housing. However as our affordable housing needs remain significant there is a need to maintain a higher target with no justification or clear evidence to reduce our target, in conjunction with assessments that might evidence reduced delivery on viability grounds.
It is therefore suggested that further evidence is considered before finally ruling this option out, to ensure that previous delivery was linked to a stronger market driving higher sales which in turn meant developers did not require a reduction in the percentage of affordable housing linked to viability concerns.

Option 4 – reduce the threshold from 15 to 10 i.e. commuted sums leading to more affordable housing delivery?

In order for more developments to be required to contribute to affordable housing delivery it is proposed that we reduce the threshold from 15 to 10 homes, and on residential schemes of 10 – 14 dwellings to take an off-site contribution in the form of a commuted sum that can be spent to deliver more affordable housing elsewhere in the city.

We believe this option will also discourage applications deliberately pitched to threshold avoidance.

We have assessed the impact of this change and if it were to have been applied to schemes over the past three years it is estimated that it would have resulted in 45 additional dwellings across 12 sites contributing to an offsite commuted sum of £3.9m

Option 5 – differential percentage/threshold on an area basis? I.e. 30% in the North/Plympton/Plymstock – less in areas with high percentage of social housing.

Plymouth is regarded as one housing market with high housing needs across the city. Our current policy allow us the flexibility to consider lower levels of affordable housing in certain areas should we consider the delivery of other S106 requirements a bigger priority. 30% affordable housing delivery on a site still means that 70% is market housing, therefore still helping rebalance the local housing area. Retaining a flexible approach on a site by site basis based on factors of locality, a balanced and sustainable community and viability testing has proven workable and beneficial in past delivery. It would be logical to continue with this successful policy.

Conclusion/Preferred Option

Subject to further analysis of option 3, it is recommended that a combination of options 1 and 4 are taken forward as the preferred option; i.e. maintaining the current target of at least 30% subject to viability and to reduce the threshold to 10 homes. This will assist in delivering more affordable homes.

The justification for the preferred option is:

Option 1 maintains the level of affordable housing at 30% as the level of demand for affordable housing remains high and the city needs to maximise the numbers it secures as set out in NPPF. The city is confident that recent viability checks in the SHLAA uphold that this level is achievable once the market improves from the recession.

Option 4 will also increase the numbers of affordable housing secured, more sites will reach the qualifying threshold and will support additional affordable housing units. As set out under his option, assessments have shown that this option is achievable.
Option 3 - A review of data linked to option 3 is recommended to ensure that assumptions based on percentages achieved in the past policy are a result of a strong market, rather than developers accepting the level as a ‘fair baseline’ without the need for them to challenge on viability grounds. It is assumed that the test of past data will uphold that option 1 and 4 will maximise the numbers of affordable housing for the city and will ensure we have robust data to defend the recommendations of option 1 and 4 being taken forward.

Question 7

What option do you think maximises the level of affordable housing provision – are there any other options?
Prioritising the Use of Previously Developed Land

Paragraph 12 of the NPPF sets out the Government’s 12 guiding principles that should underpin the planning system. One of these is the need to encourage the effective use of previously developed land providing such land is not of high environmental value.

Previous national planning guidance had a target of 60% of new housing to be built on previously developed land but the NPPF removes this target and it is now up to each local authority to determine whether a local target should be set.

The adopted Core Strategy seeks to prioritise the re-use or previously developed sites and set a target of 80% of new dwellings to be provided on previously developed land, which is significantly higher than the previous national target mentioned above. By definition the expectation is therefore that 20% of housing development would come forward on greenspace.

Since 2006, 91% of new dwellings have been built on previously developed land. The principle of maximising and prioritising development on previously developed land in the context of delivering a quality city of Sustainable Linked Communities would continue to be very much central to the aims and objectives of the Plymouth Plan. The city boasts a distinctive and world class waterfront location and over 40% of the city is identified as greenspace, however is not envisaged that a local target is needed when considering whether sites are suitable for development.

Figure 11: % of dwellings built on previously developed land 2006-14
Garden Development

Nationally the loss of garden land through development is a significant issue. Between 1997 and 2008 the number of new homes built on this type of land rose from 10% to 25%, reducing green breathing space, safe places for children to play and havens for urban wildlife. The NPPF makes clear that previously developed land excludes land in built-up areas such as private residential gardens. In Plymouth however very few dwellings have been built on garden land: since 2006 only 169 out of 6,483 dwellings (2.6%) fall into this category, an average of 21 dwellings a year. Such developments do however play a small but important role to meet the city’s affordable and market housing need and providing opportunities for self-build (see section on self-build and custom build). Whilst the city’s adopted Core Strategy does not have a specific policy that resists or restricts development of garden areas the current policy framework is sufficiently robust to resist, where appropriate unacceptable proposals. Nevertheless the Plymouth Plan needs to consider whether policies should be introduced.

Question 8

Do you think that a policy setting out a principle that we should maximise the delivery of housing on previously developed land should be set out in the Plymouth Plan?

Question 9

Should the Plymouth Plan introduce a specific policy to restrict residential development in gardens?
What happens next?

Any comments received on this topic paper will be considered in the preparation of the Plymouth Plan. You can make comments at www.plymouth.gov.uk/PlymouthPlan or by email plymouthplan@plymouth.gov.uk. Alternatively, please post your comments to:

Strategic Planning & Infrastructure Department
Plymouth City Council
Ballard House
West Hoe Road
Plymouth
PL1 3BJ

The closing date for consultation responses is 25 October 2014.
List of key Plymouth Plan evidence base documents.

- Annual Monitoring Report 2013, Plymouth City Council, December 2013
- Central Park Area Action Plan, Plymouth City Council, Adopted September 2008
- City Centre and University Area Action Plan, Plymouth City Council, Adopted April 2010
- Derriford and Seaton Area Action Plan, Plymouth City Council, Submission version, December 2012
- Development Guidelines Supplementary Planning Document, Plymouth City Council, Adopted May 2013
- Draft Regional Spatial Strategy for the South West, South West Regional Assembly, June 2006
- National Planning Policy Framework
- Planning Obligations & Affordable Housing Supplementary Planning Document, Adopted July 2012
- Planning Practice Guidance – Duty to Cooperate
- Planning Practice Guidance – Housing and Economic Land Availability Assessment
- Planning Practice Guidance – Housing and Economic Needs Assessment
- Planning Practice Guidance – Local Plans
What happens next?

- Planning Practice Guidance – Viability
- Plymouth Sustainable Growth Distribution Study 2005
- Plymouth Sustainable Growth Study 2003-2004
- Sherford New Community Area Action Plan, South Hams District Council, August 2007
- Strategic Housing Land Availability Assessment Review 2014, Plymouth City Council, April 2014
- Strategic Housing Market Needs Assessment (SHMNA) Appendix 3 – Plymouth SHMNA Overview Report, October 2013
- Strategic Housing Market Needs Assessment (SHMNA) Main Report, Plymouth City Council, West Devon Borough Council, Cornwall Council and Dartmoor National Park Authority, July 2013
- Sustainable Design Supplementary Planning Document, Plymouth City Council, Adopted July 2009
- Sutton Harbour Area Action Plan, Plymouth City Council, Adopted July 2008
- The Plymouth Core Strategy 2006-21, Plymouth City Council, Adopted April 2007