1 INTRODUCTION

1.1 According to planning policy, where a Housing Market Area (HMA) extends across two or more local authorities, those authorities are required to work together to assess needs across the area as a whole. The underlying idea is that much of the demand or need for housing is not tied to specific local authority areas, as people’s decisions on where to live are driven by access to jobs, schools, family etc., rather than administrative boundaries. A HMA is an area of search, bringing together places which share similar household characteristics.

1.2 From earlier work it is clear that while Plymouth may be a self-contained housing market area, however, neither South Hams nor West Devon would be able to demonstrate that they are self-contained. It is also very clear that there are well established functional relationships across these areas, and particularly with Cornwall.

1.3 Previous work done for Cornwall has demonstrated that there are no easy answers to the definition of housing market areas. It is therefore necessary to establish the most appropriate self-contained set of areas in a transparent way using consistent methodology. The conclusion drawn was that the four local authority best fit approach is suitable for strategic purposes, but there is evidence to suggest a tighter boundary could be explored in the future. Particularly recognising the relationship between Totness in South Hams eastwards to Torbay and between Okehampton in West Devon eastwards to Exeter.

1.4 This work now goes further and uses our PBA standard methodology to test the performance and levels of migration and commuting within the context of the new travel to work area geography which has since been published, which is shown below.

Testing the Plymouth, South Hams and West Devon HMA

1.5 The NPPF instructs that where a housing market area covers more than one local authority, plan-makers should assess housing needs for the whole area rather than each authority individually.

1.6 The first step in the study is to understand whether Plymouth, West Devon and South Hams are standalone HMAs, or whether they should be considered together as a single area.

1.7 The PG provides technical advice on how housing market areas should be defined, noting that an HMA should be a reasonably self-contained area in terms of migration – so that a high proportion of house moves occur within the area, as opposed to crossing its boundaries. It adds that this share of moves occurring within the HMA is ‘typically 70%... excluding long-distance moves (e.g. those due to a change of lifestyle or retirement)’. The PG also identifies other data that can help identify
housing market areas, including commuting patterns – ‘which will influence house price and location’.

1.8 In identifying a housing market area for Plymouth, our starting point is the geography defined in a study by the Centre for Urban and Regional Studies (CURDS) and others for the former National Housing and Planning Council (NHPAU). That study, published by CLG in 2010, created a consistent set of HMAs across England, based on migration and commuting data from the 2001 Census. This recommended that an area covering Plymouth City, Couth Hams, West Devon and (former) Caradon District for the Plymouth HMA. As the NHPAU study is the only one of its kinds and has not been updated following the 2011 Census, we test the findings against up-to-date on migration and commuting data from that Census.

The NHPAU geography

1.9 The results of the NHPAU study are hosted on the CURDS website. It defines a three-tiered hierarchy of HMAs: strategic, single-tier and local. The study starts from a fine-grained analysis; producing HMAs that cut across administrative boundaries. But for the strategic and single-tier layers the study also provides a ‘silver standard’ version, which fits the HMAs to local authority boundaries. While the single-tier ‘silver standard’ geography is often the most helpful, and for Plymouth identifies it as a single housing market area, it is not helpful for either South Hams or West Devon which are combined within other authorities of Torbay and Teignbridge and also Cornwall respectively.

1.10 The Local HMA geography only changes South Hams to include Torbay, leaving both South Hams and West Devon split across administrative boundaries demonstrating the difficulty of placing those authorities into any single HMA.

Figure 1.1: NHPAU Local HMAs

Source: NHPAU

1 C Jones, M Coombes and C Wong, Geography of housing market areas, Final report, November 2010, Department for Communities and Local Government
1.11 For the purpose of drafting a Local Plan we need to ideally define HMAs using local authority districts, to ensure a consistent and robust approach to evidence collection. The NHPAU analysis suggests two broad options built along local authority district lines.

1.12 We can either identify Plymouth as an HMA in its own right, provided that it remains reasonably self-contained, or alternatively, recognising the cross boundary relationships, we could test combining Plymouth with the adjacent authorities with which it has the strongest relationships; South Hams and West Devon. Given the commitment to a Joint Spatial Plan between the three authorities this is the preferred approach.

1.13 Therefore the next step in our analysis is to test whether Plymouth, South Hams and West Devon are self-contained enough to qualify as a combined HMA, and compare this with their individual score.

1.14 In order to do so, and following the Planning Guidance (ID: 2a-011) we examine migration and commuting links before moving on to consider house price and other contextual data.
2 MIGRATION

Main origins and destinations

2.1 The figures below shows the top local authority areas that in the year before the 2011 Census had the largest combined migration flows in and out of Plymouth, South Hams and West Devon. The blue bars (positive numbers) show migration into and the red bars (negative numbers) migration out of the respective areas. The chart excludes people moving within each of the local areas, which number 26,000 for Plymouth, 4,100 for South Hams and 2,700 for West Devon, and which represents between 68% and 47% of the total of cross-boundary moves.

**Figure 1.2: Cross-boundary migration to and from Plymouth, South Hams and West Devon 2010-11, top 10 origins and destinations, persons**
2.2 The analysis shows that the links are primarily into each of the constituent authorities, together with relationships with Cornwall and Exeter, other Devon Authorities and then out to Bristol, BANES, South Gloucestershire and Somerset.
The 70% test

2.3 The PG does not specify how self-contained a HMA needs to be. So for more precise guidance on how to test the HMA we refer to the original source behind the PG, which is an advice note published by CLG in 2007. The note’s introductory comments on this are already familiar, because they are repeated in the PG (quoted earlier):

‘Analysis of migration flow patterns can help to identify these relationships and the extent to which people move house within an area. The findings can identify the areas within which a relatively high proportion of household moves (typically 70 per cent) are contained. This excludes long distance moves (e.g. those due to a change of lifestyle or retirement).

2.4 The 2007 advice note goes on to provide more specific guidance, which is not repeated in the PG:

‘Identifying suitable thresholds for self-containment: The typical threshold for self-containment is around 70 per cent of all movers in a given time period. This threshold applies to both the supply side (70 per cent of all those moving out of a dwelling move within that same area) and the demand side (70 per cent of all those moving into a dwelling have moved from that same area).’

2.5 The table below shows these measures of containment for Plymouth, West Devon and South Hams. In this calculation:

- Migration data, as before, are taken from the 2011 Census and relate to persons moving house in the year ending on Census day.
- The analysis includes moves within the authority areas.
- In addition to the ‘supply-side’ and ‘demand-side’ ratios defined we have also calculated an overall containment ratio that combines the two. This overall measure is the ratio of moves that originate or end in the combined area, but do not cross the area boundary, to the total of all moves that originate or end in the combined area.
- Total moves comprises moves within England and Wales only, excluding those whose origin or destination is in other countries of the UK or overseas. We exclude this category because they are long-distance moves, as defined by the PG following the 2007 advice note.

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2 Communities and Local Government, Identifying sub-regional housing market areas, Advice note, March 2007
Joint Local Plan – Plymouth, South Hams, West Devon

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Table 1.1: Migration self-containment, Plymouth, West Devon and South Hams, 2010-11, persons

<table>
<thead>
<tr>
<th>From</th>
<th>To</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plymouth</td>
<td>West Devon</td>
</tr>
<tr>
<td>Plymouth</td>
<td>25960</td>
</tr>
<tr>
<td>West Devon</td>
<td>343</td>
</tr>
<tr>
<td>South Hams</td>
<td>966</td>
</tr>
<tr>
<td>Rest of England and Wales</td>
<td>10885</td>
</tr>
<tr>
<td>Total</td>
<td>38154</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>moves within P, WD, SH</th>
<th>35623</th>
<th>71246</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total moves to</td>
<td>50554</td>
<td></td>
</tr>
<tr>
<td>Total moves from</td>
<td>52532</td>
<td></td>
</tr>
<tr>
<td>total moves</td>
<td>103086</td>
<td></td>
</tr>
<tr>
<td>Overall Containment</td>
<td>69.11%</td>
<td></td>
</tr>
</tbody>
</table>

The overall containment ratio is a weighted average of the two others.

2.6 The resulting ratios (shown at the bottom of the table) are minimum estimates of containment as defined in the PG, because they are based on this conservative definition of long-distance migration. Using this definition it is clear that none of the areas quite meet the 70% threshold specified in the PG. Although at 69.11% this is very close and represents the highest figure when all three areas are considered together. Certainly West Devon and South Hams on their own are a long way from being self-contained at less than 50%.

2.7 If we further refined the data, removing lifestyle moves (for example to coastal retirement destinations) it is very likely that the 70% threshold would be achieved. Consequently the area can be considered as sufficiently self-contained.
3 COMMUTING

3.1 In addition to looking at migration data it is useful to consider the other main quantitative indicator suggested in the PG; commuting self-containment.

3.2 The data shows that Plymouth is a net importer of labour; there are more movements into Plymouth than out of it, with a net inflow of 5,655 workers. Figure 1.3 below shows the main origins of cross-boundary commuting into Plymouth. The data, as before, is from the Census. We have selected the 10 local authority areas with the largest flows into Plymouth, and again the largest flows are from Cornwall and the constituent authorities.

**Figure 1.4: Cross-boundary commuting into Plymouth 2011, top 10 destinations, persons**

![Graph showing workers commuting into Plymouth]

Source: ONS, PBA

3.3 Figure 1.5 below shows the main destinations of residents commuting out of Plymouth. The data is again from the Census and shows the 10 local authority areas receiving the largest flows out of Plymouth. The largest three flows are South Hams, Cornwall and then Exeter. Reflecting the employment locations on the edge of Plymouth, but within South Hams district.
For South Hams the data demonstrates again that it is a net importer of labour; there are more movements into South Hams than out of it, with a net inflow of 3,616 workers. Figure 1.6 below shows the main origins of cross-boundary commuting into South Hams. The data, as before, is from the Census. We have selected the 10 local authority areas with the largest flows into South Hams, and again the largest flows are from Plymouth, then the adjacent authorities of Torbay and Teignbridge. It is interesting that the 10th highest area is from Blackpool with 35 people.
3.5 Figure 1.7 below shows the main destinations of residents commuting out of South Hams. The data is again from the Census and shows the 10 local authority areas receiving the largest flows out of South Hams. The largest three flows are the same as the table above, followed by Exeter then Cornwall. This demonstrates the relationship parts of South Hams has with its eastern neighbours of Torbay and Teignbridge. It is interesting that the City of Westminster features with 122 people.
3.6 For West Devon the data demonstrates that it is a net exporter of labour; there are more movements out of West Devon than into it, with a net outflow of 3,556 workers. Figure 1.8 below shows the main origins of cross-boundary commuting into West Devon. The data, as before, is from the Census. We have selected the 10 local authority areas with the largest flows into West Devon, and the largest flows are from adjacent authorities of Cornwall, Plymouth and Torridge.
Figure 1.8: Cross-boundary commuting into West Devon 2011, top 10 destinations, persons

Figure 1.9 below shows the main destinations of residents commuting out of West Devon. The data is again from the Census and shows the 10 local authority areas receiving the largest flows out of West Devon. The largest three flows are to Plymouth, Exeter and Cornwall, and demonstrates the relationship that parts of West Devon has with Exeter. The tenth largest flow is from the City of Westminster with 46 people.
3.8 Table 1.5 below shows containment ratios for commuting, using the same method as for migration containment.

**Table 1.2: Commuting self-containment, Plymouth, West Devon and South Hams, 2011,**

<table>
<thead>
<tr>
<th>Live in</th>
<th>work in</th>
<th>Plymouth</th>
<th>West Devon</th>
<th>South Hams</th>
<th>rest of world</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plymouth</td>
<td>79440</td>
<td>1028</td>
<td>9211</td>
<td>9899</td>
<td>99578</td>
<td></td>
</tr>
<tr>
<td>West Devon</td>
<td>2973</td>
<td>9490</td>
<td>461</td>
<td>4715</td>
<td>17639</td>
<td></td>
</tr>
<tr>
<td>South Hams</td>
<td>6995</td>
<td>203</td>
<td>14845</td>
<td>6124</td>
<td>28167</td>
<td></td>
</tr>
<tr>
<td>Rest of World</td>
<td>15825</td>
<td>3362</td>
<td>7266</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>105233</td>
<td>14083</td>
<td>31783</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

moves within P, WD, SH 124646 249292
total moves to 145384
total moved from 151099
total 296483
Overall Containment 84.08%
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<table>
<thead>
<tr>
<th></th>
<th>P,WD,SH</th>
<th>Just Plymouth</th>
<th>just WD</th>
<th>Just SH</th>
</tr>
</thead>
<tbody>
<tr>
<td>destination containment</td>
<td>82.49%</td>
<td>75.49%</td>
<td>67.39%</td>
<td>46.71%</td>
</tr>
<tr>
<td>origin containment</td>
<td>85.74%</td>
<td>79.78%</td>
<td>53.80%</td>
<td>52.70%</td>
</tr>
</tbody>
</table>

Source: ONS, PBA

3.9 The containment ratios for commuting are more than those calculated earlier for migration. In relation to commuting neither the PG nor the 2007 CLG advice identify a threshold to help define market areas. But such a threshold is provided in the ONS definition of Travel to Work Areas:

‘The current criterion for defining TTWAs is that generally at least 75% of an area’s resident workforce work in the area and at least 75% of the people who work in the area also live in the area… However, for areas with a working population in excess of 25,000, self-containment rates as low as 66.7% are accepted.’

3.10 The only authority which satisfies this criterion is Plymouth. The evidence demonstrates that neither West Devon nor South Hams meet the 66.7% criterion and as such would not be a labour market and housing market in its own right. It is clear however than when all authorities are added into the HMA, the containment ratio improves significantly; exceeding both the 66.7% and 75% threshold.

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4 Office for National Statistics, Guidance and Methodology, A Beginner’s Guide to UK Geography, http://www.ons.gov.uk/ons/guide-method/geography/beginner-s-guide/other/travel-to-work-areas/index.html. The TTWA geography was developed by the same team as the NHPAU geography discussed earlier.

5 The PG and 2007 CLG note mention TTWAs as a consideration in defining housing market areas. In our analysis we cannot use TTWAs directly, because the TTWAs based on the 2011 Census have not yet been defined, and in any case they will cut across local authority areas, which makes them unhelpful for present purposes.
4 2011 TRAVEL TO WORK AREAS

4.1 Related to the commuting analysis above in August 2015 the ONS published updated travel to work areas (TTWA). These are based on the 2011 Census data as opposed to the older 2001 base TTWAs.

4.2 For the Plymouth TTWA this new data provides additional illustration of the difficulty faced by South Hams and West Devon because they do not fit neatly into district wide boundaries. The map below clearly highlights their predominant relationship with Plymouth.

4.3 The 2011 TTWA geography divides South Hams into two. The Eastern part of South Hams is identified to be in its own Kingsbridge and Dartmouth TTWA, while the west is in Plymouth TTWA. While the majority of West Devon is within the Plymouth HMA, the map below demonstrates the relationships with Exeter, Launceston and Liskeard TTWA. It is particularly worth noting that Totnes has clear links with Torbay and that Okehampton has strong links with Exeter.

4.4 The Plymouth TTWA also extends into Cornwall representing the important functional relationship with Saltash that exists.

Figure 1.9 Travel to Work Areas, 2011 Census

Source: ONS
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House prices

4.5 The analysis above demonstrates that the HMA is more self-contained if it includes Plymouth, South Hams and West Devon. Both the migration and commuting data is clear that neither South Hams nor West Devon is very well contained on their own.

4.6 To supplement the above analysis of migration and commuting, we have considered whether house prices (levels and recent change) provide any evidence that would help define a housing market area.

4.7 Figure 1.4 below is a heat map of house prices across the area which shows the coast / inland split.

4.8 In South Hams house prices vary considerably and on the coast the mean house price is approximately £622,000. In Plymouth this is just £198,000 and to the north it is £268,000. This situation and variation occurs around all the coastal areas and the variation within South Hams district is over £352,000 just within this single district. With such a variance, it is difficult to suggest that housing in one part is a reasonable substitute for housing in another. Consequently, house prices do not assist with the definition and delineation of the housing market area.
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Figure 1.10 House Price Heat Map, January 2016

Source: Zoopla
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Figure 2.9b: House Price Heat Map, July 2015
In addition to the quantitative data above, the PG requires us to test a range of contextual data. This includes school catchment areas and retail catchments. However, for such a large area this is not a useful data set as Devon County Council and Plymouth City Council are likely to be able to confirm that most of the secondary school children have been offered a place at a school within the area, with very few going outside.

For retail, Plymouth is the regional and sub-regional centre and provides a range of higher order services. The other nearest major regional centre is Exeter which provides a range of facilities and services and for which some parts of West Devon, particularly Okehampton and its surrounding area will directly relate to.
5 CONCLUSION AND RECOMMENDATION

5.1 We have used evidence from the 2011 Census to test the HMA and the assumption that Plymouth, West Devon and South Hams function effectively as a self-contained HMA.

5.2 For migration we have found that Plymouth, as well as the combined area of West Devon and South Hams almost meets the 70% self-containment test outlined in the PG. And both areas would certainly meet this test once long distance and lifestyle moves are excluded. Importantly it is evidenced that West Devon and South Hams on their own fall well below this threshold.

5.3 For commuting again we have found that Plymouth meets the self-containment test, and that the combined area of Plymouth, West Devon and South Hams significantly improve their score and that a larger HMA is preferable. Again the evidence demonstrates that neither West Devon nor South Hams alone are able to meet the 66.7% threshold. The 2011 TTWAs clearly show that the Plymouth HMA extends into both South Hams and West Devon. However, it also illustrates the relationship that Plymouth has with Cornwall and that South Hams is split between its links with Plymouth in the West and the local influence of Kingsbridge in the east, and the wider relationship with Torbay. West Devon is also split with strong links in the north east with Exeter, and it is recognised that Okehampton in particularly has a very clear relationship with Exeter.

5.4 Consideration of house prices does not assist in defining the HMA given the influence of the coast and the huge variation which exists across South Hams. While it is useful to consider contextual indicators neither school nor retail catchments provide assistance in the definition of the HMA.

5.5 There are strong economic and functional relationships between Plymouth and Saltash, which is in Cornwall, however, while it is essential that these are recognised, it is not necessary to include part of Cornwall as part of this HMA. At the present time Cornwall is proceeding on the basis that it is a self-contained HMA. These relationships should be monitored and it may be that at the next round of plan making a more joined up approach to this part of Plymouth and Cornwall can be pursued.

5.6 There is evidence to show that Plymouth together with West Devon and South Hams function as a self-contained Housing Market Area. Indeed, while Plymouth could justify proceeding on its own, Neither South Hams or West Devon would be able to justify being their own self-contained HMAs. Consequently, it is an entirely appropriate and pragmatic approach to pursue an approach which considers the area of Plymouth, West Devon and South Hams as a HMA for the purposes of plan making and the establishment of an objectively assessed need.

5.7 Despite this it is important to acknowledge that there are strong links and relationships with adjacent authorities particularly with Cornwall in the west, Torbay in the east and Exeter in the north. These strong links need to be reflected in any duty
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to co-operate discussions with neighbours to acknowledge important relationships and recognise where the functional HMA boundaries may overlap and cross administrative district boundaries.