

West Somerset Local Plan Examination**Matter 2**

Written Statement by Exmoor National Park Authority and North Devon Council (Representor No. 5)

Matter 2: Strategic Housing Market Areas and the Objectively Assessed Housing Need

Issue 1. Subject to the caveat set out within it, Framework paragraph 47 requires the objectively assessed needs for market and affordable housing in the housing market area to be met in full. The West Somerset local planning authority area is smaller than the administrative area of the District and appears to comprise more than one HMA. Has the Council met the requirement of Framework paragraph 47 in addressing the needs of the HMA and if not, in what way(s) has it failed to do so and how can this be corrected?

Issue 2. The most recent information made available by the Council on the OAHN is included within the papers to the Local Development Panel on 25 November 2015. This continues to argue that the 2900 dwellings being planned for is above the OAHN. Is this analysis robust and, if not, in what way is it deficient and what are the implications for the OAHN?

Summary for Matter 2, Issues 1 and 2

As set out in our response to Matter 1, Exmoor National Park Authority (ENPA) wrote to West Somerset Council (WSC) requesting that they consider accommodating the market housing requirement arising from the National Park (the actual figures have varied, but based on the latest December 2015 Northern Peninsula Strategic Housing Market Area update (EB21) this is 186 dwellings).

The reason for this request is that the Local Plan strategy in the National Park is to focus on needs-led delivery of affordable housing to address the main identified housing need of the National Park's local communities, and being mindful of National Park statutory purposes including the need to conserve the natural beauty, wildlife and cultural heritage of the National Park. Information and the context on National Park statutory purposes and duty, national policy in relation to National Parks, and landscape sensitivity are included in paragraphs A.1 to D1 of Appendix 1 of the ENPA and North Devon Council statement on **Matter 1**. A summary of the constraints to housing development in Exmoor National Park is set out in Appendix 1, while the Landscape Sensitivity Study and Strategic Housing Land Availability Assessment (SHLAA) are included at Appendix 2 and Appendix 3. The capacity for housing development in the National Park is very limited and it is important that the market housing requirement can be distributed elsewhere outside the National Park, within the housing market area, to safeguard the limited sites available for delivery of needed affordable housing in the long term. In Exmoor National Park, inclusion of a general housing target would be inconsistent with National Park purposes, national guidance on National Parks and undermine the ability to deliver local need affordable housing through a rural exceptions approach.

WSC's response in their letter dated 13 November 2014 and also in their Duty to Cooperate Statement December 2014 (SD17 page 8 para B) indicates that they view this request as an uplift to the figure of 2,900 dwellings set out in their Local Plan, which they feel would not be deliverable. However, ENPA's view has always been that the National Park market housing figure could be included within the West Somerset Local Plan 2,900 housing provision figure, given WSC's strategy to include an uplift in the numbers of open market housing in order to deliver more affordable housing. The December 2015 Northern Peninsula Strategic Housing Market Assessment (SHMA) figures support this position given the much lower figure of demographic need (1,302 dwellings). In considering the issues raised, ENPA and North Devon Council (NDC) have analysed the most recent 2012 household figures (EB21). Using the demographic baseline figure derived from the 2012 CLG household projections as the starting point for the Objectively Assessed Housing Need (OAHN), even with the adjustments for vacant/second homes, affordable housing backlog (207 dwellings), and economic uplift, there is still scope within the 2,900 proposed housing provision figure to accommodate the 186 market houses arising from within the West Somerset housing authority area of the National Park.

ENPA is therefore not seeking an uplift in the West Somerset Local Plan provision figure but acknowledgement that the housing being planned for in the West Somerset Local Plan can incorporate the market housing requirement for the West Somerset housing authority area of the National Park derived from the Northern Peninsula SHMA. We ask that the Inspector recommends that the third bullet point of the justification to policy SC2 Housing Provision, and paragraphs 43-55 (particularly paragraph 53) of the WSC Strategy and Housing Topic Paper are amended to include a reference that the 2,900 housing provision figure in the West Somerset Local Plan includes the open market housing figure for the whole West Somerset housing authority area (in effect the market housing figure for the whole of West Somerset including the part within Exmoor National Park).

There will continue to be delivery of local need affordable housing within the National Park. While the policy remains the provision of affordable housing to meet local needs, sites may, where essential for viability reasons, include some market housing to cross-subsidise the affordable housing, consistent with the approach set out in the NPPF¹, in which case the market housing element could be counted against the West Somerset housing requirement. It is simply an issue of how those figures are shown to be distributed.

1. Introduction

- 1.1. West Somerset sits within the Northern Peninsula Housing Market Area (HMA) along with Exmoor National Park Authority, North Devon Council, and Torridge District Council, known as the 'partner authorities'. As shown on Figure 1, the Northern Peninsula HMA originally included the former North Cornwall District Council area, which now forms part of a wider Cornwall Housing Market Area.

¹ Department of Communities and Local Government (2012) NPPF. London, para 54.

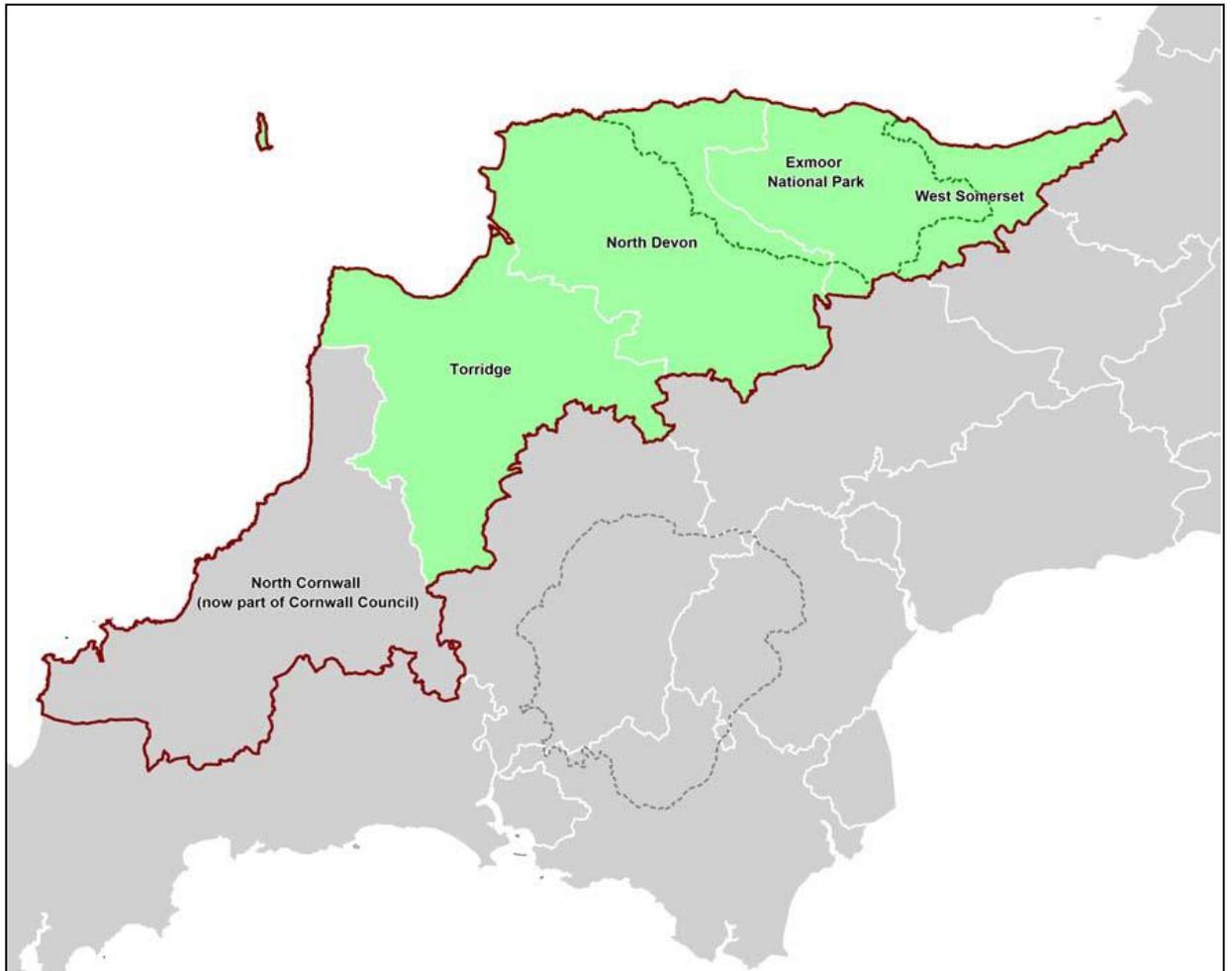


Figure 1 Map showing the Northern Peninsula Housing Market Area

1.2. The partner authorities have worked together under the Duty to Co-operate, including commissioning joint evidence base documents. This has culminated in an agreement to prepare a joint housing topic paper for the whole Northern Peninsula HMA. It outlines joint working through Duty to Co-operate on housing across the HMA to date and additional explanation of the approach being taken in setting out a positive strategy for the provision and delivery of housing in the HMA. It is additional to housing topic papers prepared by the local planning authorities which contain the detail for each plan area and which provide additional evidence and explanation to underpin the housing strategies in the ‘partner authorities’ respective plans: Exmoor National Park Local Plan to 2031; North Devon and Torridge Local Plan to 2031; and the West Somerset Local Plan to 2032.

2. Joint Housing Topic Paper for the Northern Peninsula HMA

2.1. The Joint Housing Topic Paper, although well advanced, has not yet been finalised or signed off by the LPAs. However, to provide some context to the approach to housing delivery across the Northern Peninsula HMA, a Statement of Common Ground has been prepared (Appendix 4). It includes a list of the joint work on SHMAs and the subsequent updates, sets out the OAHN for each of the planning authority areas, and cumulatively across it,

including evidence on the level of affordable housing need and planned provision for future delivery against housing projections.

3. Identification of the OAHN

- 3.1. The starting point for the four Northern Peninsula HMA local planning authorities has been the joint commissioning of a Northern Peninsula Strategic Housing Market Area Assessment (SHMAA) published in 2008 (EB1). Divergent timetables for the preparation of individual local plans has meant that since the completion of the 2008 SHMAA it has been necessary for the individual partner authorities to commission individual updates. However, more recently in the light of the NPPF and updated 2012-based household projections, joint updates of the Northern Peninsula SHMA have been completed. The intention was to ensure that each of the partner authorities had a consistent, up-to-date and national policy / guidance compliant basis for a 'demographic starting point' to arrive at an Objectively Assessed Need for housing and from which to derive an associated housing provision figure for their local planning authority area. All the SHMA reports have been produced by the same consultant, Housing Vision, to a consistent methodology, enabling comparison and aggregation across the NP HMA as a whole. The SHMA reports objectively assess housing need in the Northern Peninsula HMA. For ease of reference, Table 1 is included in 'the Statement of Common Ground' which lists each of the SHMA reports (Appendix 4).
- 3.2. National Planning Practice Guidance is that DCLG household projections should provide the starting point estimate of overall housing need. It considers that the 2012-2037 Household Projections published in February 2015, are the most up-to-date estimate of future household growth.² For this reason, a joint SHMA update assessing the implications of the 2012 based household projections for the Northern Peninsula area (and by local planning authority area) was published in December 2015 (as referred to in the correspondence between the Inspector and West Somerset Council ED1, ED1a and ED2) (EB21). These latest figures show reasonable consistency with the previous update in January 2015 (EB3), however they are significantly below the demographic figure for WSC in their 2013 SHMA (EB2). Table 1 below shows the comparison between the SHMA figures.

² CLG NPPG Paragraph: 016 Reference ID: 2a-016-20150227

Table 1. The impact on housing requirements of household projection scenarios for West Somerset 2011-2031

Scenario	West Somerset LPA	West Somerset DC
2008 NP SHMA (EB1)		3,888
2013 West Somerset LPA SHMA Update (EB2)	2,398 ³	-
2012-based population projections (Scenario 3 NP SHMA Update - Jan 2015) (EB21)	1,297 ⁴	1,674 ⁵
2012-based CLG Household Projections (EB21)	1,302 ⁶	1,704 ⁷
Variation of 2012-based household projections from 2012 Population Projections	+5	+30

3.3. Additionally, a review was commissioned by West Somerset District Council of the whole of the WSC area to explain the different projections and to help understand more fully the basis for identifying an OAHN (EB22). It concludes that “The 2008-based projections cannot now be used for setting OAHN as the evidence base on which they relied has been superseded by the findings of the 2011 Census”. It notes that the January 2015 Update for the Northern Peninsula HMA (EB3) recommended the application of household projections Scenario 3, which identified a growth of 1,674 households in the West Somerset Council area over the period 2011-2031. The October [sic] 2015 Northern Peninsula HMA Update Report (EB21) assessed the impact of applying 2012-based household projections and identified a growth of 1,704 households over the period 2011-2031, a difference of only 30 households when compared with Scenario 3 (2012-based population projections).⁸

3.4. The West Somerset Council review [EB22] concludes that the 2012-based household projections provide the soundest technical base available for assessing OAHN. They provide no grounds for increasing the assessment of OAHN beyond the 30 households which are additional to those identified from

³ WSC (January 2015) West Somerset Local Plan to 2032: Strategy & Housing Topic Paper para 45.

⁴ Housing Vision (December 2015) Northern Peninsula HMA SHMA: Understanding the Implications of 2012-based Housing Projections, Table 5.2

⁵ Housing Vision (November 2015) Understanding Changes in Population and Household Projections: West Somerset Council: Draft Report 2, Scenario 3, Table 2

⁶ Housing Vision (December 2015) Northern Peninsula HMA SHMA: Understanding the Implications of 2012-based Housing Projections, Table 5.2

⁷ Housing Vision (November 2015) Understanding Changes in Population and Household Projections: West Somerset Council: Draft Report 2, Table 2

⁸ Housing Vision (November 2015) Understanding Changes in Population and Household Projections: WSC Draft Report 2, paras 1.41 to 1.42. [The report applies to the larger West Somerset Council area, the 1,704 households includes 402 from the West Somerset housing authority area in Exmoor National Park. For the smaller West Somerset LPA area, the equivalent baseline figure has dropped from 2,398 (2013 West Somerset Update (EB2) to 1,302 (2012 household projections) (EB21).

the previous Scenario 3 based on 2012-based population projections⁹. The December 2015 report (EB21) notes that the 2012-based household projections. "...may be overstating the current rate of household growth. Whilst recent rates of international immigration are close to those projected in Components of Population Change, recent rates of internal migration suggest that those projected in Components of Population Change may be overestimates (see Table 3.2 in particular). In these areas, the 2012-based projections include an effective 'margin' which might take account of increased net internal migration resulting from economic recovery".¹⁰

- 3.5. The November 2015 WSC report (EB22) continues that while there are no grounds for increasing the assessment of OAHN beyond the 30 households. A number of factors, in particular the level of inward migration among older adults and the housing market impact of Hinkley Point C, introduce a degree of uncertainty concerning the effect of future trends, the direction of which would be to increase OAHN, should the assessment of OAHN derived from applying either the 2012-based household or population projections be reduced¹¹ [from the baseline figure of 1,302 households 2011-2031 for the West Somerset LPA area]. The report to the WSC Development Panel on the Update of the Implications of Recent Statistical Projections on the OAHN, analyses the latest figures and concludes that, although the demographic figure is reduced, it would not be prudent for WSC to reduce its 2,900 housing provision figure.¹² The 1,302 figure provides scope for accommodating the 186 market dwellings arising in the West Somerset part of the National Park within the 2,900 that is planned for.
- 3.6. Once the demographic figure has been identified, guidance is that adjustments should be made to reflect levels of vacant and second homes, and also to take account of any affordable housing backlog.¹³ Table 2 of the Statement of Common Ground (Appendix 4) sets out how this is calculated for each of the partner authorities within the Northern Peninsula HMA.
- 3.7. Changes to national guidance recommend an approach combining housing and economic development needs assessments and advises on the purpose of, and approach to, assessing the need for housing and economic development.¹⁴ The Statement of Common Ground (Appendix 4) and Table 2 below set out how the implications of economic growth on housing

⁹ Housing Vision (November 2015) Understanding Changes in Population and Household Projections: West Somerset Council Draft Report 2, Paras 1.43 to 1.44.

¹⁰ Housing Vision (December 2015) Northern Peninsula HMA SHMA: the Implications of 2012-based Household Projections. Final Report, para 5.12.

¹¹ Housing Vision (November 2015) Understanding Changes in Population and Household projections: West Somerset Council Draft Report 2, para 1.46.

¹² <http://www.westsomersetonline.gov.uk/Council--Democracy/Council-Meetings/Local-Development-Panel-Meetings/Local-Development-Panel--25-November-2015>

¹³ PAS and Peter Brett Associates (July 2015) Objectively Assessed Need and Housing Targets Technical Advice Note. Second Edition.

<http://www.pas.gov.uk/documents/332612/6549918/OANupdatedadvicenote/f1bfb748-11fc-4d93-834c-a32c0d2c984d>

¹⁴ CLG PPG Paragraph: 001 Reference ID: 2a-001-20140306

requirements have been taken into account in calculating the OAHN. It includes an additional 450 dwellings in the West Somerset LPA area which could be generated as a consequence of the construction of a new nuclear power station at Hinkley Point.

Table 2 Objectively Assessed Need for Housing across Northern Peninsula HMA

LPA	Unadjusted Demographic Requirement ¹⁵	Uplifted Requirement incorporating vacant dwellings, second & holiday homes	Backlog of affordable dwellings	Requirement based upon Economic Growth	Total OAHN
North Devon	5,232	5,769	589	-	-
Torridge	6,727	7,328	235	-	-
North Devon and Torridge	11,959	13,097	824	2,668 ¹⁶	16,589 ¹⁷
West Somerset	1,302	1,448	207	450	2,105
Exmoor NPA	552 ¹⁸	658	60	-	718
Total	13,813	15,203	1,091	3,118	19,412

Source: Northern Peninsula Strategic Housing Market Assessment Update, Housing Vision (December 2015) and Northern Devon Housing and Employment Study, GL Hearn (April 2014)

4. Accommodating the Exmoor National Park Housing Figures

4.1. Based on the 2012 household projections, the housing figures have been assessed, taking account of national policy and guidance, to provide confidence in the approach both within the National Park and as part of the Northern Peninsula HMA. Table 3 below sets out the OAHN for the National Park, showing the breakdown between the North Devon and West Somerset

¹⁵ Based on 2012 based household projections. Figures from based upon the Subnational Household Projections in England, CLG, <https://www.gov.uk/government/collections/household-projections#2012-based-projections>

¹⁶ Economic uplift available only as a combined figure for North Devon and Torridge LPAs.

¹⁷ Derived from Northern Devon Housing and Employment Study – Final Report, GL Hearn, April 2014.

¹⁸ Figure consists of 338 affordable dwellings and 214 market dwellings

housing authority areas. It shows how the market housing figure has been derived that ENPA is requesting be accommodated within the West Somerset Local Plan housing provision figure. North Devon Council has indicated that it is able to accommodate the market and affordable housing arising from the North Devon part of the National Park within the overall housing provision figure included in the emerging North Devon and Torridge Local Plan.

Table 3 Exmoor National Park Objectively Assessed Housing Need (OAHN) 2011-2031¹⁹

	North Devon in ENP	West Somerset in ENP	Whole ENP	Notes
Unadjusted Demographic Baseline Figure	150	402	552	¹ Figure ENPA are requesting be included within West Somerset Local Plan housing provision figure. ² Figure for N.Devon in ENP to be included in N.Devon/Torridge Local Plan and met outside National Park. ³ OAHN for ENP 2011-31. ⁴ Revised affordable housing figure for W. Somerset in ENP proposed to be included as an estimate of need in the ENP Local Plan.
Affordable Housing Element	92	246	338	
Market Housing Element	58	156	214	
Affordable Housing backlog	17	43	60	
Market housing plus uplift	69	186 ¹	255	
Total Figure with vacant/second homes uplift (19.2%) plus affordable housing backlog	196 ²	522	718 ³	
Affordable Housing plus Uplift and backlog	127	336 ⁴	463	

¹⁹ Housing Vision (December 2015) Northern Peninsula HMA SHMA: the Implications of 2012-based Household Projections. Table 5.3 (EB21)

5 HOUSING PROVISION

5.1 Table 4 below (see also Appendix 4: Statement of Common Ground – Table 3) sets out the unadjusted demographic housing figure, total OAHN, planned housing requirement housing delivery and the identified housing supply for the LPAs in the Northern Peninsula HMA. The table demonstrates that there is sufficient housing being planned within the constituent Local Plans of the Northern Peninsula HMA to meet the full OAHN. Across the Northern Peninsula HMA, the total plan provision is overproviding or raising housing numbers above the demographic minimum against demographic led household projections.

Table 4. Housing Provision across Northern Peninsula HMA

LPA	Unadjusted Demographic Figure	Total OAHN ²⁰	Planned Housing Requirement	Housing Delivered 2011-2015	Identified Housing Supply ²¹
North Devon	5,232	-	-	974 ²²	8,768
Torrige	6,727	-	-	1,092	8,478
North Devon and Torrige ²³	11,959	16,589	17,220 ²⁴	2,066	17,246
West Somerset	1302	2,105	2,900	306 ²⁵	2,900
Exmoor National Park*	552	718	336 ²⁶	96 ²⁷	345 ²⁸
Total	13,813	19,412	20,456	2,468	20,491

²⁰ Figures derived from Table 3

²¹ Figures from emerging Local Plans

⁸ There are 7 affordable dwellings and 9 open market completions 2011/12 to 2014/15 within the North Devon part of Exmoor National Park. These have not been included in the figure of 974.

²³ Combined total of North Devon and Torrige in rows above.

²⁴ Incorporating total OAHN, allowance for 196 dwellings arising from the OAHN for the part of Exmoor National Park residing within North Devon and uplift to deliver additional housing for additional workforce arising from uplift in employment land provision contained within the Local Plan.

²⁵ Completions over period 2012-2015

²⁶ Affordable housing element of total for West Somerset Housing Authority area in the National Park 2011-31 as an estimate of need only. Unadjusted affordable figure for ENP in W Somerset is 246

²⁷ Total completions of 96 dwellings (53 affordable and 43 open market completions 2011/12 to 2014/15) of which 80 are in West Somerset part of the National Park (46 affordable and 34 open market completions) with 16 in the North Devon part of the National Park (7 affordable and 9 open market completions).

²⁸ Total identified housing supply from developable SHLAA sites have total capacity of 249 dwellings, with a further 96 completions (2011-2015).