

MATTER 2: INSPECTOR'S NOTE

1. This note has been prepared with the intention of assisting the discussion of this matter by setting out my current understanding having now read the further statements that have been submitted. It is important that my understanding is corrected during the discussion if any participant considers it to be wrong in whole or in part. My starting point is the National Planning Policy Framework (the Framework) and the Planning Practice Guidance (PPG).
2. Framework paragraph 47 has 2 steps. First, the objectively assessed market and affordable housing need must be identified for **the** housing market area (HMA) and, second, the local plan must meet those needs in full as far as consistent with the policies set out in the Framework.
3. Step 1 therefore requires the identification of the HMA in the first instance before moving on to assess the need.
4. Notwithstanding the emboldened reference above, it is not always the case that the area of the local planning authority (LPA) and the HMA are the same. It is now clear from the statement by Exmoor National Park Authority (ENPA) (ED25/2) that the Northern Peninsular HMA comprises the LPA areas of Torrington, North Devon and West Somerset Councils and the ENPA. Much of West Somerset Council area is actually within the ENPA for planning purposes. As far as I am aware, this is the first of the local plans within that HMA to be examined and thus the first opportunity for the boundaries of the HMA to be considered. No challenge has been made which may have implications for those other plans. However, in my initial letter I queried how the local plan area related to HMAs (ED3, paragraphs 13-17). The Council will need to confirm, if it is correct, that it is planning to contribute to the housing need of the Northern Peninsular HMA alone.
5. Appendix 4 to ED25/2 is a Statement of Common Ground prepared by the four LPAs within the HMA. I am assuming that the Council is a signatory even though the copy provided is unsigned by West Somerset. This lists in Table 1 the Strategic Housing Market Assessments (SHMA) that have been prepared since the first in 2008. Of the 8, only 3 have covered all constituent LPAs; the first (EB1), the January 2015 update (EB3) and the December 2015 update (EB21). It is the latter that takes into account the DCLG 2012 household projections published in February 2015 and, in accordance with the advice in the PPG, this is the evidence base document that should now be used.

6. It is however a review rather than a new assessment. It is perhaps reasonable to carry out a review only of the demographic data to judge the effect of the latest household projections. However, the only 'market signals' taken into account are adjustments for vacant dwellings, second and holiday homes and the backlog of affordable housing. 'Affordability', which I understand to be different to 'affordable' housing, has not been specifically taken into account and the uplift required by the PPG does not appear to have been considered. The Council will need to confirm that any market signals considered in the 2008 document remain unchanged and provide the evidence for coming to that conclusion.
7. The requirement based upon economic growth has been taken into account for all except the ENPA. That for North Devon and Torridge is derived from a study reported in April 2014. That for West Somerset is from the *SHMA: West Somerset Update of November 2013* (EB2) and specifically relates to the effect of Hinkley Point C construction; this requirement is 450 dwellings over the plan period.
8. The outcome of this process for the HMA as a whole is an OAHN of 19,400 dwellings and, for the plan area, 2,105 dwellings. While some have queried whether that is robust (although no alternative figure has been put forward) that may be somewhat academic as the Council is planning to provide for 2,900 dwellings and thus far in excess of its 'share' of the HMA OAHN.
9. Turning to the second step in Framework paragraph 47, there is no evidence that the Council is making provision for the needs of any other HMA although this will need to be confirmed by the Council. The link therefore between the provision in the plan and the OAHN for the HMA disaggregated to the LPA appears tenuous.
10. In fact, once the 450 dwellings attributable to the Hinkley Point C development are excluded and the balance annualised over the plan period, the rate of development (some 122 dpa) is the long term trend performance figure. From the totality of the Council's evidence, which in several places sets out its cautionary view about national forecasts for the Council area, this appears to be the basis for the plan's housing figure. For example, the Strategy and Housing Topic Paper explains how past building rates have compared with strategic housing requirements (EB7, paragraphs 65 to 71). However, there seems to be little analysis of the reasons for this under-performance.
11. That suggests that the basis for the plan is a continuation of past policies. This appears to be confirmed by the Council's Matter 3 statement

(ED34/3, paragraph 3.4.4). That is primarily for discussion under Matter 3.