



The Strategic Planning Team
West Devon Borough Council
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SENT BY E-MAIL AND POST

13th April 2015

Dear Sir / Madam

WEST DEVON LOCAL PLAN PUBLICATION VERSION CONSULTATION

Introduction

Thank you for consulting with the Home Builders Federation (HBF) on the above mentioned consultation. The HBF is the principal representative body of the house-building industry in England and Wales. Our representations reflect the views of our membership, which includes multi-national PLC's, regional developers and small, local builders. In any one year, our members account for over 80% of all new "for sale" market housing built in England and Wales as well as a large proportion of newly built affordable housing. We are pleased to submit the following representations and in due course to attend the Examination Hearing Sessions to debate these matters in greater detail.

Duty to Co-operate

West Devon has five neighbouring authorities namely Cornwall Council, Torridge, Mid Devon, Teignbridge and South Hams District Councils as well as the Dartmoor National Park. The Council considers that West Devon forms part of the Plymouth Housing Market Area (HMA) together with Plymouth City Council, Cornwall Council, South Hams District Council and the Dartmoor National Park.

The inter relationships between these adjacent authorities should be taken into account in calculating the objective assessment of housing need (OAHN). It is understood that a Cross Boundary Strategic Planning Study for Plymouth, South West Devon and East Cornwall has been commissioned but its recommendations will not be published until later in 2015. Unfortunately until the publication of this Study the full extent of the OAHN and the implications for the distribution and delivery of the housing across the HMA including the need for cross boundary strategies are unknown.

At present there are a number of uncertainties concerning neighbouring authorities which have implications for West Devon Borough Council under the Duty to Co-operate. These include :-

- the examination of the Cornwall Plan commencing on 18th May 2015, it is contended that the proposed housing requirement is not meeting OAHN ;
- the review of the Plymouth Plan 2011 – 2031 (latest consultation ended on 4th March 2015), it is acknowledged that the city is unable to meet its own OAHN ;
- the Mid Devon Local Plan Review (current consultation ends 27th April 2015), the housing figures in adopted Local Plan are derived from former Regional Spatial Strategy (RSS) ;
- the proposed main changes to North Devon & Torridge Joint Local Plan (current consultation ends 1st May 2015).

At this time the Council has not produced a Duty to Co-operate Statement. Before the West Devon Local Plan is submitted for Examination a Duty to Co-operate Statement should be prepared setting out the Council's compliance with the legal requirements of the Duty to Co-operate and the outcomes of collaborative working.

Housing Needs

The West Devon Core Strategy adopted in 2011 includes a housing provision of 4,400 dwellings between 2006 – 2026 (220 dwellings per annum) as determined by the now revoked RSS which assumed that a proportion of West Devon's housing needs would be met in Plymouth.

During the preparation of the new Local Plan the Council has produced a Topic Paper titled "Understanding Our Objectively Assessed Needs & Future Housing Targets" dated February 2015. This topic paper also references the Strategic Housing Market Needs Assessment (SHMNA) dated 2013 and an updated SHMNA dated November 2014 prepared by GVA. From this evidence it is understood that the Council considers its OAHN is between 190 – 216 dwellings per annum and consequently the Council has set its housing requirement target at the upper end of this range. Hence **Policy OP3 – Meeting Future Development Needs** proposes a housing requirement of 4,320 dwellings (216 dwellings per annum) over the plan period of 2011 – 2031.

However this OAHN is based solely on demographic trend based projections. It is understood that the Council's OAHN is calculated from 2012-based SNPP with an adjustment post 2021 to household formation rates (HFR) in order to track the 2008-based HFR trend plus a 3% vacancy rate to convert household growth into dwellings. It is difficult to understand an OAHN below the adopted Core Strategy housing figure when it can no longer be assumed that Plymouth is meeting any of West Devon's housing needs. Moreover it is also noted that the latest household projections published by DCLG on 27th February 2015 show in West Devon household growth per annum of 264

which is higher than the proposed housing requirement of 216 dwellings per annum. The National Planning Practice Guidance (NPPG) confirms that 2012-based household projections represent the most up to date estimate of future household growth (ID 2a-016-20150227). Therefore the Council should provide further justification for a seemingly low housing requirement as proposed.

Furthermore as set out in the NPPG household projections are just the starting point for OAHN (ID 2a-015-20140306). It is acknowledged that official household projections are only projections of past trends and not forecasts so these projections reflect past influences on household formation. Housing shortages over the last two decades, and poor housing affordability, have restricted the ability of many young people to form independent households. Therefore household projections should be treated as under-estimates of true future requirements as these projections build into future housing provision the adverse impacts on household formation of past undersupply and very weak economic and market conditions between 2008 and 2012.

The NPPG identifies that plan makers should also assess employment trends (ID 2a-018-20140306) which may necessitate an upward adjustment above demographic projections. In Table 10 of the Council's Topic Paper an OAHN based on now somewhat dated economic forecasts is shown as 250 – 337 dwellings per annum, which was discounted by the Council (Paragraph 3.49). Unfortunately there is insufficient explanation or justification provided by the Council on the dismissal of this higher OAHN. This aspect of calculating OAHN should be re-considered by the Council.

In addition the NPPG states that market signals such as land prices, house prices, rents, affordability, rates of development and overcrowding should be considered in establishing an OAHN (ID 2a-019-20140306). A worsening trend in any of these market signals will require an upward adjustment to planned housing numbers compared to ones based solely on household projections (ID 2a-020-20140306). The Council has not provided sufficient evidence on such market signals as there is no assessment of worsening trends.

Finally the NPPG advises that Councils should estimate the number of existing and future households without their own home or living in unsuitable accommodation, who cannot afford to meet their housing needs in the open market (ID 2a-022-20140306). This total affordable housing need should be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments. An increase in the total housing figures included in the Local Plan should be considered where it could help deliver the required number of affordable homes (ID 2a-029-20140306). The more significant the affordability constraints and the stronger other indicators of high demand, the larger the improvement in affordability needed and therefore the larger the additional supply response should be (ID 2a-020-20140306). The Council has not provided an assessment of affordable housing needs.

In the recent consultation on the Plymouth Local Plan the City Council referred to the OAHN figure as only provision pending further updated

information but West Devon Borough Council has made no similar statement about its OAHN. This is confusing because both Councils form part of the same HMA and use the same SHMNA evidence. The Council should justify its reliance on figures considered provisional by other authorities in the Plymouth HMA.

In conclusion the question arises as to whether or not a housing requirement of 4,320 dwellings (216 dwellings per annum) is a sufficient response to the Government's overall growth agenda and more specifically the National Planning Policy Framework (NPPF) requirement under Paragraph 47 "*to boost significantly housing supply*". For the reasons set out above it is considered that the OAHN represents an under estimation of housing needs as a consequence the proposed housing requirement is too low. Therefore before submission of the Local Plan for Examination the Council should re-consider its OAHN and the housing requirement set out in **Policy OP3**.

Housing Supply

The Council is proposing large urban extensions to Okehampton and Tavistock. Between years 6 – 10 there will be minimum development in other settlements delivered through Neighbourhood Plans or a Site Allocations Development Plan Document (DPD).

The Council has prepared a 5 Year Housing Land Supply (YHLS) Statement dated January 2015. In Table 7 the Council shows 5.2 YHLS. However the Council's calculation includes only 5% buffer and excludes the making up of previous shortfalls in housing delivery. It is noted that since adoption of the Core Strategy in 2011 the Council has under delivered on its annualised housing target. If a 20% buffer and the Sedgfield approach to past under delivery were applied to the Council's 5 YHLS calculation the Council could not demonstrate 5 YHLS.

It is also questionable if the windfall allowance of 60 dwellings per annum in the 5 YHLS is justified (Paragraph 3.10 of 5 YHLS Statement) given that since 2011 the rate of development on windfall sites has slowed (Paragraph 3.11 Understanding Our OAN & Future Housing Target).

If there is not reasonable certainty that the Council has a 5 YHLS the Local Plan is not sound as it would be neither effective nor consistent with national policy as set out in Paragraph 47 of the NPPF. Moreover if the West Devon Local Plan is not to be out of date on adoption it is critical that the land supply requirement is achieved as under Paragraph 49 of the NPPF "*relevant policies for the supply of housing will not be considered up to date if the LPA cannot demonstrate a five year supply of deliverable housing sites*".

In conclusion the Council should re-consider its 5 YHLS before submission of the Local Plan for Examination.

Other Policies

In compliance with the House of Commons Written Statement (HCWS50) Support for Small Scale Developers, Custom and Self-builders dated 28th November 2014 **Policy OP31 – Affordable Housing** should specify that the financial contributions sought on sites of 6 – 10 units are deferred payments to be paid on completion of the development. The Council should re-word **Policy OP31** accordingly.

Policy OP31 requires 30% affordable housing provision. However it is noted that the West Devon Strategic Viability Assessment dated February 2015 by Levvel demonstrates that development is not viable at 30% affordable housing provision even with no Community Infrastructure Levy (CIL) contributions. If the Council is too ambitious in its policy expectations development will be unnecessarily delayed indeed the Council's own evidence cites an example of such a delay on a brownfield site with resolution to grant planning consent subject to Section 106 Agreement which remains in on-going negotiations after 2 years (Paragraph 3.11 Understanding Our OAN & Future Housing Target). **Policy OP31** is not compliant with Paragraphs 173 and 174 of the NPPF whereby development should not be subject to such a scale of policy burdens that viability is threatened. Therefore the affordable housing target should be revised by the Council.

There are also a number of policies in the Local Plan which are not compliant with the Written Ministerial Statement dated 25th March 2015 concerning zero carbon homes and housing standards. These are :-

- **Policy OP30 – Inclusive Communities** in particular the reference to Lifetime Homes standards ;
- **Policy OP46 – Low Carbon Future** in particular the reference to water usage and carbon emissions ;
- **Policy OP47 – New Development & Sustainable Energy** in particular the reference to 10% renewable / low carbon energy.

The Council should review and modify these policies accordingly.

Conclusions

For the West Devon Local Plan to pass the four tests of soundness defined by Paragraph 182 of the NPPF, the Local Plan must be positively prepared, justified, effective and compliant with national policy. At present the Local Plan is unsound because of a number of unresolved issues which are summarised as :-

- under the Duty to Co-operate no conclusive cross boundary strategy for the HMA ;
- under-estimation of OAHN and the housing requirement ;
- lack of 5 YHLS on adoption ;
- unviable policy requirements for affordable housing ;
- non-compliance with national policy on housing standards.

Therefore the Local Plan has not been positively prepared or justified so it will not be effective and it is not compliant with national policy.

It is hoped that these comments are helpful to the Council in informing the next stages of the West Devon Local Plan. In the meantime if any further assistance or information is required please contact the undersigned.

Yours faithfully
for and on behalf of **HBF**

A handwritten signature in blue ink, appearing to read 'S E Green'.

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