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From: Local Plan Review
Subject: FW: Mid Devon Local Plan Review
Attachments: 170214 Mid Devon Local Plan Review Covering letter.pdf; Wessex Economics Report.pdf; 170214 Chapel Down Farm DFD.pdf; 170214 Mid Devon Local Plan Representations.pdf

Importance: High

From: Michael Rees [REDACTED]
Sent: 14 February 2017 11:44
To: Local Plan Review
Subject: Mid Devon Local Plan Review
Importance: High

Dear Sir / Madam, please find attached our representations in respect of the Local Plan Review on behalf of our clients Barratt David Wilson Homes.

I can confirm for you records, that we wish to attend the examination hearings in respect of topics covered due to the significant policy issues involved.

Kind regards

Michael Rees

Michael Rees MRTPI
Director

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14 February 2017
Our Ref: MJR/16.105

Local Plan Review Consultation
Forward Planning
Mid Devon District Council
Phoenix House
Phoenix Lane
Tiverton, EX16 6PP

Dear Sir / Madam,

MID DEVON LOCAL PLAN REVIEW
REPRESENTATIONS ON BEHALF OF BARRATT DAVID WILSON HOMES LTD

Please find set out herein our representations on behalf of Barratt David Wilson Homes Ltd.

Our clients control land at Chapel Down Farm at Crediton. The c.9.4 hectare site, which is located on the western edge of Crediton comprises an arable field and a small parcel of scrubland with some trees. Our clients are in the process of preparing an outline planning application which is due to be submitted in March 2017, comprising up to 120 new homes. A significant amount of technical work has been undertaken confirming the suitability of the site in all aspects, including transportation and air quality.

Previous representations have been made on behalf of BDW in respect of the site, these representations are supplemental to those with regards to the revised position of the Plan. They continue to focus on the most appropriate strategy for the plan in respect of housing need, supply and distribution in the context of the changes made and are supplemental to representations previously made in relation to the above site through the Local Plan Review (LPR). In particular, they relate to the changes made to para's 2.1a to 2.11 (inclusive of all text and figures) and policies S2, S3 and S4.

Our representations are based upon the need to ensure that they plan complies with NPPF and specifically focus upon:

- a. The need to meet the upper end of the assessed housing need range, in order for the plan to be considered as being positively prepared;
- b. The need to ensure a five year supply on adoption of the plan;
- c. The amount of housing that is required in order to meet the OAN;
- d. The heavy reliance upon constrained sites that will not deliver at the level envisaged;
- e. The proportion of growth at Crediton remains too low given its status;
- f. Chapel Down Farm has proven to be a technically sound and deliverable option for residential development; and
- g. The contribution that our clients site can make towards housing need.

They conclude with the measures required to make the plan sound.

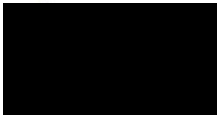
Our representations comprise the following attachments:

1. Our representation in respect of changes made;
2. A report by Wessex Economic; and
3. A Development Framework Document setting out the suitability of land at Chapel Down Farm, Crediton to be allocated as housing development.

I can confirm that due to the policy issues involved, we wish to appear at the Examination sessions on behalf of our clients.

If you require any further information please do not hesitate to contact me.

Yours sincerely,



Michael Rees
Director

LRM Planning Ltd



INTRODUCTION

1. This response to the Local Plan Review (LPR) is prepared on behalf of Barratt David Wilson Homes (BDW) who control land at Chapel Down Farm at Crediton.
2. The c.9.4 hectare site, which is located on the western edge of Crediton comprises an arable field and a small parcel of scrubland with some trees. Our clients are in the process of preparing an outline planning application which is due to be submitted in March 2017, comprising up to 120 new homes. A significant amount of technical work has been undertaken confirming the suitability of the site in all aspects, including transportation and air quality.
3. Based on the submission of an outline application in March, it is expected that upon approval BDW would submit a Reserved Matters application promptly with a view to delivery of all 120 dwellings within the 5 year period.
4. Para 2.24 of the emerging Plan indicates that traffic congestion and air quality are constraints to the growth of Crediton. Technical work undertaken confirms however, that this is not the case.
5. Previous representations have been made on behalf of BDW in respect of the site, these representations are supplemental to those with regards to the revised position of the Plan, most notably in terms of the increase in housing requirement.
6. Accordingly, our representations continue to focus on the most appropriate strategy for the plan in respect of housing need, supply and distribution in the context of the changes made and are supplemental to representations previously made in relation to the above site through the Local Plan Review (LPR). In particular, they relate to the changes made to para's 2.1a to 2.11 (inclusive of all text and figures) and policies S2, S3 and S4.
7. Our representations specifically focus upon:
 - a. The need to meet the upper end of the assessed housing need range, in order for the plan to be considered as being positively prepared;
 - b. The need to ensure a five year supply on adoption of the plan;
 - c. The amount of housing that is required in order to meet the OAN;
 - d. There is heavy reliance upon constrained sites that will not deliver at the level envisaged;
 - e. The proportion of growth at Crediton remains too low given its status;
 - f. Chapel Down Farm has proven to be a technically sound and deliverable option for residential development; and
 - g. Our clients site can make an early contribution towards housing need.
8. At para 52 of this representation we set out the measures required to make the plan sound.

NATIONAL PLANNING POLICY REQUIREMENTS

9. The NPPF establishes the Government's planning policies and provides guidance on how these are expected to be applied. This forms the basis for our representation.

10. In terms of plan-making, the NPPF outlines that Local Plans must be prepared with the objective of contributing to the achievement of sustainable development. To this end, emerging policy should be consistent with the principles established in the NPPF, including the presumption in favour of sustainable development.
11. Each Local Authority is expected to produce a Local Plan, which should:
 - Plan positively for the development and infrastructure required in the area to meet the objectives, principles and policies of the NPPF;
 - Be drawn up over an appropriate time scale, preferably a 15-year time horizon, take account of longer term requirements and be kept up-to-date;
 - Be based on co-operation with neighbouring authorities, public, voluntary and private sector organisations;
 - Indicate broad locations for strategic development on a key diagram and land-use designations on a proposals map;
 - Allocate sites to promote development and flexible use of land, bringing forward new land where necessary, and provide detail on form, scale, access and quantum of development where appropriate;
 - Identify areas where development would be inappropriate; and
 - Contain a clear strategy for enhancing the natural, built and historic environment and supporting National Improvement Areas where they have been identified.
12. The NPPF outlines that to boost the supply of housing significantly, local planning authorities should ensure that their Local Plans meet the full, objectively assessed needs for market and affordable housing in the housing market area (paras. 47 and 159 refer). It is also a requirement that (Para 47 refers) Local Authorities should “**identify and update annually a supply of specific deliverable sites sufficient to provide five years worth of housing against their housing requirements**” and “**identify a supply of specific, developable sites or broad locations for growth, for years 6-10 and, where possible, for years 11-15**”.
13. Para. 182 of the NPPF indicates that on Examination an Inspector is asked to consider whether the Local Plan is ‘sound’. To be considered as ‘sound’ a Local Plan must be:
 - Positively prepared – the plan should be prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements;
 - Justified – the plan should be the most appropriate strategy, when considered against the reasonable alternatives, based on proportionate evidence;
 - Effective – the plan should be deliverable over its period and based on effective
14. Plainly these considerations form the basis for our assessment of the approach taken to the plan.

HOUSING NEED

15. Wessex Economics have been appointed by BDW in order to review the Local Plan Review proposals as updated and whether the approach taken presents a robust assessment of the Objectively Assessed Housing Need (OAHN) for Mid Devon, as defined in Planning Policy Guidance (PPG). Their report is appended to our representations but a summary is included below (para 16 to 34).

16. Wessex Economics note that the analysis contained in the SHMA, and a number of subsequent reports, underpins the figure for planned housing provision in the period 2013-33 set by MDCC in the LPR Proposed Submission. The latest version of the Local Plan sets a housing target of 393 dwellings pa, a total of 7,860, dwellings over the period 2013-33.
17. The planned housing provision for Mid Devon set out in LPR Proposed Submission is slightly higher than the OAHN set out in the Exeter SHMA. The SHMA identifies the OAHN for Mid Devon as falling with the range of 359 – 381 dwellings per annum. This translates into provision of between 7,180 and 7,620 homes over the 20 year period 2013-33.
18. However, it should be noted that the required provision of new homes from April 2016 to the end of March 2033 is now 408 dwellings per annum, because, in the first three years of the plan period, dwelling completions have averaged 308 dwellings pa, quite significantly below the average requirement for 393 dwellings pa over the plan period identified in the LPR Proposed Submission.
19. The planned housing provision for Mid Devon set out in LPR Proposed Submission is slightly higher than the OAHN set out in the Exeter SHMA. The SHMA identifies the OAHN for Mid Devon as falling with the range of 359 – 381 dwellings per annum. This translates into provision of between 7,180 and 7,620 homes over the 20 year period 2013-33.
20. However, the demographically determined requirement, for additional housing as defined in PPG is 381 dwellings pa or 7,620 dwellings over the 20 year period 2013-33. While the SHMA presents the requirement as falling in the range 359 – 381 dwellings pa, it is only the scenarios linked to job growth that generate a lower housing requirement. PPG makes it clear than the OAHN starting point is the demographically determined housing need of their area.
21. Wessex Economics consider that there are other significant shortcomings in the assessment of OAHN for Mid Devon set out in the SHMA, and therefore in the scale of planned provision of new homes as set out in the LPR Proposed Submission. These weaknesses are associated with the response to market signals and failure to take account of concealed households. There are also shortcomings associated with the treatment of employment issues.
22. It is noted by Wessex Economics that SHMA makes a cursory assessment of market signals, and concludes that there is no need to make any upward adjustment in response to the evidence of deteriorating housing affordability over time because these trends are evident across the region as a whole. PPG is clear that, where there is evidence of deteriorating housing affordability over time, the OAHN process should consider increasing planned housing provision above the demographically derived starting point to help improve housing affordability.
23. In Mid Devon there is clear evidence of worsening affordability in terms of the house price to earnings ratio and the ratio of earnings and rents; this would indicate that an uplift in planned housing provision should be applied, if the OAHN is to be compliant with PPG.
24. The evidence on market signals would, in Wessex Economics judgement call for at least a 15% uplift to the demographic starting point, which would increase OAHN to 438 dwellings pa. Were the Local Plans Expert Group (LPEG) recommendations to be applied to Mid Devon, a 20% uplift would be required based on the affordability ratios for Mid Devon. This would increase the assessed housing requirement to 456 dwellings pa.
25. Wessex Economics also note that the SHMA also underestimates the baseline need for housing. Concealed households are not counted in CLG Household Projections. Evidence from ONS indicates that there are around 300 and 440 concealed households in Mid Devon. The OAHN should be increased by around 370 dwellings to reflect this uncounted housing requirement.
26. The SHMA and the LPR Proposed Submission is also seriously deficient in its assessment of affordable housing requirements. The analysis in the SHMA is narrowly focused on people in housing need as defined in PPG. The PPG definition of housing need focuses almost exclusively on those households who will need subsidised rented accommodation.

27. Yet the Affordable Housing policy set out in the LPR Proposed Submission is that 40% of affordable housing provision will take the form intermediate housing/low cost home ownership provision; this form of affordable housing will not meet the needs of those who require subsidised rented accommodation to any substantial extent.
28. The consequence of this mis-alignment of the definition of housing need used in the SHMA (though it reflects PPG), and the anticipated mix of planned affordable housing provision in Mid Devon (which reflects Government priorities and funding), is that the SHMA seriously under-estimates the scale of the shortfall in the supply of subsidised rented housing that will be delivered in association with any level of overall planned provision of housing.
29. PPG makes it clear that the planning authority should consider an increase in the overall planned housing provision to enable delivery of an increased number of affordable homes. Wessex Economics' interpretation of PPG is that this is a matter of policy, rather than part of the OAHN. However, this reinforces the case that a significant uplift over the demographically derived housing requirement for Mid Devon would be appropriate in response to market signals, and the pressing need particularly for subsidised rented housing.
30. The combination of a 20% uplift on the demographically determined housing requirement in response to market signals and a further 5% uplift to enable provision of additional subsidised rented housing would require delivery of 480 dwellings pa in Mid Devon.
31. Wessex Economics report also examines recent work commissioned by Mid Devon to examine the housing implications of a proposed large scale commercial development at Junction 27 of the M5, which is now incorporated into the Proposed Submission Local Plan. It is in the light of this proposal that the housing requirement for Mid Devon has been increased in the LPR Proposed Submission most recent version of the Local Plan to 393 dwellings pa from 360 dwellings pa in the previous version of the Local Plan.
32. In practice, the document that underpins the uplift in housing provision linked to the M27/Westwood proposals present a wide array of different possible required levels of housing based on different assumptions about economic activity rates and commuting patterns. Wessex Economics are therefore of the view that more weight should be given to the evidence presented on market signals and affordable housing.
33. In the light of the evidence on market signals and affordable housing Wessex Economics recommend that both the 20% uplift to OAHN in response to market signals and a 5% uplift to overall housing delivery be made to in order to improve affordability and to enable additional affordable housing. This would imply planned housing provision of **480 dwellings pa (9,600 dwellings 2013-33)** in Mid Devon. This remains within the range that is consistent with the planned employment growth in the District including the need for additional labour linked to the M27/Westwood proposals.
34. In terms of requirements for the remainder of the Plan period these figures should be adjusted to reflect under-delivery in the first three years of the Plan period.

HOUSING SUPPLY

35. We are concerned that the approach taken towards allocations will not result in a sustainable pattern of development and is unduly restrictive. Given the matters set out herein we believe that additional land must be allocated in order to meet needs. This includes allocating readily developable sites that can contribute towards the housing requirement within the 5 year supply.
36. In this regard, our clients have an interest in numerous sites within the Plan, but they also seek to deliver further proposals on sites that are not yet allocated, but would form appropriate and sustainable means of provision of housing.

37. BDW has significant concerns that the Plan does not provide for a five-year supply of housing. The principle areas of concern are:
- The application of a buffer;
 - The deliverability of some housing sites;
 - Historic difficulties.
38. **Buffer:** We note that a 20% buffer should be built into the 5 year calculation. There has been a history of under delivery and we note that the Council accept this. Based on this the 5 year requirement would be 2,664 rather than the Council's trajectory of 2,651. This would result in a 4.9 year supply of land without any consideration of the actual delivery of rates.
39. **Deliverability of Housing Sites:** BDW have numerous concerns relating to the delivery assumptions for a number of sites. Based on our experience, many of the assumptions made in document CE5 are overly ambitious. Ordinarily we would consider the following assumptions as being the most optimistic where there is no developer on board until stage 4:
1. Preparation of an outline planning application (to resolution) – up to 12 months;
 2. Signing a S106 Legal Agreement – 6 months;
 3. Conveyancing – 6 months;
 4. Preparation of a Reserved Matters application – 6 months;
 5. Reserved Matters approval / discharge of conditions – 6 months;
 6. Site clearance / infrastructure – 6 months; and
 7. First legal completions – 6 months.
40. Using the assumptions presented above as well as consideration of site specific circumstances, we have concerns relating to the deliverability of five of the sites at the three main settlements within the anticipated 5-year supply, as follows:
- CU1-CU6: we are aware of significant concerns regarding delivery of key infrastructure associated with the proposed development which has led to considerable technical objections to the inclusion of the site. Until such time as these objections are resolved, then it cannot be considered available within the 5 year supply. This equates to a reduction of 237 units from the 5 year supply;
 - CRE5: Given that an outline application has not yet been submitted the timeframe for completions is up to 4 years. As such we consider it should be pushed back 2 years which equates to 75 units outside of the 5 year supply.
 - CRE8: Given the Council resolution and the comments of the SHLAA panel it cannot be considered available within the 5 year period. Therefore 20 units would be outside of the 5-year supply;
 - CRE1: Due to lead in times for development and the fact that detailed consents are awaited the site should be pushed back. This would mean c.50 dwellings would be outside of the 5-year supply.
 - TIV16: The SHLAA panel consider that the site is unavailable. Therefore 62 units would be outside of the 5 year supply;
41. With regards to sites outside of the main settlements, we have considerable concerns over whether these can be relied upon, indeed we note the following:
- BO1, BR1, CF2, CL1, HA1, MO1, SA1, SI2: There is no planning application or indication of timing of submission of an application;
 - CB1 and CF1 were first granted planning permission in the early 1990's. These consents have remained unimplemented with no new applications;
 - SI1 appears to be allocated despite a previous application being refused on appeal; and
 - SP1 has previously been proposed for a C2 Care Home.

42. Given the numerous issues associated with these sites and lack of certainty over delivery. Each would be subject to new applications which if they up to 190 dwellings cannot be relied upon from these sources in the first 5 years.
43. We have further significant concerns regarding the delivery of sites after the initial 5 year period. In this regard, unless the technical constraints at Collumpton can be overcome there will be a shortfall of 3,500 dwellings at least.
44. On the basis of the above, it is considered that the Council's delivery assumptions are overly optimistic. Accordingly, 634 units should be removed from the 5-year supply of housing. This has the following impact on the Council's ability to demonstrate a 5-year supply of housing:

Table 1: 5 Year Supply – Based on Mid Devon District Council Requirement

		Number of Dwellings
A	Requirement 2013 – 2033	7,860
B	Annual Requirement 2013-2033 (A/20)	393
C	Requirement 2013 to 2016	1,179
D	Net Completions 2013 /16	924
E	Shortfall 2013/2016	255
F	Five Requirement with Shortfall	2,220
G	5 Year Requirement with 20% buffer	2,664
H	Annualised Requirement with 20% buffer	533
I	Projected Supply (2016-21)	2,017
J	Supply – Requirement (I-G)	-647
K	Number of Years Supply	3.78

Table 2: 5 Year Supply –Based on Wessex Economic requirement

		Number of Dwellings
A	Wessex Economic Requirement 2013 – 2033	9,600
B	Annual Requirement 2013-2033 (A/20)	480
C	Requirement 2013 to 2016	1,440
D	Net Completions 2013 /16	974
E	Shortfall 2013/16	466
F	Five Requirement with Shortfall	3,332
G	5 Year Requirement with 20% buffer	3,998
H	Annualised Requirement with 20% buffer	799
I	Projected Supply (2016-21)	2,017
J	Supply – Requirement (I-G)	-1981
K	Number of Years Supply	2.5

45. Plainly it is the case that additional sites are required in order to contribute towards the 5 year supply. Indeed, on the basis of the current supply of sites, we believe that there is only a 3.7 year supply of land. Notably however, when the same supply is considered against the Wessex Economics consideration of OAN this reduces to just 2.5 years.
46. **Flexibility:** The tables presented in the plan identify that there is a planned housing supply of 8,634 dwellings, against a requirement of 7,860 dwellings. This provides head room of just 10% against the identified housing requirement. The Council therefore acknowledge that such a level of flexibility is necessary within the pool of supply. However, in light of our concerns relating to the Council's delivery assumptions, identified constraints to proposed allocations and poor performance previously we consider that a greater flexibility allowance of 15% to 20% should be sought.
47. **Conclusion:** Accordingly it is strongly our view that an additional supply of sites must be identified.

HOUSING DISTRIBUTION

48. It is entirely appropriate that growth should be focussed at the three main settlements of Tiverton, Collumpton and Crediton. Such a strategy has been tested and implemented in previous Local Plans and is therefore unobjectionable. However, we are extremely concerned that growth will be artificially constrained at Crediton, reducing the towns role and function and therefore its strategic importance for Mid Devon.
49. In this regard, Para 2.24 of the plan indicates that technical constraints in respect of transport and air quality restrict growth. However, technical work undertaken in relation to the Chapel Down Farm site confirms that this is not the case, rather improvements can be made to the flow of the transport network and air quality impacts from new development are negligible. Our representations in respect of the site consider this in more detail as will the forthcoming application which will be submitted to form part of the examination library.
50. There is plainly a mismatch between population and growth as a result of this approach. We note:
- Crediton has 9% of the District's population (and 25% of the population lies within its catchment area). However, it has just 10% of proposed residential allocations;
 - Collumpton has 10% of the District's population (and 22% of the population lies within its catchment area). However, it has over 50% of proposed allocations.
51. Such a mismatch cannot be considered to be sustainable and given the up to date technical information, it is our view that this should be remedied.

IMPLICATIONS FOR PLAN

52. Work undertaken by Wessex Economics suggests that a more accurate OAN for the Plan period would be 480 dwellings pa, which equates to 9,600 dwellings (2013-33). Accordingly Policy S2, S3 and S4 will need to be updated in order to reflect this more accurate need.
53. Furthermore, based on the evidence presented above BDW consider that there is likely to be a shortfall in the 5-year housing land supply for the plan area. As such on adoption in its present form, the land supply is likely to around 3.7 years (and require an additional 647 dwellings) but based on the more accurate OAN prepared by Wessex Economics the shortfall increases to just a 2.5 year supply of land (and a requirement for over 2000 additional dwellings). Plainly, the implications for not meeting this requirement are far reaching and contrary to the requirements of the NPPF.
54. In this regard and in order to avoid the failures in land supply of recent years additional sites are required to be identified for delivery within the 5 year supply.

February 2017

55. Our clients BDW confirm their interest in land at Chapel Down Farm which will provide an additional 120 dwellings in the five year supply. An outline planning application is due to be submitted shortly in this regard. BDW's utilise a compliance based approach to their detailed applications as such they would expect the site to be complete within the five year period.

LRM Planning
February 2017



Land at Chapel Down Farm, Crediton

Development Framework Document

Prepared by LRM Planning Limited on behalf of Barratt David Wilson Homes

February 2017



Fig 1: The site

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1

Introduction

This Development Framework Document (DFD) has been prepared on behalf of Barratt David Wilson Homes (hereafter BDW) who are shortly to submit an outline planning application in relation to land at Chapel Down Farm, Crediton.

The DFD sets out a summary of the technical information prepared in support of the planning application for 120 residential units. This confirms that there are no technical constraints to development of the site..

In light of the shortfall of housing land supply in the District and the over arching need to increase supply, it is considered that the subject site provides an opportunity to deliver early housing completions in a suitable and appropriate location for development. In this regard, it is expected that the site would contribute entirely towards the 5 year land supply.



Fig 2: Site Location Plan





Fig 4: The pedestrian / cycle entrance

2

The site and its context

This section sets out information in respect of the site and its context. It describes the site and its key characteristics as well as the wider context of the site and elements that will help shape design considerations.

Site Description

This c.9.4 hectare site comprises an arable field and a small parcel of scrubland with some trees. It is located on the western edge of Crediton and outside the existing settlement limits.

Chapel Down Farm House, which is listed (Grade II), is located to the south west of the site.

The highest point of the site is located in its north-east corner. The site is steeply sloping, in a generally north to south gradient, with its lowest point at approximately in its southern-most corner.

Site Boundaries

The boundaries of the site are defined by:

- Existing accesses which serve the listed farm complex (Grade II) from the north (via Higher Road) and the south (the A377, via Queen Elizabeth Road) and open countryside to the west;
- Residential properties and open space to the east associated with Queen Elizabeth Drive;
- Higher Road and open countryside to the north; and
- The A377 to the south.

Site Appraisal

A detailed analysis of the site has been undertaken including in respect of landscape, ecology, archaeology, air quality and transport. Further detail is set out in section 4 of this DFD, however, figure 5 (opposite) shows a constraints plan which has been informed by these technical studies. It concludes that there are large areas that are suitable for development but suggests a number of key considerations to be incorporated into the master planning process, these include:

- the topography of the site and in particular the ridge line at the north of the site which ought to be incorporated as open space;
- a below ground architectural feature at the centre of the site;
- the existing boundaries of the site with urban influences which can include enhanced boundary features; and
- boundary hedgerows that form an opportunity for enhancement.

Local Context

An analysis of the wider context has been undertaken, this has considered the local built context and form of development. In the immediate environs this comprises lower density, modern housing estates with a transition towards the town centre where there are more historic features and higher density forms of development.

Of note, there are numerous landmark features throughout Crediton including St Lawrence Green Cross, the Church of the Holy Cross, the War Memorial and the flags in the high street that have become characteristic of the town itself.



Fig 5: The "look out" on St George's Hill



Fig 6: Local park near the northern access

LEGEND:

-  SITE BOUNDARY
-  PRINCIPAL ACCESS
-  FOOTPATH / CYCLE ACCESS
-  EXISTING PUBLIC RIGHT OF WAY
-  LVA - POTENTIAL ZONE FOR LOWER LEVEL DEVELOPMENT
-  LVA - POTENTIAL ZONE FOR DEVELOPMENT (WITH SCATTERED TREES TO BREAK UP MASSING)
-  DEVELOPABLE AREA WITH GRADIENT OF 1:7 OR HIGHER
-  EXISTING RIDGE LINE, CONSIDER ENHANCED BOUNDARY PLANTING
-  EXISTING BOUNDARIES, CONSIDER ENHANCED BOUNDARY PLANTING
-  CONTOURS
-  GRADIENTS
-  BELOW GROUND ARCHAEOLOGICAL FEATURE
-  VISUAL CONNECTIONS THROUGH EXISTING DEVELOPMENT FROM QUEEN ELIZABETH DRIVE
-  EXISTING TREE
-  EXISTING HEDGEROW
-  A377 PRINCIPAL ROAD
-  EXISTING SECONDARY ROADS
-  EXISTING FOOTPATH
-  LISTED BUILDING (CHAPEL DOWNS FARMHOUSE)
-  CONSIDER SETTING OF LISTED BUILDING
-  EXISTING BUILDING
-  EXISTING OVERHEAD CABLE



Fig 7: Constraints Plan

Sustainability

The site occupies a very sustainable location. It is within an acceptable walking distance of a wide range of facilities and public transport opportunities. Indeed, in terms of facilities, the site is located within 500 metres of primary and secondary schools as well as the local hospital and within 800 to 1500 metres of the town centre, which houses a range of services and facilities including:

- Pubs, restaurants and hot food takeaways;
- Numerous A1 retailers including convenience stores (including supermarkets), butchers, florists, bakers etc.;
- Numerous A2 services including banks, building societies, estate agents, solicitors and accountants; and
- Pharmacies and the Post Office.



Fig 8: Bus stop within walking distance of the site



Fig 9: Bus stop near High Street





Fig 10: Local Shop



Fig 13: St. Lawrence Green Cross



Fig 11: Local Pharmacy on High Street



Fig 12: Range of facilities on High Street



Fig 14: High Street



Fig 15: High density town houses around the town centre



Fig 16: More modern high density housing



Fig 17: Modern housing estate



Fig 18: Modern housing adjacent to main entrance of site



Fig 19: Modern housing in the local area



Fig 20: Modern housing in the local area



Fig 21: Modern housing in the local area

LEGEND:



Fig 22: Opportunities & Concept Plan

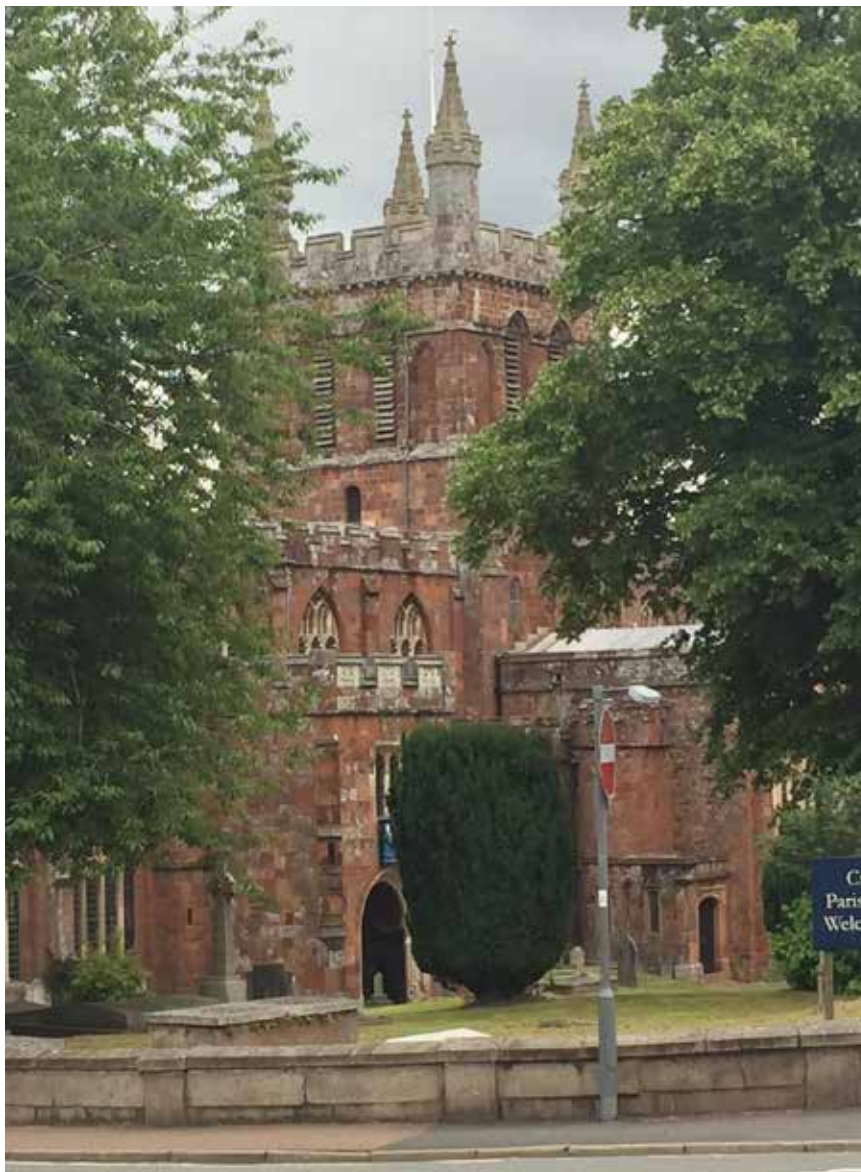


Fig 23: Church of the Holy Cross, a key landmark and Grade I listed building

Key Considerations

Based on an analysis of the site's location and the emerging policy context, there are a number of key considerations that feed into the proposals and are shown on Figure 22 (opportunities and constraints plan), which include:

- Providing much needed new homes including a proportion of affordable homes and a variety of house types to support the creation of an inclusive community;
- Good proximity to nearby schools, shops, healthcare and leisure facilities, which are easily accessible by sustainable transport modes;
- Close proximity to existing pedestrian and cycle links;
- Provision of a new valuable public open space that is easily accessible by existing and future residents;
- Creation of new green corridors and habitats across the site to connect on-site features to the wider green network, and to enhance biodiversity;
- Integration of valuable on-site hedgerows, archaeology and trees into the design of the development and wider development framework;
- Implementation of the key design principles of the emerging Local Plan;
- Respecting the northern ridge line and maximise outward views; and
- Integration with adjoining development parcels.

3

The Proposals

Based on the technical work undertaken and the opportunities and constraints plan, an Illustrative Masterplan (Figure 24 adjacent), which has been shaped by various technical assessments of the site and sets out one way in which the maximum parameter of housing (up to 120 dwellings) can be accommodated in an acceptable manner. Illustrative cross sections are shown in figure 25 (over page).

It is envisaged that an outline planning application, will be submitted in March 2017 and following approval of this, BDW would submit a detailed “compliance based” scheme. It is expected that based on BDW’s approach the 120 units would contribute towards the initial 5 year land supply of the plan.

The proposed development will comprise the following uses:

- The construction of up to 120 dwellings;
- A primary access from the north, with emergency access to the south, along with improvements to pedestrian routes in the area;
- Public open space;
- A buffer and habitat benefit area; and
- Associated infrastructure.

LEGEND:

-  SITE BOUNDARY
-  MAIN SITE ACCESS
-  FOOTWAY / CYCLE ACCESS
-  HIGHER DENSITY
-  LOWER DENSITY
-  FEATURE / KEY BUILDINGS
-  STREETS
-  FOOTWAY CONNECTIONS
-  SCATTERED TREE PLANTING TO BREAK UP DEVELOPMENT
-  POTENTIAL VIEWPOINT
-  CONTOURS
-  ORGANIC PERIMETER BLOCKS WITH INTERSPERSED LANDSCAPING
-  EXISTING TREE
-  EXISTING HEDGEROW
-  EXISTING BUILDING
-  LISTED BUILDING (CHAPEL DOWNS FARMHOUSE)
-  SITE VISIBLE THRO EXISTING DEVELOPMENT AT QUEEN ELIZABETH DRIVE



Fig 24: Master Plan

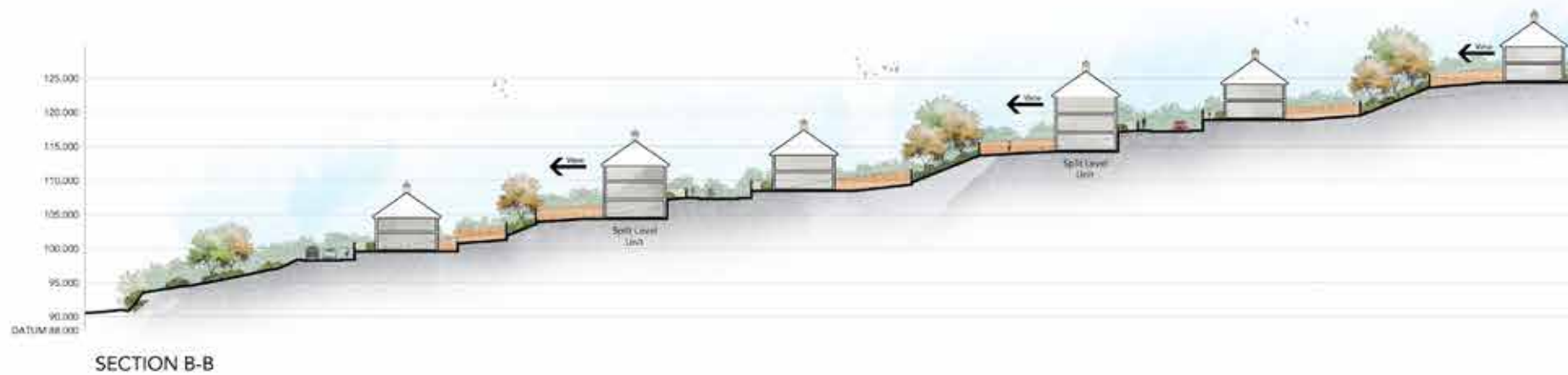
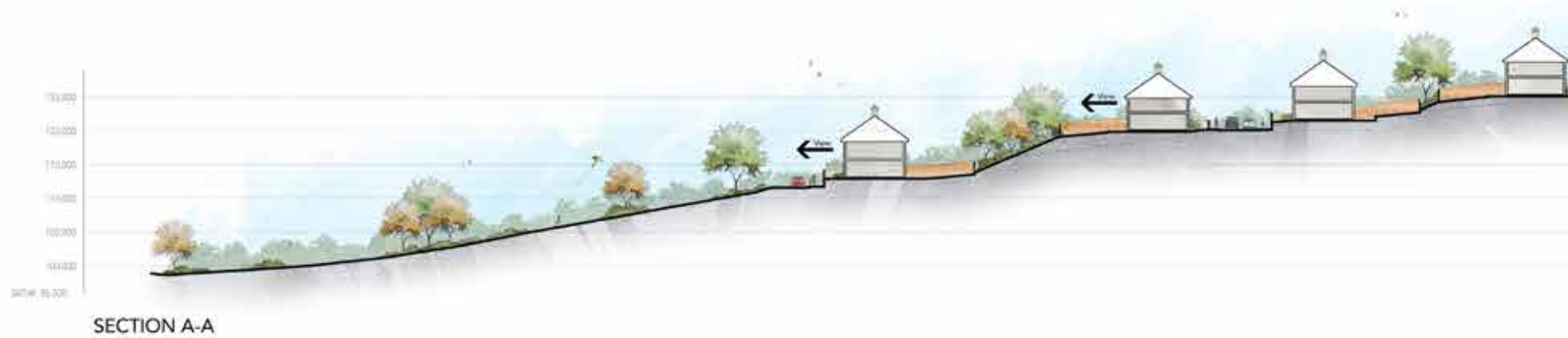
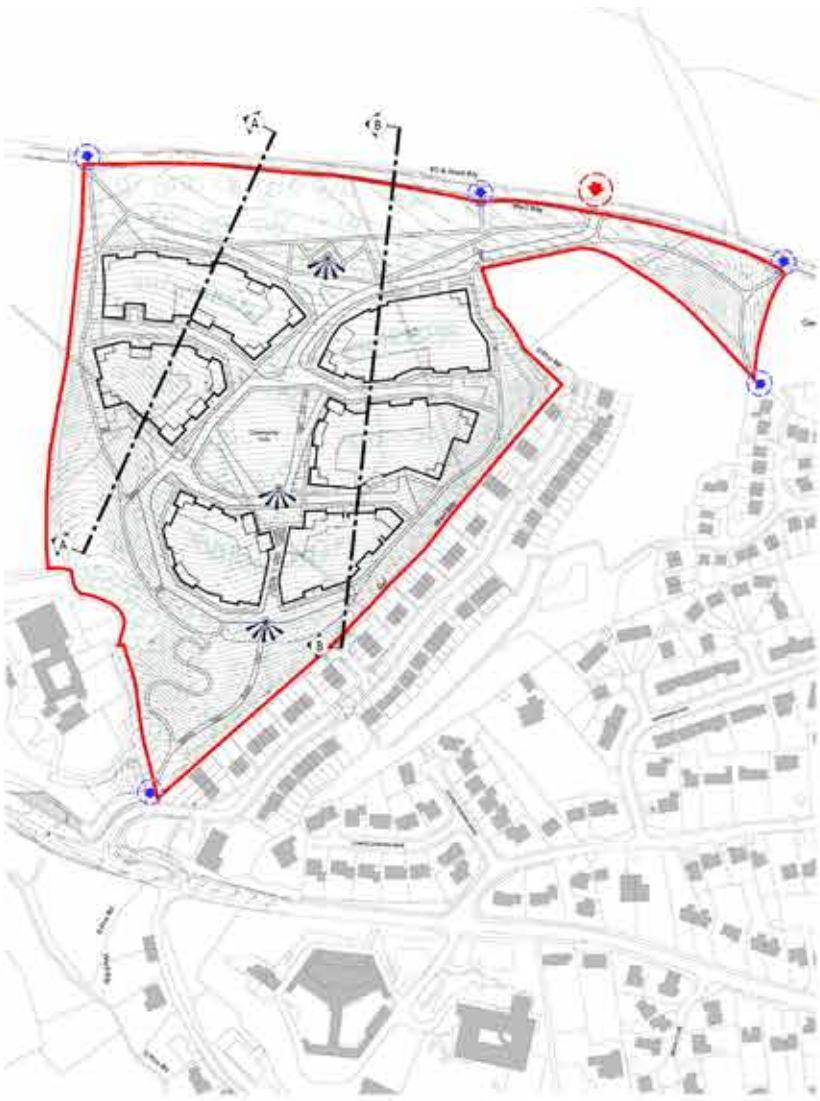


Fig 25: Illustrative cross sections



N
KEY PLAN

4

Technical Considerations

This section sets out a summary of the main findings and how they have been incorporated into proposals where required.

Highways

A Transport Assessment has been undertaken, with the scope agreed with the local Highway Authority, Devon County Council, and will be submitted as part of the forthcoming application. This has assessed the impacts of the proposed development on the local highway network. Based on this it is considered that with a number of minor improvements to the network, traffic circulation can be improved as a result of the proposals.

Vehicular access to the site will be provided from the north via Higher Road with further pedestrian and cycle access from the south via Queen Elizabeth Drive. This reduces development traffic impact on the town centre and the Air Quality Management Area. An internal movement network is set out in figure 27.

The site access will be via a priority junction onto Higher Road, along with improvements to the local pedestrian infrastructure to provide a footway link

from the site to George Hill and routes down into the town centre.

It is proposed to provide some minor mitigation works and traffic calming measures along Higher Road to manage traffic flows generated by the site. In addition, improvements to the Blagdon Terrace/Mill Street/Exhibition Way junction are proposed to improve vehicular circulation and ease congestion to the east of the town centre. It is considered that this will provide a significant improvement upon the existing situation.

Walking and Cycling links to the south will provide residents with access to Western Road and local amenities, as well as a relatively level route into Crediton town centre. A Travel Plan will be submitted with the application to identify measures to encourage sustainable travel by residents. Measures will include the provision of Travel Information Packs to each household and the promotion of walking, cycling and public transport through incentives.

LEGEND:

-  SITE BOUNDARY
-  MAIN SITE ACCESS
-  FOOTWAY / CYCLE ACCESS
-  PRINCIPAL ROUTE INTO DEVELOPMENT
-  SECONDARY ROUTES ALONG EXISTING CONTOURS
-  POTENTIAL DIRECT FOOTWAY ACCESS & VIEW THROUGH DEVELOPMENT
-  NETWORK OF FOOTPATH CONNECTIONS
-  EXISTING PUBLIC RIGHT OF WAY
-  EXISTING FOOTPATH
-  A377 PRINCIPAL ROAD
-  EXISTING SECONDARY ROADS



Fig 27: Routes and Movement Plan

Fig 28: Routes and Movement Plan



Air Quality

An Air Quality Assessment has been undertaken and will be submitted to accompany the application.

The methodology followed in this study was discussed and agreed with the Environmental Health Officer of Mid Devon District Council (MDDC). The assessment of construction phase impacts associated with fugitive dust and fine particulate matter (PM₁₀ and PM_{2.5}) emissions has been undertaken in line with the relevant Institute of Air Quality Management guidance. This identified that there is a high risk of dust soiling impacts and a low risk of increases in particulate matter concentrations due to construction activities.

However, through good site practice and the implementation of suitable mitigation measures, the effect of dust and particulate matter releases would be significantly reduced. The residual effects of the construction phase on air quality are considered to be negligible.

The assessment of the potential air quality impacts associated with traffic generated by the operational phase of the proposed development has been completed in line with published methodologies and technical guidance. The pollutants considered in this part of the assessment were nitrogen dioxide (NO₂), PM₁₀ and PM_{2.5}. The results show that the proposed development would cause a small increase in concentrations of NO₂, PM₁₀ and PM_{2.5}. However, the proposed development is not predicted to cause any exceedences of the air quality objectives or a significant worsening of an existing exceedence.

According to the assessment significance criteria, the residual effect of the proposed development is classed as negligible for all pollutants considered. Based on the assessment results, it is considered that the development proposals comply with national and local planning policy for air quality.

A s106 contribution would be required in line with the SPG.

Heritage

A heritage assessment will also be submitted given the proximity of the proposals to a listed building. An archaeological assessment will also be submitted. It is noted that initial desk based work has identified the presence of a roundhouse within the area identified as the central green. Detailed mitigation measures will be set out within the application submission.

Ecology

The site does not fall within any international, national or local designations for environmentally sensitive or important habitats; the nearest SSSI is over 2km away and the nearest Natura 2000 site is over 10km away.

The following surveys and assessment have taken place in 2016 and will be submitted with the application:

- Extended Phase 1 Habitat Survey including assessment for protected species;
- Breeding bird survey;
- Dormouse survey; and
- Bat activity transects & statics.

The site comprises a large, sloping arable field and small semi-improved grassland field at its eastern extent. The site is bound by species-rich and species-poor hedgerows, fences and scattered scrub. All hedgerows are considered to meet the criteria of Section 41 Habitats of Principal Importance. The site's hedgerows, in particular the northern, eastern and western boundaries support dormice and commuting/ foraging bats, including Annex II



species greater horseshoe bat. The hedgerows also support common resident and migrant bird species, albeit at fairly low densities.

Mitigation and compensation recommendations have been made to avoid and reduce the ecological impact of the development and maintain populations of species using the site, which will be fed into the design. This will include the retention of wildlife corridors connecting east to west and north to south and restrictions on lighting in these areas. Hedgerow removal/ translocation will require a Natural England mitigation licence for dormice and suitable mitigation/ habitat creation.

Enhancements will also be made such as the creation of hedgerow buffer strips, tree and shrub planting, wildflower grassland creation, the strengthening of boundary features and the provision of bat and bird boxes. It is envisaged that the development will result in a biodiversity net gain and enhance green infrastructure in the local area.

Landscape

The potential effects of the proposed development on the landscape resource of the site and its surrounding area, as well as upon specific views, setting and visual amenity, have been considered.

Potential effects on landscape character

It is considered that the site and its immediate surroundings correspond closely with the key characteristics of National Character Area (NCA) 148 'Devon Redlands', District Character Areas LCT 3E 'lowland plains' and LCT 7 'main cities and towns'. Due to the intervening topography, the more distant Character Areas of NCA 146, LCT 3C, LCT 3B and LCT 3G are relatively

disconnected from the site and have therefore been discounted.

NCA 148 'Devon Redlands': The proposed development would not significantly alter this NCA, with residential development is noted to be one of its characteristics. The building materials chosen and landscape treatment of the boundaries offer the chance to maintain or enhance the local vernacular.

LCT 3E 'Lowland plains': It is not considered that the removal of this small area would have a notable impact on the over integrity of LCT 3E due to its size, topography and existing interconnectivity to the adjacent LCT 7. Considerate design could enable the development to result in limited loss of hedgerows and hedgerow trees, which are seen to be distinguishing of the local landscape character.

LCT 7 'Main cities and towns': The proposed development would extend this LCT and would thus provide an opportunity to strengthen this character area. This LCT is already designated to the south-eastern area of the site.

Potential effects on visual amenity

Views of the site are predominantly from the south-east, south and south-west and vary in range. Longer distance views are generally limited by intervening vegetation and/or topography. There are highly limited receptor groups who may experience the longer distance views. Views of the site from the north and west are limited by a combination of intervening, topography and/or vegetation.

Views from adjacent housing: Views for residents of Avranches Avenue and the playing field adjacent to it would be formed by the proposed houses, particularly those located to the north-east of the site. These views would predominately be from rear-facing upper storey windows. Properties



orientated towards the site would gain glimpses from front-facing windows between existing properties to the proposed development.

Views for residents of Queen Elizabeth Drive would comprise of views through the existing boundary planting to proposed properties located along the site's eastern, south-eastern and southern boundaries. These views would predominately be from upper storey rear-facing windows. Properties orientated towards the site would gain glimpses from front-facing windows between existing properties to the proposed development.

Views from surrounding roads: Users of Higher Road may potentially gain views of proposed development beyond the adjacent hedgebanks in the oblique near views. These brief views would be seen in the context of the wider journey.

Views for users of the A377 travelling in a south-easterly direction could potentially gain views of the proposed development beyond the existing boundary vegetation. These views could potentially form a visible feature on the distant horizon but would also be seen in the context of the wider journey and alternative open views.

Views for users of the unnamed rural lane to the south of Blackdown plantation would comprise of long-distance views across open undulating agricultural land to the western edge of Crediton, where the proposed properties may also be visible for a brief duration of the journey.

Views from PRoWs: Views for users of the PRoWs to the north and south gain glimpses of the site when in close proximity to the site boundary. These views are experienced in the context of the wider journey and within the setting of views of the open countryside beyond the site.

Views for users of the Devonshire Heartland Way PRoW would comprise of

views across open agricultural land and hedgerows, the site forms a very small element within the vast panoramic landscape and is seen in the context of existing built development of Crediton.

Landscape Strategy

The following points have been drawn from the potential landscape and visual effects and could enable the enhancement of any beneficial effects, and the mitigation of any adverse effects. They should be used to inform the design and form of development:

- Boundary planting (a scheme is to be agreed);
- Properties should be arranged to avoid the site's highest points to avoid views of rooftops being visible from the north and to avoid development breaking the skyline in views from the Devonshire Heartland Way;
- The layout parameters (density, architectural materials, orientation, etc.) should be typical of the surrounding urban character to minimise its effect upon LCT 7;
- Orientate buildings so as to retain views out to the distant hills in the south-west;
- Retain and enhance existing boundary hedgerows and hedgerow trees;
- Hedgebanks or hedgerows could be used to break up the site into smaller parcels of land, or as divisions between back gardens. If so, they should be of an appropriate scale, size and mix so as to complement the existing surrounding hedgebanks and hedgerows;



- Trees could be planted along the northern boundary to shield views from the north and complement the local characteristic of clumps of trees of ridgelines;
- Building materials should complement the local vernacular of cob and thatch and red Devon sandstone; and
- Roads should be straight or gently winding in nature to match those of the local character area.

With the incorporation of these principles, the landscape and visual impact of the proposals would be minimised and seen within the context of the urban area.

Summary

From the work undertaken with findings and recommendations incorporated into the proposals, it is clear that there are no technical constraints to the delivery of the site. Rather it provides an opportunity to meet local housing needs along with providing other benefits.

5

Conclusion

This Development Framework Document has been prepared on behalf of Barratt David Wilson Homes in relation to land at Chapel Down Farm, Crediton.

It confirms the suitability of the site for residential development in the context of the significant expansion to the south of the town surrounding the site.

A significant amount of detailed work has been undertaken. This document summarises that information and it is expected that the full suite of information will be submitted to the Council.

Based on this, the site could contribute 120 dwellings to the immediate 5 year supply.



Fig 28: The site



Mid Devon Local Plan: Proposed Submission Local Plan Consultation

Assessment of Local Plan Proposals: The Requirement to Increase Planned Housing Supply

Client: Barratt Homes
February 2017

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Contact: 

Executive Summary

1. This report reviews the proposals put forward by Mid Devon District Council (MDDC) for housing provision in the period 2013-2033 in their Local Plan Review 2013-33 Proposed Submission (hereafter referred to as the LPR Proposed Submission).
2. The report assesses whether the Exeter HMA Strategic Housing Market Assessment (SHMA) published in March 2015 and subsequent studies presents a robust assessment of the Objectively Assessed Housing Need (OAHN) for Mid Devon, as defined in Planning Policy Guidance (PPG).
3. The analysis contained in the SHMA, and a number of subsequent reports, underpins the figure for planned housing provision in the period 2013-33 set by MDDC in the LPR Proposed Submission. The latest version of the Local Plan sets a housing target of 393 dwellings pa, a total of 7,860, dwellings over the period 2013-33.
4. However, it should be noted that the required provision of new homes from April 2016 to the end of March 2033 is now 408 dwellings per annum, because, in the first three years of the plan period, dwelling completions have averaged 308 dwellings pa, quite significantly below the average requirement for 393 dwellings pa over the plan period identified in the LPR Proposed Submission.
5. The planned housing provision for Mid Devon set out in LPR Proposed Submission is slightly higher than the OAHN set out in the Exeter SHMA. The SHMA identifies the OAHN for Mid Devon as falling with the range of 359 – 381 dwellings per annum. This translates into provision of between 7,180 and 7,620 homes over the 20 year period 2013-33.
6. However, the **demographically determined requirement, for additional housing as defined in PPG is 381 dwellings pa or 7,620 dwellings over the 20 year period 2013-33**. While the SHMA presents the requirement as falling in the range 359 – 381 dwellings pa, it is only the scenarios linked to job growth that generate a lower housing requirement. PPG makes it clear than the OAHN starting point is the demographically determined housing need of their area.
7. There are other significant shortcomings in the assessment of OAHN for Mid Devon set out in the SHMA, and therefore in the scale of planned provision of new homes as set out in the LPR Proposed Submission. These weaknesses are associated with the response to market signals and failure to take account of concealed households. There are also shortcomings associated with the treatment of employment issues.
8. The SHMA makes a cursory assessment of market signals, and concludes that there is no need to make any upward adjustment in response to the evidence of deteriorating housing affordability over time because these trends are evident across the region as a whole. PPG is clear that, where there is evidence of deteriorating housing affordability over time, the OAHN process should consider increasing planned housing provision above the demographically derived starting point to help improve housing affordability.
9. In Mid Devon there is clear evidence of worsening affordability in terms of the house price to earnings ratio and the ratio of earnings and rents; this would indicate that an uplift in planned housing provision should be applied, if the OAHN is to be compliant with PPG.

10. The evidence on market signals would, in Wessex Economics judgement call for at least a 15% uplift to the demographic starting point, which would increase OAHN to 438 dwellings pa. Were the Local Plans Expert Group (LPEG) recommendations to be applied to Mid Devon, a 20% uplift would be required based on the affordability ratios for Mid Devon. This would increase the assessed housing requirement to 456 dwellings pa.
11. The SHMA also underestimates the baseline need for housing. Concealed households are not counted in CLG Household Projections. Evidence from ONS indicates that there are around 300 and 440 concealed households in Mid Devon. The OAHN should be increased by around 370 dwellings to reflect this uncounted housing requirement.
12. The SHMA and the LPR Proposed Submission is also seriously deficient in its assessment of affordable housing requirements. The analysis in the SHMA is narrowly focused on people in housing need as defined in PPG. The PPG definition of housing need focuses almost exclusively on those households who will need subsidised rented accommodation.
13. Yet the Affordable Housing policy set out in the LPR Proposed Submission is that 40% of affordable housing provision will take the form intermediate housing/low cost home ownership provision; this form of affordable housing will not meet the needs of those who require subsidised rented accommodation to any substantial extent.
14. The consequence of this mis-alignment of the definition of housing need used in the SHMA (though it reflects PPG), and the anticipated mix of planned affordable housing provision in Mid Devon (which reflects Government priorities and funding), is that the SHMA seriously under-estimates the scale of the shortfall in the supply of subsidised rented housing that will be delivered in association with any level of overall planned provision of housing.
15. PPG makes it clear that the planning authority should consider an increase in the overall planned housing provision to enable delivery of an increased number of affordable homes. Wessex Economics' interpretation of PPG is that this is a matter of policy, rather than part of the OAHN. However, this reinforces the case that a significant uplift over the demographically derived housing requirement for Mid Devon would be appropriate in response to market signals, and the pressing need particularly for subsidised rented housing.
16. The combination of a 20% uplift on the demographically determined housing requirement in response to market signals and a further 5% uplift to enable provision of additional subsidised rented housing would require delivery of 480 dwellings pa in Mid Devon.
17. This report also examines recent work commissioned by Mid Devon to examine the housing implications of a proposed large scale commercial development at Junction 27 of the M5, which is now incorporated into the Proposed Submission Local Plan. It is in the light of this proposal that the housing requirement for Mid Devon has been increased in the LPR Proposed Submission most recent version of the Local Plan to 393 dwellings pa from 360 dwellings pa in the previous version of the Local Plan.
18. In practice, the document that underpins the uplift in housing provision linked to the M27/Westwood proposals present a bewildering array of different possible required levels of housing based on different assumptions about economic activity rates and commuting patterns. Wessex Economics are

therefore of the view that more weight should be given to the evidence presented on market signals and affordable housing.

19. In the light of the evidence on market signals and affordable housing Wessex Economics recommend that both the 20% uplift to OAHN in response to market signals and a 5% uplift to overall housing delivery be made to in order to improve affordability and to enable additional affordable housing. This would imply planned housing provision of 480 dwellings pa (9,600 dwellings 2013-33) in Mid Devon. This remains within the range that is consistent with the planned employment growth in the District including the need for additional labour linked to the M27/Westwood proposals.
20. In terms of requirements for the remainder of the Plan period these figures should be adjusted to reflect under-delivery in the first three years of the Plan period.

1. Introduction

- 1.1 This report has been prepared by Wessex Economics on behalf of Barratt Homes. The report reviews the proposals put forward by Mid Devon District Council (MDDC) for housing provision in the period 2013-2033 in the LPR Proposed Submission. The Council is consulting on the proposed modifications to the Local Plan.
- 1.2 This report assesses whether the Strategic Housing Market Assessment (SHMA) published in March 2015 presents a robust assessment of Objectively Assessed Housing Need (OAHN), as defined in Planning Policy Guidance (PPG). The analysis contained in the SHMA, and a number of subsequent reports, underpins the figure for planned housing provision in the period 2013-33 set by MDDC in the LPR Proposed Submission.
- 1.3 The SHMA identifies the OAHN for Mid Devon as falling with the range of 359 – 381 dwellings per annum¹. This translates into provision of between 7,180 and 7,620 homes over the 20 year period 2013-33. The mid-point of these figures is 370 dwellings pa or 7,400 dwellings over the plan period, but the SHMA makes it plain that the housing requirement linked to the demographic starting point for the SHMA is 381 dwellings (7,620 homes 2013-33).
- 1.4 Normally, the demographic starting point would be regarded by an authority as the minimum number of homes required in an area. PPG gives no indication that it is appropriate to adopt a lower number in the determination of OAHN. The SHMA identifies that the lower levels of housing requirement are linked to employment forecasts (see Table 10-2 in the SHMA).
- 1.5 The previous version of the draft Local Plan defined the housing requirement for Mid Devon of 360 homes per annum, a total of 3,600 dwellings over the period 2013-33, linked to the lowest level of identified need in the SHMA; and even though the demographically derived need was identified as 381 homes pa (7,620 homes 2013-33)². In previous consultations MDDC accepted that this figure of housing provision would need to be increased.
- 1.6 The current LPR Proposed Submission sets a housing target of 393 dwellings pa, a total of 7,860, dwellings over the period 2013-33. This figure is derived from additional demographic modelling and assessment of the need to uplift the figures presented in the SHMA for OAHN *'to ensure that housing provision in the plan is consistent with the additional need arising from job creation at Junction 27 of the M5.'*³
- 1.7 A report by Edge Analytics, dated August 2016, and entitled, *Mid Devon Demographic Scenarios: Policy On*, provides the evidence base for this uplift to the planned housing target, though it should be noted that the consultants present a range of figures for housing and do not state what in their view is the figure of OAHN, nor do the consultants recommend a particular uplift to the OAHN to the Council. Thus, there does not seem to be a clear statement of what the OAHN for Mid Devon is.
- 1.8 However, for all practical purposes, the housing requirement as set out in the LPR Proposed Submission has been determined in the light of the findings of the SHMA, albeit that subsequent work

¹ Table 10-3, p108 Exeter HMA SHMA 2014/15

² *ibid*

³ The Local Plan presents proposals for a mixed tourism, leisure and retail development at Junction 27 of the M25. This proposal has been introduced in the LPR Proposed Submission.

has been done. This report focuses on whether the figure of OAHN as set out in the SHMA, which is now quite dated, is robust. The most appropriate figure to use from the SHMA is the demographic starting point which is linked to the figure of a 381 dwellings pa target.

- 1.9 The report concludes that there are serious weaknesses in the assessment of OAHN, and therefore presents evidence on what the housing requirement should be were it to be compliant with PPG.
- 1.10 At the outset it is worth noting that the annualised required provision of new homes from April 2016 to end March 2033 based on the proposed housing requirement in the LPR Proposed Submission is now 408 dwellings per annum. This is because dwelling completions have averaged 308 dwellings pa in the first three years of the plan period, quite significantly below the average requirement for 393 dwellings pa over the plan period identified in the LPR Proposed Submission.
- 1.11 The following sections discuss in turn:
 - The Assessment of Objectively Assessed Housing Need (OAHN)
 - Market Signals
 - Affordable Housing Provision
 - The Housing Implications of Employment Growth
 - Conclusions

2. The Assessment of Objectively Assessed Housing Need

- 2.1 Every local authority is required to undertake an assessment of Objectively Assessed Housing Need (OAHN) as part of the process of preparing their Local Plan. The OAHN assessment is normally undertaken through the commissioning and preparation of a Strategic Housing Market Assessment (SHMA).
- 2.2 Planning Policy Guidance (PPG) sets out the process that should be followed in preparing a SHMA, and arriving at OAHN. However, PPG is not wholly prescriptive in the methods and sources to be used in the preparation of a SHMA; and ultimately the figure determined to represent OAHN is a matter that entails a degree of judgement.
- 2.3 The four authorities in the Exeter Housing Market Area (HMA) are Mid Devon (the focus of this report) along with East Devon, Exeter City, Teignbridge. These four authorities commissioned the preparation of a SHMA in August 2013, and the final version of the SHMA was published in March 2015, though the report is dated 2014/15 and the document uses headers saying '*Strategic Housing Market Assessment 2014*'.
- 2.4 Thus, it is almost two years since the SHMA was published and longer since much of the work on the SHMA was undertaken. As a result there are number of aspects of the SHMA which are now dated, and for which more recent data is available. In addition, since the SHMA was published some aspects of PPG relating to SHMAs have been updated, and many Local Plans around the country have been subject to Inspection. This scrutiny has tested the robustness of the SHMAs which provide the evidence base for OAHN.

3. Market Signals

- 3.1 Planning Policy Guidance indicates that the demographically derived housing requirement should be adjusted to reflect *‘appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings’*⁴. The specific market signals specified in PPG are:
- Land Prices
 - House Prices
 - Rents
 - Affordability
 - Rate of Development
 - Overcrowding
- 3.2 These topics are covered in Section 9 of the SHMA, but the SHMA concludes *‘there is limited evidence to justify an uplift to housing need to correct for past under-supply compared to market demand’* (para 9.9.1). In the light of this statement, no uplift is applied to the overall level of housing required as determined by the analysis of demographic change and the need to ensure sufficient labour supply.
- 3.3 However, the assessment of market signals in the SHMA is now very dated. The SHMA provides little by the way of justification for not applying any uplift in response to market signals, essentially stating that housing in Mid Devon and in the Exeter HMA as a whole, is no less affordable than other areas. This is to misunderstand the purpose of taking market signals into account in establishing OAHN.
- 3.4 The reason why market signals should be taken into account in determining OAHN is that they provide evidence of the degree to which there is excess demand or need for housing, which is going unmet. Escalating house prices, rents or land values can all be evidence of the extent to which demand exceeds supply.
- 3.5 Similarly worsening affordability over time also indicates a market in which the demand and supply of housing is mismatched, and where ever increasing numbers of people are likely to be excluded from home ownership, even though this would be their tenure of choice; and where those living in private renting are spending an increasing proportion of their incomes on their rent.
- 3.6 The degree of pressure in a local housing market can also be evidenced by indicators such as overcrowding, concealed and sharing households, homelessness and the numbers of people in temporary accommodation. An increase in such indicators is, as stated in PPG, demonstrates *‘un-met need’*⁵. PPG goes on to say *‘longer term increase in the numbers of such households may be a signal to consider increased planned housing numbers.’*⁶
- 3.7 Some of the market signals indicators set out in PPG are more useful than others in helping to inform OAHN. In general the usefulness of different indicators is very dependent on what data there is for those indicators at the local authority level and the quality of that data; but in some cases, it is also a

⁴ PPG ID2a-019-20140306, first paragraph

⁵ Ibid, bullet 6

⁶ Ibid, bullet 6

function of the salience of the indicator to the question *‘should planned housing provision be increased in response to the evidence, and if so, by how much?’*

- 3.8 In the following sections, Wessex Economics presents up-to-date data on the topics set out in PPG under the heading of Market Signals, starting with those indicators that are most helpful; and going through other signals in declining importance and value to determining the question *‘should planned housing provision be increased in response to the evidence, and if so, by how much?’*

Affordability

- 3.9 The standard measure of housing affordability is the ratio of lower quartile house prices to lower quartile house earning, and this is reported in the SHMA for 2014 (though seemingly not directly drawn from the official data set on LQ House Prices to LQ Earnings, maybe because it was not available at the time the report was prepared). Another measure, favoured by the Local Plans Expert Group (LPEG) in their recommendations to Government⁷ is the ratio of median house prices to median earnings.
- 3.10 Figure 1 shows the official data series for both LQ House Prices: LQ Earnings, and the Median House Prices: Median Earnings ratios for Mid Devon over the period 1997-2015, 2015 being the most recent data available. Figure 2 shows the pattern of change over the period 1997-2015 as a graph. Figures 1 and 2 show the dramatic worsening of housing affordability in Mid Devon since 1997, with both indicators increasing from house prices being 4 times annual earnings to more than 8 times annual earnings since 1997.

⁷ Report to Communities Secretary and to the Minister of Local Planning, Local Plans Expert Group, March 2016

Figure 1: Mid Devon Ratio of Lower Quartile House Prices to Lower Quartile Earnings, and Median House Prices to Median Earnings 1997 to 2015

	Mid Devon LQHP/LQE	Mid Devon MHP/ME
1997	4.06	4.16
1998	4.27	4.36
1999	4.25	4.41
2000	5.17	4.85
2001	5.20	5.51
2002	6.30	6.94
2003	7.94	7.83
2004	9.09	9.31
2005	9.08	8.46
2006	10.14	10.06
2007	9.00	9.72
2008	9.08	9.33
2009	7.17	7.61
2010	7.82	8.15
2011	7.78	7.82
2012	8.63	8.25
2013	8.37	8.44
2014	8.47	8.20
2015	8.54	8.20

Sources: Wessex Economics: CLG Live Tables 576 and 577

Figure 2: Mid Devon Ratio of Lower Quartile House Prices to Lower Quartile Earnings, and Median House Prices to Median Earnings 1997 to 2015



Sources: Wessex Economics: CLG Live Tables 576 and 577

- 3.11 The Local Plan Expert Group, commissioned by Government in September 2015, with a remit to consider how local plan making can be made more efficient and effective, made recommendations about how market signals should be taken into account in determining OAHN⁸. LPEG made detailed recommendations regarding the calculation of OAHN, and these recommendations should be regarded in the round.
- 3.12 However, it is helpful to note what indicators LPEG regarded as being most helpful in determining OAHN and the scale of uplift that might be appropriate to make in response to market signals. In the Housing White Paper published on 6th February the Government states that it believes '*a more standardised approach*' to assessing housing requirements '*would provide a more consistent basis for plan production*'⁹. The Government has committed itself to consult in the near future '*on options for introducing a standardised approach to assessing housing requirements*'.
- 3.13 LPEG recommend the use of a House Price Affordability Ratio based on the ratio of median quartile house prices to median earnings (workplace based). This is the ratio shown in the third column in Figure 1. On this measure Mid Devon has a score of 8.20; that is median house prices are 8.2 times median earnings of those who work in Mid Devon. LPEG recommended that for an authority with an Affordability Ratio above 7.0, but less than 8.7, (as is the case in Mid Devon) an uplift of 20% should be applied to the demographic starting point as a means of seeking to address the lack of affordability.
- 3.14 The demographic starting point for Mid Devon as identified in the Exeter SHMA (Section 10 Tables 10-3 and 10-2) is an average annual requirement of between 361 homes pa and 400 homes pa. Table 10-3 in the SHMA identifies the mid-point of these two figures, 381 dpa (or 7,620 over the 20 year period) is taken to be the demographic starting point referred to in PPG. Were the LPEG approach of a 20% uplift to be applied to this demographic starting point the OAHN would be 9,144 homes over the 20 year plan period, or 457 dwellings pa.
- 3.15 The dwelling requirement that results from the 20% uplift using the LPEG approach, is 16% higher than the LPR Proposed Submission`, which sets out a housing requirement of 393 dwellings pa, a total of 7,860, dwellings over the period 2013-33. While there is no way of determining of the degree to which such an uplift in actual housing delivery would alleviate housing pressures, it would make a significant difference and is not, in Wessex Economics view, an unrealistic scale of uplift.
- 3.16 The LPEG proposals also set out a Rental Affordability measure, this being lower quartile rental costs as a percentage of lower quartile earnings. Wessex Economics has calculated that in 2015, lower quartile rental costs in Mid Devon were 33% of lower quartile earnings. If the LPEG recommendations were accepted, this would independently trigger a 20% uplift to OAHN even if the House Price Ratio was lower than 7.0. Figure 3 shows the calculation and sources used in determining the Rental Affordability measure as recommended by LPEG.

⁸ Report to Communities Secretary and to the Minister of Local Planning, Local Plans Expert Group, March 2016

⁹ para 1.12, Fixing our Broken Housing Market, DCLG, 2016

Figure 3: Rental Affordability Ratio for Mid Devon

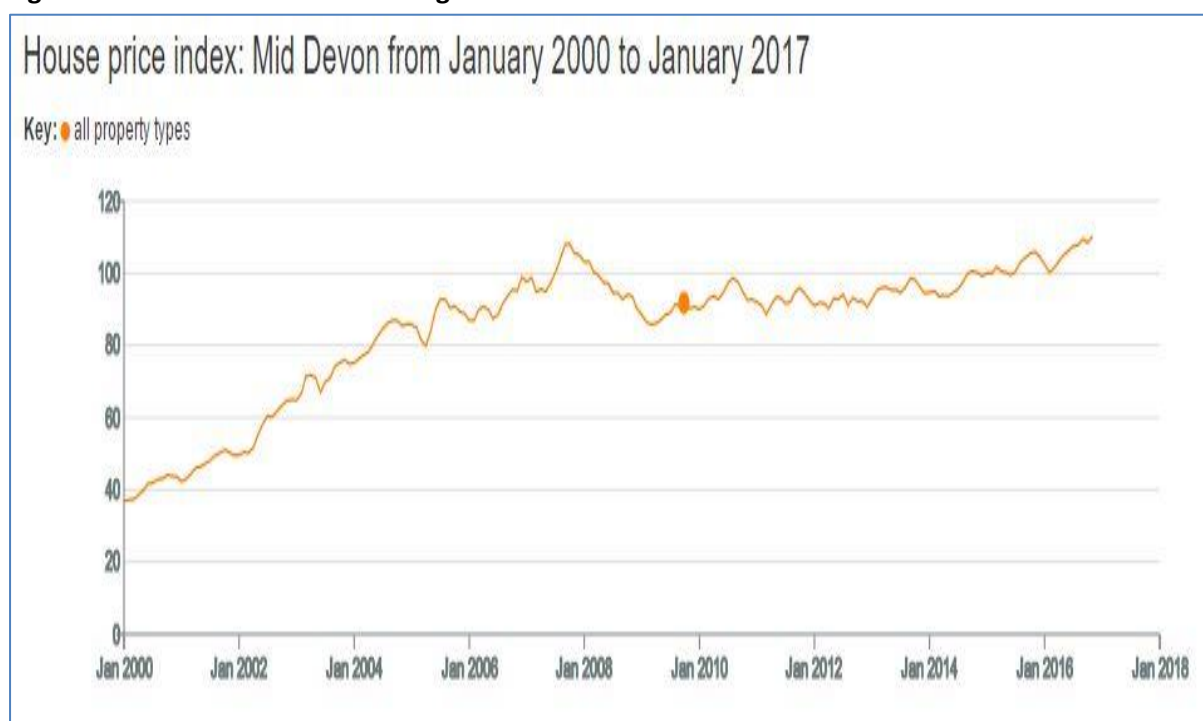
Rental Affordability Ratio			Source
A	LQ Monthly Rents	£500	Table 2.7 Private Rental Markets, VOA
B	LQ Weekly Earnings	£348	ASHE, 2015 Workplace Based, FT Employees
C	LQ Annual Earnings	£18,117	Line B * 52
D	LQ Monthly Earnings	£1,510	Line C/12
E	LQ Rents as % of LQ Earnings	33%	Line A/Line D

- 3.17 Thus, if the measures of affordability recommended by LPEG, the House Price Ratio and the Rental Affordability Ratio, were applied to Mid Devon, each would independently trigger a 20% uplift in the demographic starting point of 381 homes pa (or 7,620 over the 20 year period) to 457 dwellings pa (or 9,144 homes in total) over the 20 year plan period. The two measures are not additive, but the higher figure of uplift is always adopted under the LPEG recommended approach.

House Prices

- 3.18 The SHMA compares average house prices for 2000 and 2013, and calculates average house price growth 2000-2013, identifying that house prices have more than doubled in that time frame (an increase of 122%). Figure 4 shows that the pattern of house price growth in Mid Devon between 2000 and 2017. Figure 4 shows that house prices over the last three years have continued to rise and now exceed the previous peak achieved in October 2007. This would indicate continued pressure on prices with house price inflation of c5% over the period from January 2015.

Figure 4: Index of House Price Change in Mid Devon 2000-2017



Source: Land Registry

- 3.19 A long term trend of rising house prices implies declining affordability in terms of home ownership, and is likely also to be reflected in rising real rents. Figure 5 updates the figures presented in Section

9 of the Exeter HMA SHMA on house prices. In the period 2000 to end 2016 average house prices in Mid Devon have increased three-fold, or by almost 200%.

Figure 5: Average House Prices in Mid Devon, 2000 and 2016

	Average House Price	House Price Index
January 2000	£74,069	36.84
November 2016	£221,760	110.31
Increase in £	£147,691	73.47
Percentage Increase	199%	199%

Source: Land Registry

- 3.20 The scale of increase in house prices over this 16 year period 2000 to 2016, is clearly a major factor in the decline in levels of household formation, relative to population growth. One outcome nationally of worsening affordability is that there are around 618,000 more young adults living with their parents in the UK in 2015 than in 1996¹⁰.
- 3.21 Figure 6 shows the divergence over time between house price growth as shown in Figure 4 and earnings in Mid Devon. Earnings growth over time has been calculated both for those who work in Mid Devon (regardless of where they live); and for those who live in Mid Devon (regardless of where they work).
- 3.22 Figure 6 shows that in Mid Devon over the period 2000-16 median earnings measured both on a workplace and resident basis increased by around 43%; and mean earnings increased in the range 51% (workplace based) and 57% (resident based). This can be compared with the almost 200% increase in average house prices in Mid Devon over the same timescale. This provides further evidence of the affordability crisis in the housing sector in Mid Devon, though similar trends are replicated across England.

Figure 6: Earnings Growth in Mid Devon 2000/2002 to 2016

Workplace Earnings	Median	Mean
Weekly Earnings 2000	311.4	325.1
Weekly Earnings 2016	442.0	492.0
Increase in Workplace Earnings 2000-16	130.6	166.9
Percentage Increase 2000-16	42%	51%
Resident Earnings	Median	Mean
Weekly Resident Earnings 2002	349.0	379.6
Weekly Resident Earnings 2016	499.4	597.3
Increase in Resident Earnings 2002-16	150.4	217.7
Percentage Increase 2002-16	43%	57%
Base: Gross Weekly Pay for Full Time Workers in Mid Devon		

Source: Annual Survey of Hours and Earnings (ASHE)

¹⁰ <http://visual.ons.gov.uk/living-with-parents/>

Rents

- 3.23 Relatively little data is available on rental trends from official statistics. The SHMA presents some limited data on monthly private rents for Mid Devon, but no data on trends in rents. Figure 7 draws upon official data on rents in Mid Devon over the period 2011 to 2015. Over this five year period average (mean) private sector rents have increased by 4.8%, though lower quartile rents have increased by 5.1%. Rents have clearly increased less than house prices, which may be the result of an increasing supply of rented property as it becomes a widely accepted investment product, at a time when many other investments are providing a limited return on capital invested.

Figure 7: Private Market Rents in Mid-Devon 2011-15

	Count of rents	Average	Lower quartile	Median	Upper quartile
Year to 30/6/11	1302	601	495	575	675
Year to 31/3/12	1,460	612	500	575	675
Year to 31/3/13	1378	617	495	590	690
Year to 31/3/14	1,336	628	515	595	698
Year to 31/3/15	1,063	636	500	595	700
Year to 31/3/16	1,000	630	520	600	700
% Increase 2011-16		4.8%	5.1%	4.3%	3.7%

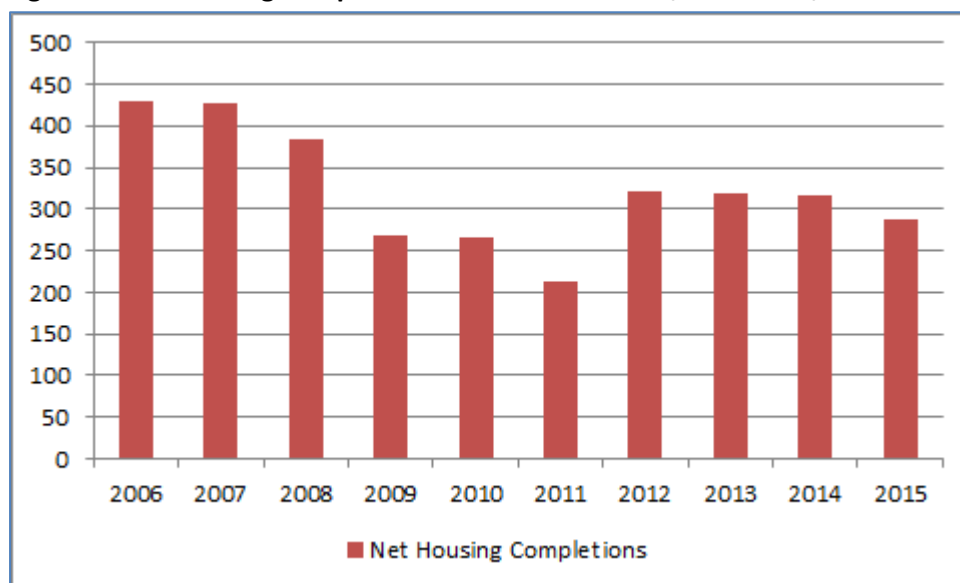
Source: VOA Private Rental Market Statistics

Rate of Development

- 3.24 NPPG indicates that, if the historic rate of development shows that actual supply has fallen below planned supply, future supply should be increased to reflect the likelihood of under-delivery of a Plan¹¹. Figure 8 shows the pattern of net housing completions over the period April 2007 to March 2016. The number of completions in 2015/16 has not been officially reported, so the figure presented is a Wessex Economics estimate based on the data provided in the LPR Proposed Submission.
- 3.25 On average over the past 10 years, there have been 323 net housing completions each year. In the first three years of the Plan, which has a proposed target of 393 dwellings pa 2013-2033, an average 308 dwellings pa have been completed, quite significantly below the 393 dwellings pa as set out in the LPR Proposed Submission period.
- 3.26 This implies that the annualised required provision of new homes from April 2016 to end March 2033 is now 408 dwellings per annum. This level of development has only been achieved in the recent past in the two years 2006/07 and 2007/08, so there is a significant challenge to deliver even the housing requirement set out in the LPR Proposed Submission.
- 3.27 The authority should have a good idea of the likely level of housing delivery in the current year (2016/17) and this should be made public, since it this will help demonstrate whether the required annualised target for the period April 2017 to end March 2033 has increased (because less than 408 additional homes have been built in 2016/17) or fallen (because more than 408 additional homes have been built in 2016/2017).

¹¹ ID 2a-019-20140306

Figure 8: Net Housing Completions in Mid Devon 2006/07 to 2015/16



Source: Exeter SHMA Table 9-4; MDDC; Wessex Economics

- 3.28 The LPR Proposed Submission reports that there are 2,012 units under construction of permitted (para 2.2). If it were to be accepted that the target for the remainder of the Plan period is 408 dwellings pa (2,040 homes), and the 2,012 units remains the current pipeline and will be delivered within 5 years, Mid Devon has marginally less than a 5 year housing land supply, (4.93 years)¹².
- 3.29 Given that there is clearly a need to accelerate the pace of development and maintain a high level of housebuilding over the remaining 17 years of the proposed Plan, Mid Devon DC should be required to present robust evidence that the 2,012 dwellings in the current pipeline will be delivered in the next 5 years.
- 3.30 In general, Local Plans often do not address how much land is required to ensure delivery of the Plan target. Few authorities have a good grasp of the many factors that delay delivery, and hence do not recognise the need for 'over-programming', if they are actually to deliver the planned level of housing set out in their Plan.
- 3.31 In the absence of robust evidence that the proposed level of housing provision set out in LPR Proposed Submission, Wessex Economics would recommend that additional land should be allocated to ensure that the proposed plan target be met. This is necessary to ensure that the proposed Plan target as set out by Mid Devon Council, and an uplift that may be made in response to these representations or in response to an Inspector's report on the Local Plan, is met.
- 3.32 In addition there will be a need to allocate more land for development if, as the analysis of this report shows, the plan target should be increased as a response to market signals, the need for affordable housing and potential employment growth.

¹² 2012/408 = 4.93

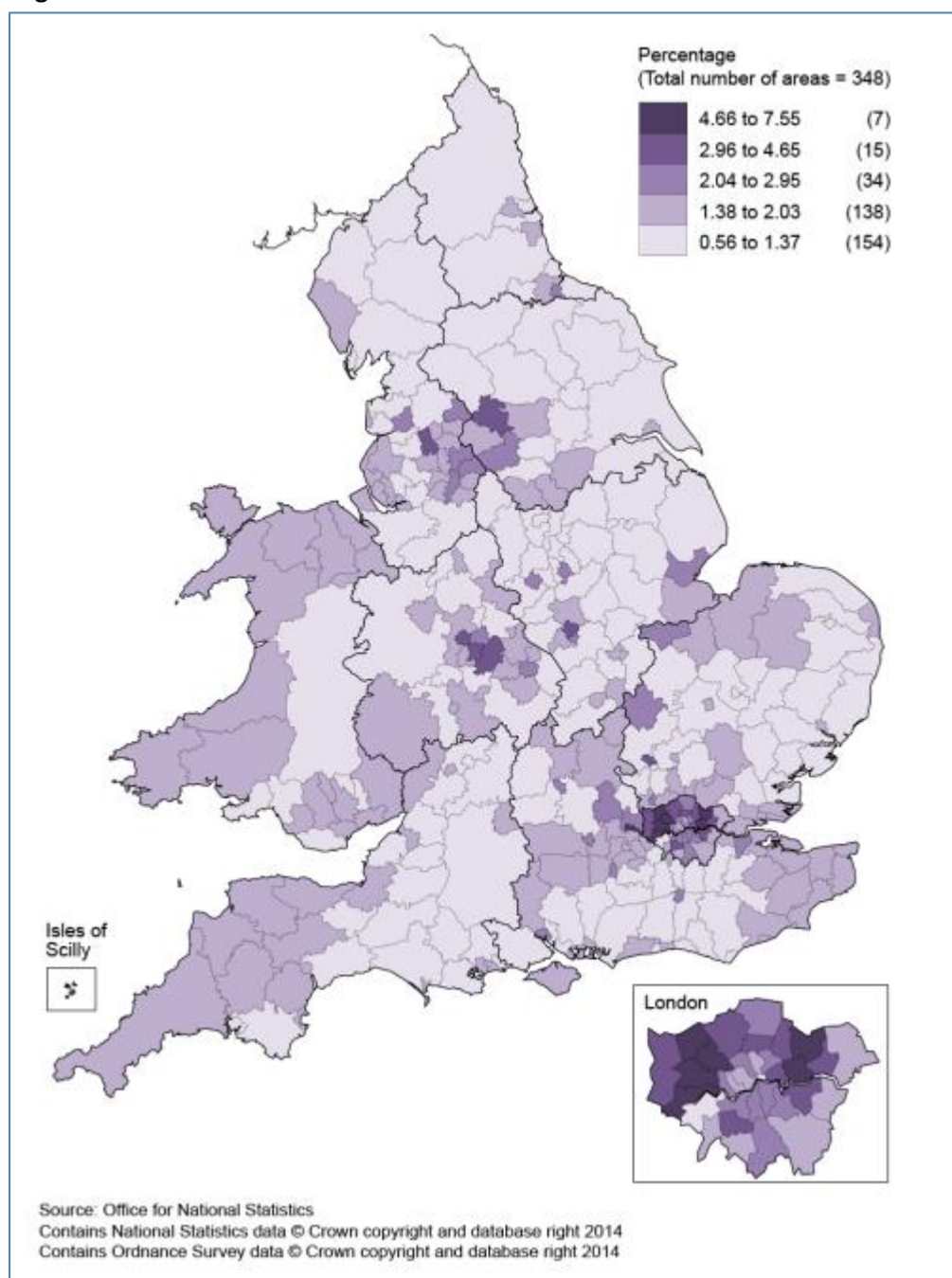
Overcrowding, Concealed Households, Homelessness, and Use of Temporary Accommodation

- 3.33 The SHMA gives no substantive consideration in the section on market signals, as required in PPG¹³, as to whether an uplift in planned housing provision would help address overcrowding, reduce the number of concealed households, and reduce the number of homeless households and the use of temporary accommodation. In part, this could be because these issues are addressed in the assessment of affordable housing, since in the main these needs would have to be addressed by provision of affordable housing.
- 3.34 However, at the very least consideration should be given to an increase in planned housing provision equivalent to the number of concealed households, since concealed households are not included in household projections. Nationally it is estimated that concealed households account for around 1.6% of all households¹⁴.
- 3.35 The SHMA does not identify the number of concealed households in Mid Devon; concealed households are counted along with over-crowded households. In total there are 902 overcrowded and concealed households in Mid Devon at time the assessment was undertaken (Table 1-2, Appendix 3 of the SHMA). The Appendix is dated 2013.
- 3.36 Figure 9, however, would indicate that between 1.38% and 2.03% of family households in Mid Devon are concealed families in 2011. The 2011 Census identifies around 21,915 family households in Mid Devon. This would suggest that there are potentially between 300 and 440 concealed households in Devon, who lack their own independent housing.
- 3.37 This implies that around a third to half of all the 900 overcrowded and concealed households identified in the SHMA are concealed households; and that housing requirements should take into account the need to find housing for these existing, but hidden households. An uplift to housing requirements of between 300 and 440 homes would be an appropriate response; the mid-point figure would be a specific need for 370 additional homes

¹³ ID 2a-019-20140306

¹⁴ See <http://webarchive.nationalarchives.gov.uk/20160105160709/http://www.ons.gov.uk/ons/rel/census/2011-census-analysis/what-does-the-2011-census-tell-us-about-concealed-families-living-in-multi-family-households-in-england-and-wales/-sty-what-does-the-2011-census-tell-us-about-concealed-families.html>

Figure 9: Percentage of All Families that were Concealed Families in 2011 by Local Authority in England and Wales



Source: ONS

Land Prices

- 3.38 Very limited data is currently available on the value of residential development land, though the Housing White Paper published in February 2017 indicates this is an area where Government intends to take action. The SHMA makes reference to the 2010 Valuation Office Property (VOA) Market Report, and shows residential land values between 1990 and 2010 for the South West Region and England as a whole (see Figure 9-1). This data is of limited value, being so dated.
- 3.39 The VOA produced a 2011 Property Market report but it does not shed any particular light on trends in residential land values that might inform the determination of OAHN, since the report only provides

indicative land values for selected local authorities. In the South West region data is provided for Bristol and Plymouth (see Figure A1 in Annex 1). Further information is presented in Annex 1 from the 2011 VOA Property Market report and on trends up to 2017 in residential land values at the national level.

- 3.40 The SHMA states that there should be no increase in OAHN, and hence in the supply of development land. In the section on market signals, the SHMA states that no increase in provision of development land is required because the growth in land values in the South West have followed the pattern of change in England as a whole.
- 3.41 While, on its own the data on land values is too limited to be able to recommend any uplift to OAHN, the fact that land values in the period 1990-2007 escalated rapidly, and that this pattern has re-established itself since 2009, while not reaching the peak achieved in 2007, is evidence of pressure for development land.
- 3.42 The limited data available on land values, supports the much more substantive evidence from house prices and the indicators of housing affordability, that there should be an increase in provision of development land to enable an expansion of housing supply.

Conclusions on Market Signals

- 3.43 The section of the Exeter SHMA covering market signals is unsatisfactory. Much of the data used is now dated (and some of it was dated when the SHMA was prepared), and much less consideration is given in this SHMA to the implications of the data which is presented than in many SHMAs. The general conclusion of the SHMA arising from the review of trends examined on particular market indicators can be summarised as follows: *'the HMA authorities are no different to most of the other authorities around, so no particular action is required'*.
- 3.44 What PPG is asking of planning authorities is that an uplift be considered to the demographic starting point to make housing more affordable. It is acknowledged that improving the affordability of housing can only be achieved over a long period of time by a sustained and significant increase in housing supply across the whole country, a point made by recently published Redfern Review into the Decline in Homeownership, published in November 2016¹⁵. But the cursory dismissal of the need to make an upward adjustment to planned housing provision in an area where housing affordability is a significant issue does not meet the requirements of PPG.
- 3.45 Wessex Economics take the view, expressed once again in the Housing White Paper, that the Government's intent is to boost housing supply above that indicated by Household Projections in order to improve housing affordability and availability over the long term. This thinking underpins the approach recommended in the LPEG report, which asks authorities to establish the baseline requirements; and then applies a set of rules of thumb which are to be used to uplift housing provision in an HMA. If adopted across all HMAs this approach would help to ensure that housing provision is increased proportionately more in areas which have the greatest affordability challenges.
- 3.46 The Exeter SHMA fails to address the requirement in PPG to consider market signals in a meaningful way, and to respond to evidence of affordability issues, by making a considered judgement of the need

¹⁵ http://www.redfernreview.org/?page_id=18

to uplift planned provision from the demographic starting point; which would help to moderate the long-standing trend of declining affordability of homes for sale and for rent.

4. Affordable Housing

- 4.1 Section 11 of the Exeter SHMA identifies the need for affordable housing. The SHMA generates two different estimates of the need for additional affordable housing in Mid Devon, one based on the 2008 Household Projections, the other on the 2011 Interim Household Projections.
- 4.2 The respective requirements for affordable housing in Mid Devon arising from these two analyses are as follows:
- 2008-based Household Projections: an additional 130 households pa are identified as being in need of affordable housing, accounting for 32.6% of the newly arising households in the District (see Table 11-1)
 - 2011-based Household Projections: an additional 118 households pa are identified as being in need of affordable housing, accounting for 32.6% of the newly arising households in the District (see Table 11-2)
- 4.3 As noted previously, the SHMA does not actually identify a precise figure of OAHN for Mid Devon presenting a range of OAHN annual requirements ranging from 359 dpa to 381 dpa. Both the employment scenarios imply the need for a lower population than projected on the basis of demographic analysis. It would be perverse to reduce the housing requirement based on the employment scenarios, so 381 dpa should be regarded as the demographic starting point for the determination of OAHN, even though the previous draft of the Local Plan set the housing requirement at 360 dpa.
- 4.4 The SHMA identifies that on the basis of delivery of 370 dwellings pa¹⁶ there will be a shortfall in the delivery of affordable housing requirements. On the basis that 30% of new homes are delivered as affordable housing (the policy requirement set out in the LPR Proposed Submission), the SHMA identifies that there will be an estimated annual shortfall in affordable housing provision of 13 units per annum or 260 units over the plan period (Figure 11-3, Exeter SHMA).
- 4.5 In fact the shortfall is likely to be considerably greater than this for the following reasons:
- First, the people identified as being in need of affordable housing are those people who are very unlikely to be able to afford market rents. PPG defines housing need in narrow terms, while a significant proportion of affordable housing is made available to those who do not fall within the categories of housing need as defined by PPG.
 - Thus, PPG (ID 2a-023-20140306) defines those that are in housing need as: homeless households or those in insecure tenures; overcrowded households; those with specific social or physical needs; those living in homes lacking basic facilities; and households with particular needs. Many households who meet these criteria will live in the private rented sector, but be dependent on Housing Benefit/Universal Credit to pay their rent.
 - However, many of those living in the private rented sector, or living in the parental home, will not fall into these categories; many of these households can afford market rents, but cannot

¹⁶ Table 11-3, SHMA

afford to buy. The way PPG is written, and the practicalities of how local authorities assess housing need, mean that the majority of this group are not counted as being in housing need.

- This group is widely referred to as those that ‘*can’t buy, can rent*’, and are not included in the calculations of those in housing need in the Exeter SHMA; however, in practice a significant proportion of what is referred to in PPG as affordable housing is used to accommodate this group since they are the principal target for intermediate housing, which overwhelmingly takes the form of low cost home ownership.

4.6 This would not be such a significant error, if Mid Devon Council had determined that all the affordable homes it is to deliver will be targeted on those who cannot afford market rents. However, the adopted ‘*Meeting Housing Needs Supplementary Planning Document*’ makes it clear that the Council wish to ensure that 40% of affordable housing is secured as low cost affordable housing, with the 60% balance being for those in need of affordable renting.

4.7 Table 11-3 in the SHMA shows the need for affordable rented housing is for 124 homes pa. With a 30% affordable housing policy on a 370 dwelling housing requirement this generates 111 affordable homes pa. But, on the basis of Mid Devon’s affordable housing policy, only 67 of these homes will be delivered as affordable rented properties, with 44 homes being delivered as intermediate housing, which will overwhelmingly be used to accommodate those who, on the basis of the PPG definition, are very unlikely to be counted in the figures of those in ‘*housing need*’.

4.8 On the figures presented in the SHMA, the shortfall of affordable rented properties is not the 13 properties suggested in the SHMA; rather the shortfall in affordable rented properties is 70 homes pa. This is calculated as follows based on the SHMA:

- the identified need is for 124 affordable rented homes pa (Table 11-3, line 1)
- the housing requirement assumed in the affordable housing section of the SHMA is 370 dwellings pa (Table 11-3, line 3)
- policy requires that 30% of all homes should be provided as affordable housing (Table 11-3, line 2)
- therefore, on average, the authority can expect 111 affordable homes to be provided each year ($370 \text{ dpa} \times 30\%$) provided that all housing delivery is policy compliant (Table 11-3, line 4)
- however, Mid Devon Council seeks 60% of affordable homes to be provided as affordable rent and the 40% balance as low cost home ownership
- thus the Council can expect on average 67 affordable rented homes to be delivered each year on average ($111 \times 60\% = 67$)
- the balance will be provided in the form of low cost home ownership housing, on average 44 LCHO per annum ($111 - 67 = 44$)
- The shortfall in affordable rented homes per annum is therefore 57 homes pa (need for 124 affordable rented homes, less average provision of 67 affordable rented homes pa).

4.9 This shortfall in affordable rented housing is likely to be larger than the 57 affordable rented properties calculated above because:

- Mid Devon state in the Local Plan that sites comprising development of between one and five homes will not contribute to affordable housing provision; and sites of between one and ten

units in Tiverton, Cullompton and Crediton will not contribute to affordable housing provision (Policy S3 b)

- The LPR Proposed Submission indicates that self-build and custom dwellings will be permitted as affordable housing in locations outside settlement limits in accordance with Policy DM3. These homes will contribute to overall housing supply, but are very unlikely to accommodate those deemed to be in housing need.
- It is unlikely that Mid Devon Council will actually achieve fully policy-compliant affordable housing provision on all the sites that should contribute their full quota of affordable housing, since in some cases developers will be able to demonstrate that this is not viable. Requirements to provide sites for serviced dwelling plots on all sites of 20 or more dwellings will be a new factor taken into account in determining viability.

- 4.10 PPG makes it clear that local authorities should consider *‘an increase in the total housing figures included in the local planwhere it could help deliver the required number of affordable homes.’* (ID 2a-029-2014-20140306). Wessex Economics has not identified any evidence that Mid Devon Council has discussed this issue. It is not discussed in the SHMA as either an element to be taken into account in determining OAHN or as a policy-on decision to address the scale of housing need.
- 4.11 This may be because of the flawed nature of the housing need assessment in the SHMA which fails to distinguish between two very different types of housing need; the needs groups as identified in PPG; and the reality that a significant proportion of affordable housing is provided for people who do not fall into the PPG categories of housing need, principally people that can rent, but cannot afford to buy.
- 4.12 On the basis of the figures in the SHMA and the Affordable Housing Policy set out in the LPR Proposed Submission version of the Local Plan, Wessex Economics would estimate that, were the identified need for affordable rented housing in Mid Devon to be met through affordable housing obligations, the overall housing requirement would need to be increased to between 707 and 725 dwellings pa.
- 4.13 This estimate is based on the assumptions and calculations as set out in Figure 10. Allowance is made in the calculation that in the light of the proposed policies of the Council, between 2.5% or 5% of all housing provision will not be policy compliant and will not deliver affordable housing. To deliver the full identified requirement for affordable rented housing, the total housing requirement would have to be in excess of 700 homes pa.

Figure 10: Scale of Uplift Required to Delivery Requirements for Affordable Housing through Mixed Use Development – Proposed LPR Submission Plan Housing Requirement of 393 dpa

A	LP Housing Requirement in dpa	393	393	Proposed Submission Local Plan
B	Proportion of dwellings not delivering AH	5%	2.5%	Wessex Economics Assumption
C	Number of dwelling no delivering AH	20	10	A*B
D	Total Housing that delivers full quota of AH	373	383	A-C
E	No of affordable homes @30% requirement	112	115	D*30%
F	No of affordable rent @60% of AH	67	69	E*60%
G	No of LCHO @40% of AH	45	46	E*40%
H	Check	112	115	F+G
I	No of Affordable Rent Homes Required pa	124	124	Exeter HMA Table 11-3 Figure for Mid Devon
J	Shortfall in Affordable Rent Homes pa	57	55	I-F
H	LP Housing Requirement in dpa to get full Affordable Rent Requirement	725	707	(I/F)*A

Source: Wessex Economics

- 4.14 It is not suggested increasing proposed housing delivery in excess of 700 homes pa would be appropriate, but it is appropriate, in the light of PPG, for Mid Devon to apply an uplift to planned housing delivery. If Mid Devon were to apply the market signals uplift as described in Section 2, this would contribute significantly to reducing the shortfall of affordable rented housing provision.
- 4.15 Figure 11 shows that, as discussed in Section 2, application of a 20% uplift to the demographic starting point of 381 dwellings pa, as recommended by LPEG as a response to market signals, would result in an annualised housing requirement of 457 dpa. Figure 11 shows that even at this level of provision, there would still be a shortfall of affordable rented housing relative to the identified need in Mid Devon of around 45 affordable rented units per annum.

Figure 11: Affordable Housing Provision Associated with SHMA Demographic Start Point and 20% uplift in Response to Market Signals

A	LP Housing Requirement in dpa	457	457	20% Uplift for Market Signals on Demographic Start Point
B	Proportion of dwellings not delivering AH	5%	2.5%	Wessex Economics Assumption
C	Number of dwelling no delivering AH	23	11	A*B
D	Total Housing that delivers full quota of AH	434	446	A-C
E	No of affordable homes @30% requirement	130	134	D*30%
F	No of affordable rent @60% of AH	78	80	E*60%
G	No of LCHO @40% of AH	52	53	E*40%
H	Check	130	134	F+G
I	No of Affordable Rent Homes Required pa	124	124	Exeter HMA Table 11-3 Figure for Mid Devon
J	Shortfall in Affordable Rent Homes pa	46	44	I-F
H	LP Housing Requirement in dpa to get full Affordable Rent Requirement	725	707	(I/F)*A

Source: Wessex Economics

- 4.16 The LPEG report recommends that a further uplift in planned housing provision of up to 10% should be applied where the required level of affordable housing exceeds what would be delivered by the planned housing numbers derived by the demographic required housing provision as adjusted in response to market signals.
- 4.17 Figure 12 shows the application of a further uplift of 5% in terms of planned housing delivery on the figure associated with the market signals uplift. This would imply an annualised delivery of 480 homes pa and reduce the deficit in affordable rented housing to around 41 homes pa over the plan period.
- 4.18 Wessex Economics has not modelled a full 10% uplift for affordable housing, because progressive increases are likely to face challenges of actual housing delivery in terms of industry capacity, in terms of management of the development process, the financing of development, utilities planning and provision etc, and market absorption.
- 4.19 In line with PPG, the decision to increase the overall level of planned housing delivery, as a means of assisting delivery of affordable housing is for policy makers to decide, rather than a part of the formal OAHN process. This is in contrast to the consideration of market signals, which should be part of the determination on OAHN.
- 4.20 In Wessex Economics' view, an uplift in planned housing provision by 5% over the market signals determined OAHN would be a proportionate response to the clearly evidenced need for additional affordable rented housing, over and above that which would be delivered by the demographically driven requirements and a 10% uplift on this requirement in response to markets signals.

Figure 12: Affordable Housing Provision Associated with SHMA Demographic Start Point, 20% uplift in Response to Market Signals, and 5% Uplift to Output to Deliver Additional Affordable Housing

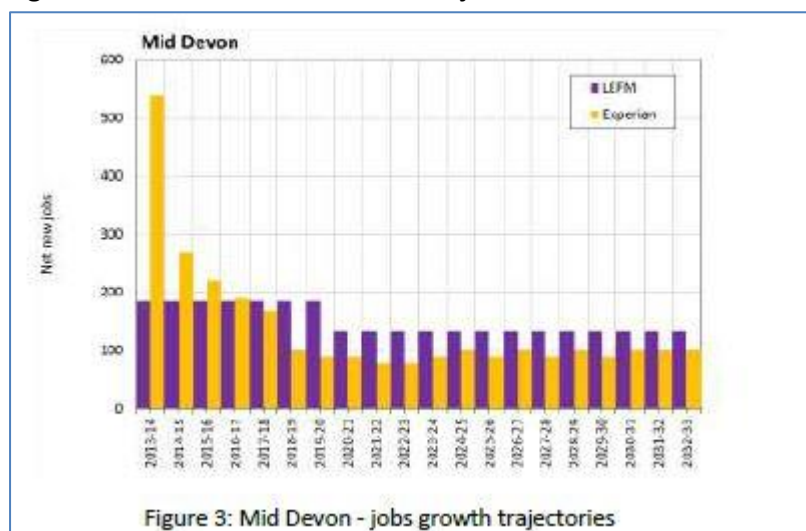
A	LP Housing Requirement in dpa	480	480	20% Uplift for Market Signals on Demographic Start Point plus 5% Uplift for AH
B	Proportion of dwellings not delivering AH	5%	2.5%	Wessex Economics Assumption
C	Number of dwelling no delivering AH	24	12	A*B
D	Total Housing that delivers full quota of AH	456	468	A-C
E	No of affordble homes @30% requirement	137	140	D*30%
F	No of affordable rent @60% of AH	82	84	E*60%
G	No of LCHO @40% of AH	55	56	E*40%
H	Check	137	140	F+G
I	No of Affordble Rent Homes Required pa	124	124	Exeter HMA Table 11-3 Figure for Mid Devon
J	Shortfall in Affordble Rent Homes pa	42	40	I-F
H	LP Housing Requirement in dpa to get full Affordable Rent Requirement	725	707	(I/F)*A

Source: Wessex Economics

5. Employment Considerations

- 5.1 The Exeter SHMA tests whether the demographically derived housing requirement will ensure sufficient population growth to permit anticipated job growth in Mid Devon. For Mid Devon, the SHMA analysis showed that there was no need to further boost the planned level of housing provision to ensure an adequate labour supply (see Table 10-3);
- 5.2 However, at the HMA level, the analysis in the SHMA shows there is a need to boost housing provision in order to ensure an adequate supply of labour. Averaging the housing requirements associated with use of the 2008 and 2011 Household Projections, generates an annual housing requirement at the HMA level of 2,172 dwellings pa. The forecast job growth at the HMA level would entail an uplift of 13% to 2,450 dwellings pa (the Experian employment forecast) or a 20% uplift to 2,601 dwellings pa (the Cambridge Econometrics LEFM forecast).
- 5.3 Thus, while the SHMA indicates that there is no requirement specifically to uplift planned housing provision in Mid Devon to accommodate the job growth anticipated in the District, additional housing provision in the District could make a contribution to meeting the requirement for labour force growth in the Housing Market Area, which will be broadly aligned to the Travel to Work Area and the Functional Economic Area.
- 5.4 This is a factor that reinforces the use of the housing requirement for Mid Devon associated with demographic base of Mid Devon, as the 'starting point' for housing provision in Mid Devon, rather than either of the employment linked housing provision figures presented in Table 10-3 of the SHMA; equally the mid-point figures of housing requirements shown in Table 10-3 of the SHMA should not be used, since these are lower than the demographically determined starting point, because they use the employment linked housing provision figures.
- 5.5 The employment forecasts set out in the 2014 are now quite dated. The Cambridge LEFM forecasts appear to date from January 2014 or before, which means the most recent official employment data available to the CE for the local level would probably have been for the year 2012. The Experian forecasts are reported to be from the September 2014 run of their forecasts. Given release dates of official statistics in November of each year, this means that these forecasts are also probably based on actual data for 2012.
- 5.6 Figure 13 shows the scale of job creation and its phasing as set out in the SHMA Appendices. Figure 14 shows actual employment growth over the period 2009-15, 2015 being the most recent year for which official employment data is available at local authority level.

Figure 13: Mid Devon Job Growth Trajectories



Source: Exeter SHMA, Appendix 4, p10 Edge Analytics Report, January 2015

Figure 14: Mid Devon Actual Job Growth

Date	Employment	Change from prior year
2009	25,531	
2010	24,815	-716
2011	24,047	-768
2012	23,311	-736
2013	23,731	420
2014	24,466	735
2015	25,181	715

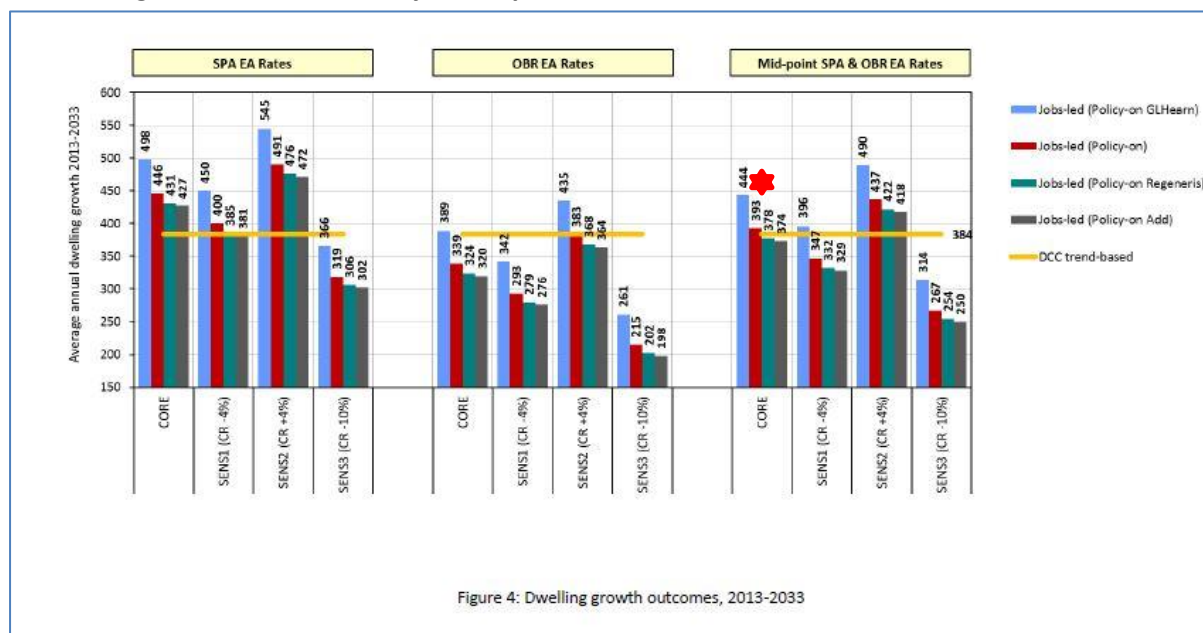
Source: Wessex Economics, BRES

- 5.7 Figure 14 shows that from 2013/14, the start of the Local Plan period actual job growth in Mid Devon has substantially exceeded the levels of employment as forecast for these years. Average job growth in the period 2013-15 in Mid Devon was 623 jobs pa, compared to an estimated 343 jobs pa forecast by Experian; and 186 jobs pa forecast by Cambridge Econometrics.
- 5.8 The SHMA therefore significantly under-estimates job growth in Mid Devon in the first three years of the Local Plan period. It is hard to know whether the level of job growth apparent in the most recent years for which official data is available will be sustained, but, on early indications for the Plan period, it could be that the SHMA under-estimates housing requirements, because of the emerging evidence of a much higher level of growth than anticipated in the SHMA.
- 5.9 Given the date at which the forecasts were prepared, the forecasters should have taken account of the scale of job losses between 2010 to 2012 shown in Figure 14, and taken these into account in their forecasts for 2013-33. However, the forecasts presented in Figure 13 do not appear to reflect actual employment growth in the three years from 2013; it may be that the forecasters assume that if there is faster than expected growth in the recovery phase of the economy, then there will be slower employment growth in subsequent years. However it should be recognised forecasting models cannot take into account specific local factors causing employment growth.

- 5.10 A more recent report (August 2016)¹⁷ which covers employment issues has been prepared by Edge Economics to examine the housing implications of a strategic scale employment site at Junction 27 on the M5 motorway, hereafter referred to as J27/Westwood. The study tests the housing implications of different levels of possible job growth associated with this development.
- 5.11 The study also incorporates analysis using the 2014-based household projections, and alternative activity rates from the Office for Budget Responsibility. Mid Devon Council have incorporated the proposed J27/Westwood proposals into the LPR Proposed Submission. The findings of the study therefore assess the implications for housing arising out of the anticipated job growth that Mid Devon Council is seeking to encourage linked to the J27/Westwood development proposals.
- 5.12 The key conclusion of the Edge Analytics study undertaken for Mid Devon is that the development of the M27/Westwood scheme implies dwelling growth of between 427 and 498 dwellings pa based on the application of the 2014-based CLG Household Projections headship rates (para 3.5 and 4.5, Edge Analytic August 2016 report). This compares to the LPR Proposed Submission for provision for 393 dwellings pa. Given that the M27/Westwood form part of the Local Plan proposals, Mid Devon should be planning for provision of at least 427 dwellings pa. This is the scenario that retains consistency with the SHMA.
- 5.13 However, the consultants have modelled multiple different scenarios involving changes in commuting ratios, and economic activity rates, which generates 48 different figures for housing requirements (see Figure 15, overleaf) ranging from 198 dwellings pa to 545 dwellings pa requirement. It is noticeable that the consultants do not recommend which of the 48 'results' should be taken into the LPR Proposed Submission.
- 5.14 The figure adopted by Mid Devon Council is 393 dwellings pa. This is the figure highlighted with a red star in Figure 15, this being the Core Scenario based on the jobs-led policy figure associated with job growth of 1,186 jobs linked to the M27/Westwood development.
- 5.15 The scenario appears to be based on job growth of around 185 jobs pa 2015/16 to 2018/19, with an increase to around 220 jobs pa from 2019/20 which is sustained to the end of the plan period. This scenario does not assume any change in the commuting balance, and takes the mid-point between the two different scenarios used for economic activity rates.

¹⁷ Mid Devon, Demographic Scenarios, Policy-on, Edge Analytics, August 2016

Figure 15: Dwelling Growth Outcomes 2013-2033 Associated with Different Employment Growth, Commuting and Economic Activity Assumptions



Source: Mid Devon Demographic Scenarios: Policy On, Edge Analytics, August 2016

- 5.16 To summarise, the analysis of the impact of employment on housing requirements is subject to major uncertainties, with different assumptions producing very different figures in terms of housing requirements. However, what is described by MDDC's consultants as the core policy-on scenarios indicate an average annual dwelling requirement of 427 to 498 dwellings pa¹⁸
- 5.17 However, Wessex Economics would argue that more weight should be given to the evidence presented on market signals and affordable housing, though these produce a scale of additional housing provision similar to that identified in the 2016 Edge Analytics report. The requirement for housing emerging from the market signals and affordable housing analysis is consistent with meeting the needs for additional labour linked to the M27/Westwood proposals.

¹⁸ Para 4.5, Demographic Scenarios – Policy On, Edge Analytics, August 2016

6. Conclusions and Recommendations

- 6.1 The LPR Proposed Submission sets a housing target of 393 dwellings pa, a total of 7,860, dwellings over the period 2013-33. Given the level of housing delivery in the first three years of the Plan the annualised required provision of new homes from April 2016 to end March 2033 is now 408 dwellings per annum, because in the first three years of the plan period dwelling completions have averaged 308 dwellings pa.
- 6.2 Wessex Economics has identified significant failings with the SHMA. In particular the Council have given little or no weight to market signals or to the requirement to consider the need for an uplift in in overall housing delivery in order to contribute to the identified need for additional affordable rented housing in the District. The failure to address these issues is, to a large extent, because they are not adequately addressed in the Exeter SHMA. In addition the analysis of employment trends and the implications for planned housing provision lacks clarity.
- 6.3 In the light of the evidence on market trends Wessex Economics believes that it would be appropriate to apply at least a 15% uplift on the demographic starting point of 381 dwellings per annum, which would increase the OAHN requirement to 438 dwellings per annum. A 20% uplift, would take the OAHN to 457 dwellings pa and would be advisable in the light of the need for affordable housing and to ensure adequate labour force growth linked to the J27/Westwood Proposals..
- 6.4 Planning for provision of 457 dwellings would be consistent with the evidence that the employment growth associated with J27/Westwood scheme will call for development of between 427 and 498 dwellings pa¹⁹ based on the application of the 2014-based CLG Household Projections headship rates, and no assumed change in commuting patterns (a standard assumption in SHMAs when assessing the housing implications of employment growth).
- 6.5 The analysis in the SHMA with regard to affordable housing is inadequate, since it fails to recognise that a significant proportion of the affordable housing delivered will not be used to accommodate those defined in PPG as being in housing need. This reflects the fact that most of those in a position to buy shared ownership homes (the predominant form of low cost home ownership) are not counted as being in housing need by local authorities, because they typically can afford to rent; or they live at home, but are not a concealed household.
- 6.6 Wessex Economics estimate that, given policy commitments relating to intermediate housing, the shortfall in provision of affordable rented housing based on the Plan proposal for 393 dwellings pa, amounts to around 55 to 57 affordable rented homes pa. This is a significant shortfall. With a 20% uplift in OAHN to 456 dwellings pa in response to market signals this shortfall would be reduced to 44 to 46 affordable rented homes; and it would fall to 40 to 42 homes if a further 5% uplift to the housing target to 480 dwellings pa were to be adopted.
- 6.7 The analysis shows that the 20% uplift to the demographic starting point in response to market signals (part of the OAHN process) would make a significant contribution over time in delivering additional affordable rented homes. PPG requires local authorities to consider whether an uplift should be made to planned housing provision to enable an enhanced supply of affordable housing. The analysis shows

¹⁹ Mid Devon, Demographic Scenarios, Policy-n, Edge Analytics, August 2016, 2015 para 4.5

that a further uplift to the OAHN housing target of 5% would make a useful additional contribution, while still leaving a significant annual shortfall in the supply of affordable rented housing.

- 6.8 It is not clear that Mid Devon Council have addressed the significant shortfall in provision of affordable rented homes given current Plan proposals; it is not discussed in the SHMA. Wessex Economics recommend that both the 20% uplift to OAHN in response to market signals and a 5% uplift to overall housing delivery be made to enable additional affordable housing. This would imply planned housing provision of 480 dwellings pa (9,600 dwellings 2013-33) in Mid Devon. This remains within the range that is consistent with the planned employment growth in the District.

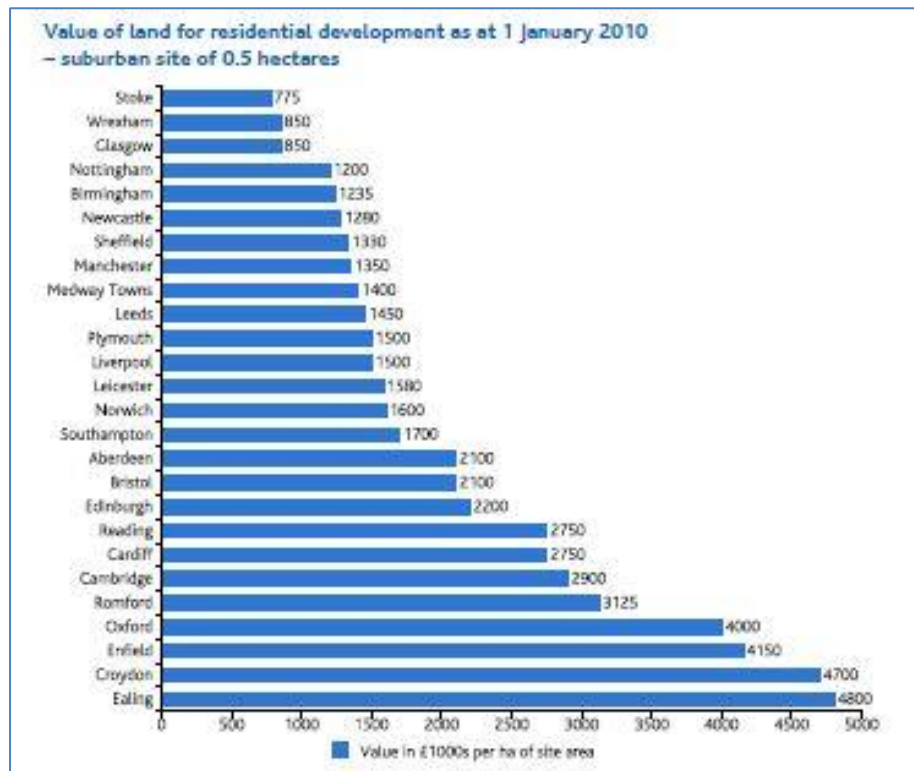
Annex A: Evidence on Land Values in South West England and Trends in Vale at National Level

Figure 1: Value of Land for Residential Development, 1st January 2011

Value of land for residential development as at 1 January 2011				
Region	Location	Suburban site of 0.5 Hectares		
		£/Hs of site area	£ per hab room	£ per m2 completed space GIA
South West	Bristol	2,100,000	13,270	580
	Plymouth	1,500,000	9,485	420
South East	Southampton	1,700,000	10,760	475
	Reading	2,750,000	17,400	765
	Oxford	4,000,000	25,250	1,100
	Medway Towns	1,400,000	8,850	390
East	Norwich	1,600,000	10,130	450
	Cambridge	2,900,000	18,300	800
East Midlands	Nottingham	1,200,000	6,430	280
	Leicester	1,580,000	9,990	440
West Midlands	Birmingham	1,235,000	6,620	290
	Stoke	775,000	3,550	155
Yorkshire & Humberside	Leeds	1,960,000	8,575	375
	Sheffield	1,330,000	8,335	370
North East	Newcastle	1,280,000	8,170	355
North West	Liverpool	1,500,000	9,400	415
	Manchester	1,350,000	8,500	375
Wales	Cardiff	2,750,000	17,400	765
	Wrexham	850,000	5,375	235
Scotland	Aberdeen	2,100,000	13,280	585
	Glasgow	850,000	5,380	235
	Edinburgh	2,200,000	13,900	610
London Outer	Ealing	4,800,000	29,620	1,320
	Croydon	4,700,000	20,690	930
	Romford	3,125,000	19,755	865
	Enfield	4,150,000	26,490	1,160
Northern Ireland	Belfast	1,250,000	N/A	N/A

Source: VOA Property Market Report 2011

Figure 2: Value of Land for Residential Development – Suburban Sites of 0.5 ha, 1st January 2010



Source: VOA Property Market Report 2011

Figure 2: Long Term Trends in Residential Development Land Vale – Index 2007 =100



Source: UK Residential Development Land, January 2017, Savills