



Joint Housing Topic Paper for the Northern Peninsula Housing Market Area

NORTH DEVON COUNCIL, TORRIDGE DISTRICT
COUNCIL, EXMOOR NATIONAL PARK AUTHORITY
AND WEST SOMERSET COUNCIL

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1 INTRODUCTION

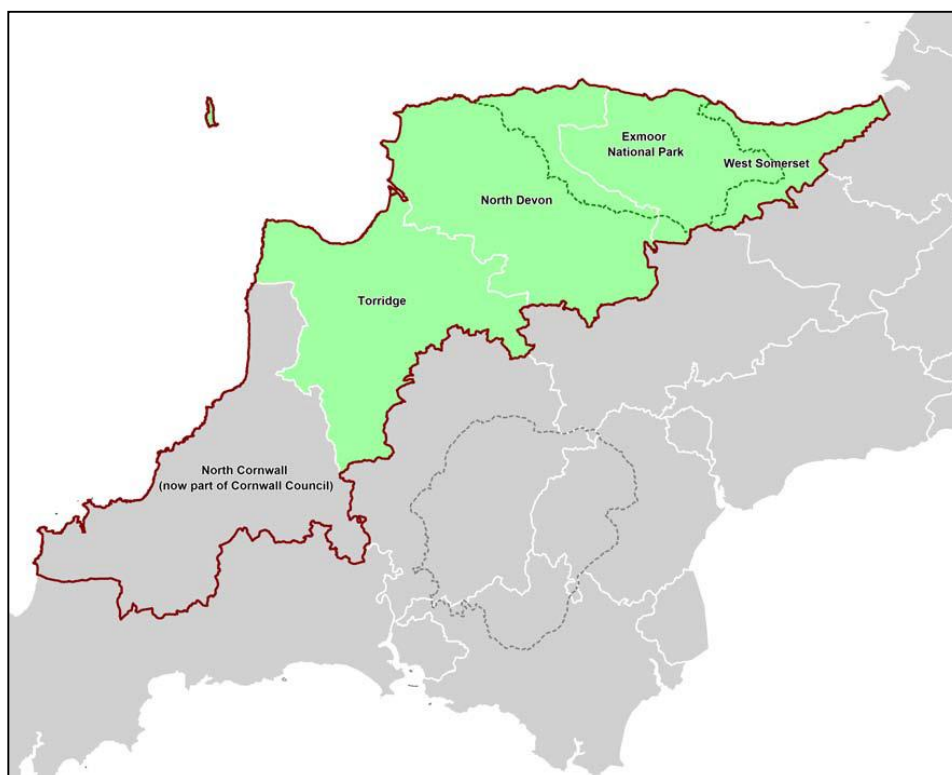
1.1 This housing topic paper has been prepared jointly by four local planning authorities (LPAs) within the Northern Peninsula Housing Market Area (NP HMA), namely: North Devon Council, Torrridge and West Somerset District Councils and Exmoor National Park Authority and hereafter referred to as 'partner authorities' (Figure 1).

1.2 This paper supplements the housing topic papers prepared by individual local planning authorities, which contain further detail on local plan related housing matters.¹ It therefore provides additional evidence and explanation, particularly in relation to matters of joint concern, to underpin the housing strategies in the respective plans of the four planning authorities:

- Exmoor National Park Local Plan to 2031
- North Devon and Torrridge Local Plan to 2031; and
- West Somerset Local Plan to 2032.

1.3 In particular, this paper sets out the Objectively Assessed Housing Need (OAHN) for the Northern Peninsula HMA, and shows that there is sufficient supply and planned housing provision for future delivery to meet the OAHN across the HMA.

Figure 1. Extent of the Northern Peninsula Housing Market Area (NP HMA)



1.4 The paper also provides analysis of:

- the key issues, similarities and differences within the HMA;
- additional explanation of the approach being taken in setting out a positive strategy for the provision and delivery of housing in the HMA;

¹ <http://www.westsomersetonline.gov.uk/Docs/Local-Plan-Publication/Strategy-and-Housing-topic-paper-JAN15.aspx>; ENPA (June 2015) Exmoor National Park Housing Topic Paper

- the position on duty to cooperate as regards housing; and
 - an overview of housing supply including realistic constraints, past delivery of housing, and the approach to future delivery.
- 1.5 It is intended to inform the examinations into both the Exmoor National Park Authority and North Devon and Torridge Local Plans. The hearings into the West Somerset Local Plan took place in March 2016 and at the time of writing, the LPA is preparing ‘modifications’ to the plan arising from the ‘hearing sessions’ and subsequent correspondence with the Inspector. These modifications will be put out for public consultation, for six weeks, during the early part of the summer. Following consideration of the responses to this consultation, The Inspector is expected to issue a Final Report towards the end of the summer.

2 BACKGROUND – NATIONAL POLICY AND GUIDANCE

- 2.1 The National Planning Policy Framework (NPPF) states that local planning authorities should have a clear understanding of housing needs in their area based on adequate, up-to-date and relevant evidence.² A Strategic Housing Market Assessment should be prepared to assess their full housing needs, working with neighbouring authorities where housing market areas across administrative boundaries. The SHMA should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which:
- meets household and population projections, taking account of migration and demographic change;
 - addresses the need for all types of housing, including affordable housing and the needs of different groups in the community; and
 - caters for housing demand and the scale of housing supply necessary to meet this demand.³
- 2.2 Additionally, to boost significantly the supply of housing, local planning authorities should ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in the framework.⁴
- 2.3 Local Plans should meet objectively assessed needs unless:
- Any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in the Framework taken as a whole; or
 - Specific policies in the Framework indicate development should be restricted. Footnote 9 of paragraph 14 sets out examples which include within sites protected under the Birds and Habitats Directives and/or designated as Sites of Special Scientific Interest; Local Green Space, an Area of Outstanding Natural Beauty, Heritage Coast or within a National Park; designated heritage assets; and locations at risk of flooding or coastal erosion.⁵
- 2.4 DCLG household projections should provide the starting point estimate of overall housing need⁶. National guidance recognises that the household projection-based

² Para 158, National Planning Policy Framework (NPPF), CLG, March 2012

³ Para 159 Ibid.

⁴ Para 47 Ibid.

⁵ Footnote 9, para 14 Ibid.

⁶ PPG Paragraph: 015 Reference ID: 2a-015-20140306: What is the starting point to establish the need for housing?

estimate of housing need may require adjustment to reflect factors affecting local demography and household formation rates, which are not captured in past trends⁷. A PAS technical Advice Note on OAN (OAHN) and housing targets covers elements set out in the PPG and adds others including how to go from objectively assessed need to plan target, having regard to potential supply, unmet need and policy objectives. These are set out diagrammatically in Figure 4.1 of the Technical Advice Note⁸. In arriving at a housing provision target across the NPHMA, account has to be taken of the approach set out in the Advice Note including the elements of Figure 4.1.

- 2.5 Recent changes to national guidance recommend an approach combining housing and economic development needs assessments and advises on the purpose of, and approach to, assessing the need for housing and economic development.⁹ It notes that housing and economic development needs include the Strategic Housing Market Assessment requirement as set out in the NPPF. Although it states that there is no one methodological approach or use of a particular dataset(s) that will provide a definitive assessment of development need, it recommends the use of the standard methodology set out in the guidance to ensure that the assessment findings are transparently prepared. The guidance provides scope for departing from the methodology where local planning authorities explain why particular local circumstances have led them to adopt a different approach. The assessment should be thorough but proportionate, building where possible on existing information sources outlined within the guidance¹⁰.
- 2.6 For the Northern Peninsula HMA, updates to the 2008 SHMA have been undertaken and a joint update was underway before the new guidance on housing and economic development needs assessments was issued. Although local plan preparation has, in some cases, since been delayed as a result of a range of recent national policy changes, it was considered that it was most appropriate to continue to use the SHMA and subsequent updates as a starting point for arriving at an OAHN for each LPA and for the NP HMA, in order that local plans were not held up for longer than necessary.
- 2.7 The NPPF also states that LPAs should prepare a Strategic Housing Land Availability Assessment (SHLAA) to establish realistic assumptions about the availability, suitability and the likely economic viability of land to meet the identified need for housing over the plan period.¹¹

3 CONTEXT

- 3.1 Background information and a detailed explanation of the context relevant to the Northern Peninsula HMA are set out in **Appendix 1** of this paper. This includes how the HMA was defined, its key characteristics, and the fact that the HMA includes the area designated as Exmoor National Park, which is subject to a special set of circumstances that influence the approach to addressing future housing requirements. Consideration is also given of the range of constraints within the HMA as a whole.
- 3.2 This short section provides a brief summary of key aspects of the Northern Peninsula HMA. Rather than being associated with an urban area, and acting as a single sub-

⁷ PPG Paragraph: 016 Reference ID: 2a-016-20150227

⁸ Para 4.1 and Figure 4.1 Objectively Assessed need and Housing Targets Technical Advice Note Second Edition PAS and Peter Brett Associates. July 2015.

⁹ PPG Paragraph: 001 Reference ID: 2a-001-20140306

¹⁰ PPG Paragraph: 005 Reference ID: 2a-005-20140306

¹¹ Para 159 NPPF and Paragraph: 001 Reference ID: 3-001-20140306 PPG

regional housing market, the NPHMA can instead be defined as a large ‘character area’ with common housing characteristics and settlement patterns.

- 3.3 The NPHMA includes a large area along the northern coast of the south west peninsula, extending from north Cornwall in the west, running through northern Devon and extending into West Somerset including all of Exmoor National Park.
- 3.4 The research, on which the identification of the South West HMAs was based, recognised that the character area does not act as a single sub-regional housing market¹² in the traditional sense; rather that it **comprises a series of local markets which are subject to similar characteristics and issues**. It is therefore considered to be a ‘polycentric character area’ characterised by its rural nature and a settlement pattern of villages and market towns with no major centres of employment. One of its most distinctive characteristics is the extent and strength of connections with distant housing markets particularly in London, the South East, the East of England and the West Midlands. The effect of high levels of in-migration –and the purchase of second and holiday homes on house prices as well as the high proportion of older age groups are common issues.
- 3.5 Following the formation of a unitary authority in 2009, the area of North Cornwall has been assimilated into the area covered by Cornwall Council and in 2010, Cornwall Council elected to pursue the preparation of a single Strategic Housing Market Assessment Update¹³ to cover the entirety of the Council’s geographical area. Cornwall Council and the Planning Inspector examining the Cornwall Council Local Plan have recognised Cornwall as a largely self-contained housing market.
- 3.6 The Northern Peninsula HMA is also characterised by a range of environmental constraints which restrict the potential supply of suitable housing sites. Most notably this includes Exmoor National Park, designated for the statutory purposes of conserving and enhancing the natural beauty, wildlife and cultural heritage of the area, and promoting opportunities for understanding and enjoyment of its special qualities by the public. Other key environmental designations include: Areas of Outstanding Natural Beauty (North Devon Coast and Quantock Hills); ecological designations including Sites of Special Scientific Interest, and Special Areas of Conservation; heritage designations; and potential light pollution affecting the Exmoor National Park International Dark Sky Reserve. These are dealt with in more detail later in this paper and in Appendix 1.

4 ESTABLISHING FUTURE HOUSING REQUIREMENTS

The Demographic Starting Point

- 4.1 In line with national planning policy¹⁴, the partner authorities of the NP HMA have worked together to ensure that they understand the future housing requirements arising across the NP HMA. In doing so, they have worked to ensure the preparation of a consistent and compatible evidence base. A key element of this has been to utilise the services of a single consultant to provide core Strategic Housing Market Assessment (SHMA) evidence.
- 4.2 A character area-wide Strategic Housing Market Assessment (The Strategic Housing Market Assessment for the Northern Peninsula) was completed in 2008.¹⁵ Housing

¹² Paragraph 3.02, Analysis of Sub-regional Housing Market Areas in the South West, DTZ Peda Consulting, July 2014

¹³ The Cornwall Housing Market Strategic Evidence Base 2010 Update, full report, Peter Smith Research and Consulting (PSRC), July 2010, http://www.cornwall.gov.uk/media/3627904/Cornwall_SHMA_Update_Report_2010_.pdf

¹⁴ Paragraph 159, National Planning Policy Framework (NPPF), CLG, March 2012

¹⁵ Paragraph ES1.2, Strategic Housing Market Assessment for the Northern Peninsula, Housing Vision, December 2008

Vision was commissioned by all of the partner authorities¹⁶ both for the preparation of the initial NP SHMA (2008) and all subsequent updates. Divergent timetables for the preparation of individual partner authority's local plans has meant that in the intervening years since the completion of the original Assessment it has been necessary for the individual partner authorities to commission individual Housing Market Assessment updates. These have all been prepared by Housing Vision, enabling comparison and aggregation across the NP HMA as a whole. As such the initial SHMA and its subsequent updates should be seen as a collection of documents to be read as a whole. Further details regarding the initial SHMA and update reports is given in **Appendix 2**.

Recognising the 2012-based Sub-national Population Projections

- 4.3 In late 2014 and in response to the identification of a common issue affecting all of the partner authorities, Housing Vision were appointed to prepare a joint NP SHMA Update¹⁷ to cover the four partner authorities. This update was commissioned in light of issues arising at a number of Examinations in Public for Local Plans whereby the evidence underpinning housing targets was being found to be out-of-date. In particular, local planning authorities were being directed to consider the implications of the 2012 sub-national population projections when establishing their future housing requirements.¹⁸
- 4.4 The partner authorities recognised that this was an issue that could affect their Local Plan Examinations and as such commissioned Housing Vision to carry out a robust analysis of the implications of the 2012 sub-national population projections on future housing requirements. The intention was to ensure that each of the partner authorities had a consistent, up-to-date and national policy/guidance compliant basis for establishing a 'demographic starting point' to determine an Objectively Assessed Need for housing from which to derive an associated housing target for their local planning authority area.
- 4.5 In doing so, the commission also provided the opportunity to resolve an outstanding issue around the disaggregation of housing requirements to the constituent local planning authorities across the NP HMA. The original NP SHMA assessment (2008) had aligned housing requirements to local authority rather than local planning authority areas, meaning it was not possible to disaggregate future housing requirements for Exmoor National Park from those provided for the North Devon District and West Somerset District areas. The commission carried out spatial analysis to enable the modelling geography to be realigned and ensure that future housing requirements can be disaggregated and explicitly apportioned to each of the partner authorities (local planning authorities), including Exmoor National Park Authority¹⁹.
- 4.6 The Update (SHMA 5, January 2015) initially carried out a critical review of the methodology underpinning the 2012 sub-national population projections to ensure their use was legitimate for establishing future housing requirements. In doing so, it reviewed a range of key assumptions around matters such as Unattributable Population Change, internal and international migration²⁰. The report concluded that

¹⁶ Devon County Council was also involved in commissioning the 2008 SHMA

¹⁷ Northern Peninsula Housing Market Area Strategic Housing Market Assessment (SHMA) Update – Final Report, Housing Vision, January 2015

¹⁸ 2012-based Sub-national Population Projections for England, ONS, <http://www.ons.gov.uk/ons/rel/snpp/sub-national-population-projections/2012-based-projections/stb-2012-based-snpp.html>

¹⁹ Paragraph 1.4, Northern Peninsula Housing Market Area Strategic Housing Market Assessment (SHMA) Update – Final Report, Housing Vision, January 2015

²⁰ Paragraphs 2.77 – 2.93, Northern Peninsula Housing Market Area Strategic Housing Market Assessment (SHMA) Update – Final Report, Housing Vision, January 2015

the 2012 sub-national population projections are to be preferred to earlier published projections²¹.

- 4.7 Recognising that at that point, there was no set of CLG household projections that fully reflected the results of the 2011 Census and covered the period beyond 2021, the Update modelled five scenarios to explore the potential implications for household numbers arising from the 2012-based sub-national population projections²². In doing so, the following scenarios were modelled for each constituent partner authority:
- **Scenario 1:** applies to the 2012-based subnational population projections the average household sizes for each year from 2011 to 2031 from CLG's 2008-based household projections.
 - **Scenario 2:** uses the same method as Scenario 1, but instead uses average household sizes from the 2011-based CLG projections. This Scenario is only available from 2012 to 2021.
 - **Scenario 3:** applies CLG 2011-based household representative rates to 2021 then follows the annual trajectory of change of rates in CLG's 2008-based projections. This method is based on the "Index" approach advocated at some recent Examinations of Local Plans. It allows for some recovery in household formation after 2021, although rates generally do not catch up with the 2008-based rates by 2031.
 - **Scenario 4:** is based on the household representative rates in the 2008-based CLG projections. However, the 2011 base year rates are taken from CLG's 2011 projection, based on the Census.
 - **Scenario 5:** assumes that household representative rates stay constant during the projection period. Changes in household numbers stem solely from the changes in the size and age composition of the population in the 2012 sub-national population projections.
- 4.8 The report concluded that there was a strong case for making use of scenario 3²³ as the preferred approach to estimating future household growth as it includes projections influenced by periods of both recession and growth²⁴. This approach also compared favourably to that favoured around that time by Planning Inspectors in a number of Examinations in Public for Local Plans.
- 4.9 Although ultimately West Somerset have based the West Somerset Local Plan housing requirement on figures from the 2013 West Somerset Update (SHMA 3), the figures derived from this scenario could provide an appropriate demographic starting point for the derivation of an Objectively Assessed Need for Housing across the NP HMA.

Comparison to 2012-based Sub-national Household Projections

- 4.10 National planning practice guidance advises that wherever possible, local assessments of housing needs should be informed by the latest available information, with particular reference to the most up-to-date household projections.

²¹ Paragraph 2.90, Northern Peninsula Housing Market Area Strategic Housing Market Assessment (SHMA) Update – Final Report, Housing Vision, January 2015

²² Paragraph 5.7-5.10, Northern Peninsula Housing Market Area Strategic Housing Market Assessment (SHMA) Update – Final Report, Housing Vision, January 2015

²³ Scenario 3 - Interim 2011-based sub-national household projections to 2021 followed by 2008-based sub-national household projections to 2031, all rebased to the 2012 sub-national population projections, Northern Peninsula Housing Market Area Strategic Housing Market Assessment (SHMA) Update – Final Report, Housing Vision, January 2015

²⁴ Paragraph 6.21, Northern Peninsula Housing Market Area Strategic Housing Market Assessment (SHMA) Update – Final Report, Housing Vision, January 2015

Guidance does however recognise that housing assessments are not automatically rendered outdated every time new projections are issued²⁵. Guidance is that the 2012-2037 Household Projections are the most up-to-date estimate of future household growth.²⁶

- 4.11 Subsequent to the completion of the NP SHMA Update in January 2015 that reflected the 2012-based sub-national population projections, 2012-based sub-national household projections were released²⁷. Recognising the provisions of national planning guidance, the partner authorities considered it prudent to understand the potential implications of the revised household projections on housing requirements being progressed within their emerging local plans.
- 4.12 On this basis, Housing Vision was commissioned by the partner authorities in mid-2015 to review the implications of the 2012-based sub-national household projections on future housing requirements for each of their local planning authority areas. The Report (SHMA 7, December 2015) concludes that household and future housing projections based on the 2012-based subnational household projections imply significant reductions when compared with the application of 2008-based sub-national household projections²⁸.
- 4.13 For all of the constituent local plan areas, the unadjusted household growth projections for the period 2011-2031, derived from the 2012-based sub-national household projections, compare favourably with the previously modelled scenario²³ prepared by Housing Vision:
- North Devon and Torridge - The 2012-based sub-national household projections indicate a small reduction from 12,591 to 11,959 households cumulatively, equivalent to a reduction of 632 households (5.02%) for North Devon and Torridge local planning authorities combined over the period 2011-2031 when compared to the previous scenario. However, the cumulative backlog of affordable housing need at August 2015 for North Devon and Torridge local planning authorities has risen from 611 to 824.
 - Exmoor National Park - the 2012-based sub-national household projections indicate a relatively small increase from 542 to 552 households, or 10 households (1.85%), for the Exmoor National Park local planning authority area, over the period 2011-2031 when compared to the previous scenario. Within this figure 150 is for the North Devon Authority area in the National Park – a reduction of 15 - and 402 for the West Somerset housing authority area in the National Park – an increase of 25. The cumulative backlog of affordable housing need at August 2015 for Exmoor National Park has fallen from 86 to 60 households.
 - West Somerset - the 2012-based sub-national household projections show an increase of 5 dwellings (0.38%), from 1,297 to 1,302 dwellings. The backlog of affordable housing was however identified to have fallen in the more recent report, from 244 to 207 households at August 2015.

²⁵ Paragraph: 016 Reference ID: 2a-016-20150227, Planning Practice Guidance, CLG, Revision date: 06-03-2014, available at: <http://planningguidance.communities.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/methodology-assessing-housing-need/>

²⁶ Paragraph: 016 Reference ID: 2a-016-20150227 *ibid*, CLG Revision date 27-05-2015 *Ibid*.

²⁷ <https://www.gov.uk/government/collections/household-projections#2012-based-projections>

²⁸ Paragraph 5.11, Northern Peninsula Housing Market Area Strategic Housing Market Assessment: the implications of 2012-based Household Projections – Final Report, Housing Vision, December 2015

Unadjusted demographic projections – the demographic starting point

- 4.14 The starting point for arriving at an OAHN for each LPA and for the NP HMA as a whole has been the demographic projections set out in the SHMA and various updates. In accordance with national planning practice guidance, the 2012-based sub-national household projections are set out in this paper. At the point of drafting, using the 2012 household projections as a starting point, the OAHN for the HMA as a whole has been calculated and these were also the figures included as part of a joint statement from North Devon/Torrige and Exmoor National Park Authority to inform the examination of the West Somerset Local Plan. The examination hearings have now concluded and the Inspector's report is awaited. These figures provide the starting point for planned housing provision through the North Devon/Torrige and Exmoor National Park Local Plans.
- 4.15 Table 1 below identifies the unadjusted future housing projections, from the most up to date data – the 2012-based sub-national household projections, for each partner local planning authority area including Exmoor National Park (and showing the split between the North Devon and West Somerset parts of National Park). It also reflects the earlier figures for housing projections from the 2012-2014 SHMA Updates and a comparison to those figures derived through a bespoke scenario modelled on the 2011-based interim sub-national household projections to 2021, followed by the 2008-based sub-national household projections to 2031, all re-based to account for the 2012-based sub-national population projections.

Table 1: Unadjusted demographic projections - Comparison of 2011-based Interim to 2021 followed by 2008-based to 2031 rebased to 2012-based population projections and 2012-based sub-national Household Projections

Scenario	North Devon LPA	Torrige LPA	West Somerset LPA	ENP in North Devon	ENP in West Somerset	ENP (Total)
CLG 2008-based subnational population and household projections ²⁹	6,114	7,659	2,398	612 ³⁰	438	1050 ³¹
Scenario 3 - 2011-based Interim to 2021 followed by 2008-based to 2031 rebased to 2012-based population projections²³	5,652	6,939	1,297	165	377	542
2012-based Sub-national Household Projections	5,232	6,727	1,302	150	402	552
Difference	-420	-212	+5	-15	+25	+10

Source: Table 5.2 and 5.3, Northern Peninsula Housing Market Area Strategic Housing Market Assessment: the Implications of 2012-based Household Projections – Final Report, Housing Vision, December 2015

²⁹ Figures derived from Tables 6.5 and 6.6, Housing Vision: Strategic Housing Market Assessment: Torrige and North Devon Update, Housing Vision (2012); Table 7.1, Strategic Housing Market Assessment: West Somerset Update (November 2013); and Table 5.14, Strategic Housing Market Assessment Update: Exmoor National Park in West Somerset (January 2014).

³⁰ Includes projected housing for areas in Exmoor and Downland Fringe sub-area that includes areas which lie outside the National Park. Figure therefore will be higher than that just for the area wholly within the National Park

³¹ Includes projected housing for areas in Exmoor and Downland Fringe sub-area that includes areas which lie outside the National Park. Figure therefore will be higher than that for area wholly within the National Park

Moving from Households to Dwellings

- 4.16 When considering the requirement for future housing to meet identified needs it is necessary to recognise that not all housing that is delivered will be available to households in order to address the arising need. The unadjusted demographic projections represent the starting point for deriving an OAHN. As the 2012-based projections relate to households, it is appropriate to apply adjustments to convert the figures into the number of dwellings required to accommodate the households, allowing for matters such as vacant dwellings, second homes and homes occupied by non-residents. In doing so, it establishes a net future dwelling requirement. It is also considered appropriate to recognise any 'backlog' in affordable housing.
- 4.17 The SHMA Update of December 2015, provides for a series of three adjustments:
1. Vacant Dwellings: CLG Live Table 615, 'All vacant dwellings by local authority district' calculated at October 2014 measured in relation to Table 125, 'Dwelling stock estimates by local authority district, 2001-2014' at 31st March to enable vacancy rates to be applied to household projections data;
 2. Second and Holiday Homes including Vacant Dwellings: Using Census Table KS401, 'Dwellings, household spaces and accommodation', the proportion of 'Household spaces with no usual residents' has been applied to include both vacant dwellings and to take account of second and holiday homes; and
 3. The backlog of affordable housing need.

Vacant Dwellings

- 4.18 It is recognised that in order to operate effectively at any one time the housing market requires a level of empty properties to allow for movement of households between properties. As such, it is necessary to apply an adjustment to the baseline assessments of future housing need in order to establish how many dwellings would be required. The existing levels of vacant properties for each of the local planning authorities can be established using available data³² and used as a proxy for likely future vacancy rates.
- 4.19 An analysis of vacancy rates for the partner authorities (Table 2) was included in the NP SHMA Update Report completed by Housing Vision in January 2015 (SHMA 5)³³ and the subsequent Report of December 2015 (SHMA 7).³⁴

Table 2. Rates (%) of vacant dwelling stock in the partner authority areas

Vacancy Rate (%)	North Devon LPA	Torridge LPA	West Somerset LPA	Exmoor National Park LPA
October 2013	3.68%	3.20%	3.10%	3.68% & 3.10%*
October 2014	3.33%	3.05%	2.78%	3.33% & 2.78%*

* the vacancy rates for North Devon and West Somerset have been applied to those areas of the Exmoor National Park within each respective District.

Source: Table 5.2, Northern Peninsula Housing Market Area Strategic Housing Market Assessment: the Implications of 2012-based Household Projections – Final Report, December 2015

³² Live Table 615: All vacant dwellings by local authority district, CLG, available at: <https://www.gov.uk/government/statistical-data-sets/live-tables-on-dwelling-stock-including-vacants>

³³ Table 6.2, Northern Peninsula Housing Market Area Strategic Housing Market Assessment (SHMA) Update – Final Report, Housing Vision, January 2015.

³⁴ Table 5.2, Northern Peninsula Housing Market Area Strategic Housing Market Assessment: the Implications of 2012-based Household Projections – Final Report, December 2015

- 4.20 The rates can be applied to baseline estimates of future household growth in order to convert them into the number of dwellings that would be reasonably required to accommodate them.
- 4.21 Existing information on vacancy rates is not directly available for the area of Exmoor National Park Authority. As such, it is necessary to apply separately the vacancy rates associated to the local authority areas of North Devon and West Somerset to the constituent parts of the future housing requirements for Exmoor National Park arising from each of the local authority areas.
- 4.22 Recent datasets³⁵ indicate lower vacancy rates for the local planning authorities, and additionally, a lower second/holiday homes rate for North Devon and Torridge districts. Although these rates have not been used in calculating the OAHN, it suggests that if the more up to date rates were applied, a lower OAHN would be required, and planned levels of housing provision included in the Local Plans would be further above the OAHN.

Second / Holiday Homes

- 4.23 High levels of second home ownership are a characteristic of the NP HMA, and this is an issue that has a significant impact on the appropriate levels of housing that are planned for delivery.
- 4.24 Second home ownership is not identified as a component of housing “need” within national planning policy and as such the potential future demand for them should not be included within any assessment of Objectively Assessed Need for future housing. It is however recognised by the partner authorities that the use of housing stock for second / holiday homes constrains the availability of it to meet identified future housing need; reducing the availability and access to these dwellings for local communities for those that can afford market housing.
- 4.25 The levels of existing dwelling stock being used for second homes can be established for each of the local planning authorities through an analysis of available data³⁶. The findings can be used as a reasonable proxy for the likely future levels.
- 4.26 An analysis of existing levels of dwelling stock use for second/ holiday homes for the partner authorities was included in the NP SHMA Update Report³⁷ completed by Housing Vision in January 2015 (SHMA 5) and the subsequent Report of December 2015 (SHMA 7).³⁸ The total uplifts (%) required to take account of the rates of vacant dwelling stock and second / holiday homes in each local planning authority area are shown in Table 3.

Table 3. Rates (%) of vacant dwelling stock and that in use for second / holiday homes in the partner authority areas

	North Devon LPA	Torridge LPA	West Somerset LPA	Exmoor National Park LPA
Rate (%)	10.26%	8.94%	11.22%	19.20%

Source: Table 5.2, Northern Peninsula Housing Market Area Strategic Housing Market Assessment: the Implications of 2012-based Household Projections – Final Report, December 2015

³⁵ CLG (2015) Council Tax base local authority level data

<https://www.gov.uk/government/statistics/council-taxbase-2015-in-england>

³⁶ Census Table KS401 ‘Dwellings, household spaces and accommodation’ – the proportion of ‘Household Spaces with no usual residents’

³⁷ Table 6.2, Northern Peninsula Housing Market Area Strategic Housing Market Assessment (SHMA) Update – Final Report, Housing Vision, January 2015.

³⁸ Table 5.2, Northern Peninsula Housing Market Area Strategic Housing Market Assessment: the Implications of 2012-based Household Projections – Final Report, December 2015

- 4.27 It is important to note that the specified rates are **inclusive of vacant dwellings** and as such, where these rates are applied to projections of future household growth in order to establish appropriate future housing requirements, no further uplift should be incorporated to account for vacant dwellings.

Housing Arising from the 2012-based Household Projections

- 4.28 Making use of the rates set out above, it is possible to establish the quantum of housing required to meet the demographically derived need. Table 4 below sets out the figures as they apply to the housing authority areas of West Somerset and North Devon within Exmoor National Park and inform Table 10 later in this paper to clarify how the adjustments to the figures as a result of duty to co-operate discussions have been calculated.

Table 4: Demographically derived housing requirements by local planning authority, incorporating consideration of vacant dwellings, second & holiday homes and affordable housing

Household projection scenarios	North Devon LPA 2011-2031	Torrige LPA 2011-2031	West Somerset LPA 2011-2031	Exmoor NPA 2011-2031
1. Unadjusted				
2012-based CLG household projections	5,232	6,727	1,302 ³⁹	552
2. Adjusted for vacant dwellings rates of:	3.33%	3.05%	2.78%	3.33% & 2.78%*
Adjusted 2012-based CLG household projections	5,406	6,932	1,338	569
3. Adjusted for vacant dwellings, second & holiday homes rates of:	10.26%	8.94%	11.22%	19.20%
Adjusted 2012-based CLG household projections	5,769	7,328	1,448	658
4. The backlog of affordable housing:				
At August 2015	589	235	207	60
Total dwellings - including adjustment for vacant dwellings, second & holiday homes and affordable housing backlog	6,358	7,563	1,655	718

* the vacancy rates for North Devon and West Somerset have been applied to those areas of the Exmoor National Park within each respective District.

Source: Table 5.2, Northern Peninsula Housing Market Area Strategic Housing Market Assessment: the Implications of 2012-based Household Projections – Final Report, Housing Vision, December 2015

³⁹ Figure arising from calculations based on the 2012 Household projections, Table 10 sets out the figure using longer term trends which underpins proposed housing provision in the West Somerset Local Plan.

Table 5: Demographically derived housing requirements for Exmoor National Park showing the split between the North Devon and West Somerset parts of the National Park, incorporating consideration of vacant dwellings, second & holiday homes and affordable housing

Household projection scenarios	North Devon in ENP	West Somerset in ENP
1. Unadjusted		
2012-based CLG household projections	150	402
2. Adjusted for vacant dwellings rates of:	3.33%	2.78%
Adjusted 2012-based CLG household projections	155	413
3. Adjusted for vacant dwellings, second & holiday homes rates of:	19.20%	19.20%
Adjusted 2012-based CLG household projections	179	479
4. The backlog of affordable housing:		
At August 2015	17	43
Total dwellings - including adjustment for vacant dwellings, second & holiday homes and affordable housing backlog	196	522

Source: Table 5.3, Northern Peninsula Housing Market Area Strategic Housing Market Assessment: the Implications of 2012-based Household Projections – Final Report, Housing Vision, December 2015

Past Delivery and Market Signals

- 4.29 The work carried out by Housing Vision provides evidence regarding the characteristics of the HMA and a consistent approach to establishing an appropriate demographically derived starting point for preparing future housing requirements. However, it is recognised that there are differences in the issues and characteristics that will influence the approach to establishing an appropriate future housing requirement for each individual partner authority.
- 4.30 National planning policy states that local planning authorities should take account of market signals, such as land prices and housing affordability, when establishing their strategies⁴⁰. Planning practice guidance elaborates on this requirement and provides details about how market signals and other market indicators of the balance between the demand for and supply of dwellings should be taken into account⁴¹ and how plan makers should respond⁴². The guidance requires that, where a worsening trend is identified in market signals, local planning authorities should make an upward adjustment to planned housing numbers compared to ones based solely on household projections. In doing so, it notes that the increase should be of an amount that based on reasonable assumptions and consistent with principles of sustainable development, could be expected to improve affordability.

⁴⁰ Paragraph 17, National Planning Policy Framework (NPPF), CLG, March 2012

⁴¹ Paragraph: 019 Reference ID: 2a-019-20140306, Planning Practice Guidance, Revision date: 06-03-2014, available at: <http://planningguidance.communities.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/methodology-assessing-housing-need/>

⁴² Paragraph: 020 Reference ID: 2a-020-20140306, Planning Practice Guidance, Revision date: 06-03-2014, available at: <http://planningguidance.communities.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/methodology-assessing-housing-need/>

- 4.31 The original NP SHMA⁴³, along with the series of associated update reports for the individual constituent partner authorities⁴⁴, provide comprehensive information on a range of market signals to allow consideration of housing affordability and whether it is might be appropriate to apply an upward adjustment to future housing requirements being planned for delivery by the individual partner authorities.

North Devon and Torridge

- 4.32 In accordance with the provisions of national planning policy and practice guidance, the affordability of housing has been reviewed for North Devon and Torridge and consideration has been given to whether it is appropriate to apply an upward adjustment to baseline demographic-based housing requirements when arriving at an appropriate future housing requirement.
- 4.33 Housing affordability is recognised as an issue for North Devon and Torridge. A range of evidence has been prepared that reviews housing affordability and market signals to inform consideration about whether it is appropriate make an upward adjustment to housing requirements. Analysis of housing market dynamic shows a mixed performance in terms of trends of affordability indicators over time^{45, 46}, with no clear picture of a worsening trend over time. However it is accepted that affordability is challenged by high housing values relative to incomes, exacerbated by a housing stock which is focussed more towards the supply of larger (and thus more expensive homes)⁴⁷.
- 4.34 The emerging North Devon and Torridge Local Plan recognises this issue of housing affordability and incorporates a significant uplift in future housing requirements above the demographically derived requirement. Whilst responding to a need to balance housing and economic growth, this uplift is also intended, in part, to address the affordability of housing, particularly through the associated potential for the provision of additional affordable housing.

Exmoor National Park

- 4.35 Government guidance recognises that National Parks “are not suitable locations for unrestricted housing and does not therefore provide general housing targets for them. The expectation is that new housing will be focused on meeting affordable housing requirements, supporting local employment opportunities and key services”⁴⁸.
- 4.36 Housing affordability is recognised as a serious issue in the National Park. A range of evidence has been prepared that reviews housing affordability and market signals. Analysis of house prices in the National Park since 1998 indicates a consistent

⁴³ Section 4 – Social and Demographic Trends, Strategic Housing Market Assessment for the Northern Peninsula, Housing Vision, December 2008

⁴⁴ Section 2 – Key Influences and Drivers, contained with each of Strategic Housing Market Assessment: Torridge and North Devon Update – Final Report, Housing Vision, December 2012; Strategic Housing Market Assessment: West Somerset Update – Final Report, Housing Vision, November 2013; and Strategic Housing Market Assessment Update: Exmoor National Park in west Somerset – Final Report, Housing Vision, January 2014

⁴⁵ Section 4. Housing Market Dynamics, Northern Devon Housing and Employment Study – Final Report, GL Hearn, April 2014; available at: <http://consult.torridge.gov.uk/file/3365808>

⁴⁶ Strategic Housing Market Assessment: Torridge and North Devon Update – Final Report, Housing Vision, December 2012; available at: <http://consult.torridge.gov.uk/file/3342676>

⁴⁷ Paragraph 4.11, Housing Market Dynamics, Northern Devon Housing and Employment Study – Final Report, GL Hearn, April 2014; available at: <http://consult.torridge.gov.uk/file/3365808>

⁴⁸ DEFRA (2010) English National Parks and the Broads UK Government Vision and Circular 2010, London: DEFRA, para 78.

affordability issue due to high external demand for housing.⁴⁹ Evidence demonstrates that as a result of high external demand for housing in the National Park, there is a wide disparity between local incomes and house prices/rents exacerbated by an existing housing stock of larger, often detached (and thus more expensive housing).⁵⁰ The ratio of average incomes to average house prices is 10:1 and the ratio of lower quartile house prices to lower quartile incomes is 11:1.⁵¹ Private market rents on larger housing are unaffordable for average income households and for all on lower quartile incomes. Social rental levels for housing with 3 bedrooms or fewer is affordable on lower quartile incomes. 'Affordable Rents' (80% of local open market rents) are unaffordable for larger than three bedroom housing. On lower quartile incomes, rents for housing with more than one bedroom are unaffordable.⁵²

- 4.37 There is a small percentage of overcrowding in the National Park and a high level of under-occupancy.⁵³ This is likely to reflect the proportion of larger housing and the older age range of households. The proportion in overcrowded conditions is likely to include households in affordable need.
- 4.38 Evidence from household projections is that all new housing projected to be needed in the National Park results from in-migration from other areas of the UK – in particular the South-East, London, East Anglia and the Midlands. Excluding the effect of in-migration, the level of locally arising need would be such that, in terms of numbers alone, no new housing would be needed. The high level of external in-migration drives up house prices. Increasing the supply of market housing would not result in improved affordability for local households. In a National Park, particular considerations apply and high levels of house building would be in conflict with the National Park designation. The emerging Exmoor National Park Local Plan continues to prioritise local need affordable housing through a rural exceptions site approach in response to the high levels of affordable housing need in the National Park.⁵⁴

West Somerset

- 4.39 West Somerset Council commissioned an update to the NP SHMA for its local planning authority (LPA) area in 2012. This was partly due to the progress of time since the original study whose figures were derived from data-sources that reflected a period (2006/07) of high economic and housing market activity, the impact of the subsequent recession and, the need to identify a housing need figure for the LPA as required through the paragraph 47 of the NPPF. The updated study⁵⁵ (SHMA 3) was published in 2013 and the primary source used was the 2011 Census rather than relying on sample-based population and/or housing projections. The 2013 West Somerset Update identified a housing need figure for the LPA area for the period 2011 – 2031 of 2,398 additional dwellings. This overall figure was accepted as the basis for determining the future levels of development being planned for through the West Somerset Local Plan to 2032. The identified housing need figure for the plan-period closely reflected the long-term average delivery rate that had occurred in the West Somerset LPA over the preceding 35 years. Whilst the LPA has engaged with its

⁴⁹ <http://www.exmoor-nationalpark.gov.uk/planning/planning-policy/new-local-plan/evidence-base>. [house price surveys since 2005] and <http://www.exmoor-nationalpark.gov.uk/planning/planning-policy/new-local-plan/annual-monitoring-reports> [since 2004/05].

⁵⁰ Para 5.10, Strategic Housing Market Assessment Update: Exmoor National Park, March 2015, Housing Vision, and Exmoor National Park Authority Monitoring Report 2014/15

⁵¹ ENPA (2014) House Price Survey

⁵² Paras 2.30-2.31 and Table 2.3, Assessment of Housing and Affordable Housing Needs NLP, 2012

⁵³ Table 3.7, Strategic Housing Market Assessment Update: Exmoor National Park in West Somerset Update, January 2014, Housing Vision and Table 3.6, Strategic Housing Market Assessment Update: Exmoor National Park, January 2014, Housing Vision.

⁵⁴ ENPA (June 2015) Exmoor National Park Housing Topic Paper

⁵⁵ Strategic Housing Market Assessment: West Somerset Update, Housing Vision, November 2013

partners in the Northern Peninsula SHMA area in commissioning additional studies to reflect later projection data, and these have suggested a lower future housing need for the LPA area, it still considers that the 2013 study and its findings is a more accurate reflection of the future demand for housing in its area.

- 4.40 The 2013 West Somerset SHMA Update also confirmed the breakdown of the type and tenure of future housing need in similar proportions to those identified in the original 2008 study for the whole of the local authority area. In common with its neighbours in the Northern Peninsula HMA, affordability was identified as a serious impediment to accessing the housing market, particularly for the indigenous population seeking to obtain their first home. Over 60% of the future housing need in the LPA area was expected to be for either social-rent or affordable-rent properties.
- 4.41 West Somerset does not benefit from strong economic growth that could be reflected through an employment-led development strategy strongly influencing the future demand for housing that is found in many other local planning authorities. However, it is the focus of a major energy infrastructure construction project in the near future which is expected to have a significant impact on the local housing market. The proposal to build a new nuclear power station facility at Hinkley Point is expected to create a construction project that will take at least ten years to complete and involve the creation of about 25,000 jobs on or around the site during that time. The duration of employment will vary according to the type of activity but, it is anticipated, that some of the employees may be working on the project for a number of years and may seek to find permanent local accommodation. This will put pressure on the local housing market in terms of the availability of housing stock and, potentially a distortion in respect of the local housing market in terms of increased house prices. In order to prepare for the impact of this on the area, West Somerset Council has sought to factor-in an 'economic-uplift' to the housing numbers being planned for through its emerging development plan. The 2013 West Somerset SHMA Update sought to quantify the amount of additional housing that might be required to meet the influx of construction workers seeking to set-up home in the LPA area. A figure of about 450 dwellings was calculated as being required to meet the additional demand for housing arising from this project. The LPA added this to the housing need figure for the twenty year period and is seeking to plan for a total of 2,900 new homes being required in the LPA area up to 2032 in its emerging local plan.

Addressing Affordable Housing Need

- 4.42 A common characteristic spanning the NP HMA is the issue of the challenging affordability of housing. Evidence indicates that a high level of affordable housing need exists for each partner authority, as shown in Table 6. The original NP SHMA (2008) and the subsequent Updates completed by the constituent partner authorities each contain comprehensive analysis of housing affordability and a breakdown of future housing needs by sector / tenure.

Table 6: Proportion of households who can afford different sectors and tenures of housing

LPA	2008 SHMA ⁵⁶			SHMA Updates ⁵⁷			
	Social Rent	Intermediate ⁵⁸	Open Market	Social Rent	Affordable Rent	Intermediate ⁵⁹	Open Market / Private Rent
North Devon*	63%	21%	16%	49.01%	6.67%	1.45%	42.88%
Torrige	61%	27%	12%	47.49%	5.52%	4.90%	42.09%
West Somerset	60%	27%	13%	52.0%	10.0%	17.5%	20.5%
Exmoor NPA**	~	~	~	50.44%	3.42%	7.36%	38.78%

* Figures relate to local authority geography, incorporating that part of Exmoor National Park in North Devon. ** Figures relate to that part of Exmoor National Park in West Somerset only.

- 4.43 The overall need for affordable housing across the NP HMA is high, totalling 57.3% of overall housing needs in North Devon (including that part of the National Park residing within it), 57.9% in Torrige, 79.5% in West Somerset (as a local planning authority area) and 61.22% in that part of Exmoor National Park in West Somerset (applied across the whole National Park)⁶⁰.
- 4.44 These figures indicate that the majority of future households across the Northern Peninsula are unable to access home ownership on the open market. The need for affordable housing across the Northern Peninsula is therefore high and in vastly in excess of the proportion of affordable homes that it is capable of being delivered on the basis of a proportion of market-led housing development.
- 4.45 Whilst viability will vary between sites, the Economic Viability Assessment for North Devon and Torrige⁶¹ indicates that only 30% can be reasonably delivered viably on market-led housing development sites. In West Somerset, the equivalent viability assessment on delivery of affordable homes is indicated as being around 35%,⁶² although this may not be easily achievable on some of the strategic sites around Minehead due to the anticipated costs of significant new infrastructure being provided. Within Exmoor National Park the policy approach is to provide for affordable homes to meet the needs of local communities on a rural exception site basis and an updated viability assessment has been prepared which supports this approach.⁶³
- 4.46 Consequently, the level of open market housing would need to be increased substantially (at least doubled) to deliver the required levels of affordable housing within the respective plan periods, although an increase of that scale would also

⁵⁶ Table 45, Strategic Housing Market Assessment for the Northern Peninsula, Housing Vision, December 2008

⁵⁷ Table 6.3, Strategic Housing Market Assessment: Torrige and North Devon Update, Housing Vision, December 2012; Table 5.2, Strategic Housing Market Assessment: West Somerset Update, Housing Vision, November 2013; and Table 5.2, Strategic Housing Market Assessment Update: Exmoor National Park in West Somerset, Housing Vision, January 2014

⁵⁸ New Build HomeBuy

⁵⁹ Shared Equity/ Ownership

⁶⁰ The affordable housing component stated includes social rent, affordable rent and intermediate housing as listed in Table 6

⁶¹ Update of the Economic Viability Assessment of Housing Development in North Devon and Torrige – Final Report, Adams Integra, November 2015

⁶² West Somerset Strategic Housing Viability Assessment, Professor Stephen Walker & Danny Myers – Economic Viability and Planning Consultants – EVPC, 2014

⁶³ Exmoor National Park Viability Assessment, Three Dragons, 2016

reduce open market house prices thereby further reducing the viability of delivering affordable housing.

- 4.47 The levels of identified affordable housing need are such that it is not considered realistic to plan for the need to be met in full over the lifetimes of the partner authorities' Local Plans. The partner authorities do however consider that they are making best endeavours, through reasonable and appropriate provisions within their emerging Local Plans so as to best address the identified need.
- 4.48 National Planning Practice Guidance⁶⁴ accepts that the total affordable housing need can be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing led developments. It does however go on to note that an increase in the total housing figures included in a local plan should be considered where it could help deliver the required number of affordable homes.

North Devon and Torridge

- 4.49 In North Devon and Torridge, there is an identified need for approximately 60% of the demographically derived future housing requirements to be affordable housing.⁶⁵ Research into the viability of market-led housing development in North Devon and Torridge demonstrates, however, that development is only generally capable of supporting the provision of a maximum of 30% affordable housing on qualifying sites.⁶⁶ As such, planning for a scale of housing simply to meet the demographically-derived housing requirements will be insufficient to ensure that sufficient affordable housing is delivered to meet the identified need in full across North Devon and Torridge during the lifetime of the emerging North Devon and Torridge Local Plan.
- 4.50 Whilst market signals do not necessarily indicate that there is a worsening trend in housing affordability, it is recognised that there is a housing affordability issue associated to high house prices in relation to household income across North Devon and Torridge.
- 4.51 The emerging North Devon and Torridge Local Plan includes a housing requirement significantly above (approximately 23%), the demographically derived housing requirement. Whilst this is primarily in response to ensuring a balance between future housing and economic growth, the uplift is also, in part, about supporting the delivery of additional affordable housing to meet identified needs.
- 4.52 It is considered that given the relatively self-contained nature of the housing market area covering North Devon and Torridge, the inclusion of a housing requirement that incorporates a further significant uplift above that planned for would have questionable deliverability. This is because it is considered that the required housing provision would be likely to be out of step with the availability of households to fill the additional market dwellings. In the absence of additional demand resulting from in-migration beyond projected rates, adding to the housing requirement is not considered to be a relevant response to meet the challenge of affordable housing needs.
- 4.53 It is further recognised that the levels of housing growth already planned for through the emerging North Devon and Torridge Local Plan are already significantly higher than historically achieved rates of development; with planned rates having only been

⁶⁴ Paragraph: 029 Reference ID: 2a-029-20140306, Planning Practice Guidance, Revision date: 06-03-2014, available at: <http://planningguidance.communities.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/methodology-assessing-housing-need/>

⁶⁵ Tables 7.3 & 7.4, Strategic Housing Market Assessment: Torridge and North Devon Update – Final Report, Housing Vision, December 2012, available at: <http://consult.torridge.gov.uk/file/3342676>

⁶⁶ Update of the Economic Viability Assessment of Housing Development in North Devon and Torridge - Final Report (Draft), Adams Integra, September 2015, Available at: <http://consult.torridge.gov.uk/file/3626017>

exceptionally achieved, raising the question of whether the house building sector is likely to have the capacity to achieve and sustain levels meaningfully higher than proposed.

- 4.54 Historically, housing delivery performance across North Devon and Torridge has been sufficient to meet future housing requirements set out within adopted development plans, namely the Devon Structure Plan.

Exmoor National Park

- 4.55 In Exmoor National Park, a different approach from non-designated areas is necessary, justified and appropriate in view of the special circumstances of National Parks, reflecting National Park legislation (the statutory purposes of conservation and enhancement of the area and the promotion and understanding of its special qualities) and recognition in national policy and guidance (see Appendix 1). The National Park experiences a high level of in-migration - which has resulted in high house prices and rents - particularly when compared to local incomes. Consequently, there is an 'affordability gap'. Housing, including at the lower end of the market, is beyond the reach of many households especially first-time buyers and families needing larger accommodation⁶⁷.
- 4.56 There is consequently a need for affordable housing to address local needs consistent with the duty of National Park Authorities to local communities. Evidence shows the very limited capacity for new housing in landscape terms and that there are few and finite sites suitable for housing in settlements.⁶⁸ Demand for new housing cannot therefore be met in the National Park without harming its natural beauty. The sites which remain will be needed to address the affordable housing needs of local communities in the longer term and priority is therefore given to addressing these needs rather than meeting the external demand for market housing.
- 4.57 The adopted Local Plan has prioritised the delivery of affordable housing to meet local needs. As a consequence of this focused approach, a relatively high rate of delivery has been achieved and between adoption of the 2005 Local Plan, and 2014/15, 87 affordable dwellings were completed within the National Park.⁶⁹ There remains a need for further local need affordable housing and the emerging Exmoor National Park Local Plan ensures that new housing addresses the needs of the local community and, recognising the issue of housing affordability, prioritises local need affordable housing through a rural exceptions site approach. Evidence on viability⁷⁰ informs this approach and viability will be assessed on a case by case basis to maximise the delivery of affordable housing.

West Somerset

- 4.58 As with its neighbours in the Northern Peninsula HMA, West Somerset is faced with the prospect of trying to provide for a future affordable housing need (c.62%) that is significantly higher, than that which could be provided for on the back of open-market housing development (c.35% maximum base on individual viability assessments). It has made requests of its larger neighbours to the east and south-east (outside of the Northern Peninsula HMA area), to see if they could assist in accommodating some of the future affordable housing need. Unfortunately, this has not been deemed a realistic or practical option for them as it would effectively compromise their own housing strategies within their individual adopted Core Strategies. Also, even if it were an option it could result in generating unsustainable patterns of movement amongst the individuals affected for economic (employment) and social (family)

⁶⁷ Exmoor National Park Authority Monitoring Report 2012/13

⁶⁸ ENPA (June 2015) Exmoor National Park Housing Topic Paper, paragraph 2.3.8

⁶⁹ ENPA (June 2015) Exmoor National Park Housing Topic Paper, Table 5.1.

⁷⁰ Exmoor National Park Authority Whole Plan Viability Study, 2016, Three Dragons and Rural Housing Solutions.

reasons which is contrary to the principles of what the development plan system has been set up to achieve.

- 4.59 The emerging Local Plan to 2032 seeks to provide for 2,900 additional dwellings in the LPA area over the 20 year period of the plan. It includes an element of 'economic-uplift' to offset the impact of the Hinkley Point C project could have on the local housing market during its long 10+-year construction period. Whilst acknowledging that the prospect of providing the quantum of housing projected that will be needed over the plan period in the form of some of the tenures identified will be challenging, West Somerset Council will continue to investigate new and, innovative arrangements that may facilitate meeting these demands.

Recognising the implications of Economic Growth

- 4.60 The joint work carried out by the partner authorities across the NP HMA has ensured that there is a common demographically derived foundation for understanding the Objectively Assessed Need for housing and for establishing future housing requirements. It is however recognised that there are circumstances specific to each of the local planning authorities that mean that variations of approach are required to fully establish an appropriate Objectively Assessed Need and associated housing requirement for individual Local Plans. One aspect of this is the consideration of implications of economic growth on housing requirements.

North Devon and Torridge

- 4.61 For North Devon and Torridge, it is recognised that future economic growth, rather than baseline demographic growth, might be a determining factor in establishing future housing requirements. As such, North Devon Council and Torridge District Council commissioned a Housing and Employment Study⁷¹ to understand likely future employment growth and the potential associated implications for future housing requirements. The study confirmed that economic growth can be considered to be a key driver for future housing requirements. The study commissioned two economic forecasts from established forecasting houses as the starting point for understanding likely sectoral economic growth across North Devon and Torridge before generating a hybrid synthesis forecast based upon these and adjusted to reflect local knowledge. On the basis of this economic forecast, that was considered to be representative of likely sectorial growth, the study considered that it would be reasonable to plan for the provision of between 16,000 and 17,000 homes, converging on 16,785 dwellings on the basis of economic evidence, across North Devon and Torridge during the period 2011-2031⁷². The associated Employment Land Review identified a need for around 60 hectares of B-use employment land⁷³, extending to 75 hectares of land for economic development⁷⁴ (if the definition is expanded to incorporate other economic uses as defined in the NPPF) to support the proposed economic growth.
- 4.62 It is important to recognise that the study considered North Devon as a local authority rather than as a local planning authority, so the outcomes incorporate housing and economic growth requirements for the element of Exmoor National Park within North Devon. As such, it is necessary to discount from the figure of 16,785 dwellings to arrive at a future housing requirement for the local planning authority areas of North Devon and Torridge; or alternatively, recognise that it is not necessary to increase

⁷¹ Northern Devon Housing and Employment Study – Final Report, GL Hearn, April 2014, available at: <http://consult.torridge.gov.uk/file/3365808>

⁷² Paragraph 9.28, Northern Devon Housing and Employment Study – Final Report, GL Hearn, April 2014

⁷³ Paragraph 6.14, Northern Devon Employment Land Review – Final Report, GL Hearn, April 2014, available at: <http://consult.torridge.gov.uk/file/3365799>

⁷⁴ Established through discussion with GL Hearn

this figure in order to incorporate housing needs arising from that element of the National Park as requested under the Duty to Co-operate (see paragraphs 4.76 – 4.79).

- 4.63 Recognising local ambitions for economic growth and to help support delivery, the North Devon and Torridge Local Plan identifies 85 hectares of land for economic development, rather than the 75 hectares determined by evidence to be that which is required. This is intended to allow flexibility of supply and also to recognise an ambition to positively support economic growth, particularly in certain settlements. In doing so, the emerging North Devon and Torridge Local Plan provides an associated uplift in future housing requirements from 16,785 to 17,220 to ensure that sufficient housing is available for the associated additional workforce. This is however a ‘policy-on’ adjustment associated to the Local Plan’s housing requirement, rather than a matter that is considered to influence the Objectively Assessed Housing Need.

Exmoor National Park

- 4.64 Significant economic growth generating a need for additional housing is not expected in the National Park. The Employment Land Review⁷⁵ concluded that there was no need to allocate employment land and that instead a criteria based approach to employment would be provide greater flexibility. The ELR examined likely growth sectors for employment in the National Park – these were tourism and health and social care. Demand for home based working is also likely to continue to be important. The emerging local plan includes positive policies for: the provision of local needs affordable housing including for households who need to work within the National Park; home based working; and for staff accommodation in the serviced sector.

West Somerset

- 4.65 The economy of West Somerset is strongly rooted in low-wage and/or seasonal activities such as agriculture retail, social-care and, tourism. A feature of the local economy is the high proportion of self-employment which, at over 27% is double the national equivalent. As a consequence the area does not benefit from strong economic growth that could be reflected through an employment-led development strategy strongly influencing the future demand for housing that is found in many other local planning authorities. However, it is the focus of a major energy infrastructure construction project in the near future which is expected to have a significant impact on the local housing market. The proposal to build a new nuclear power station facility at Hinkley Point is expected to create a construction project that will take at least ten years to complete and involve the creation of about 25,000 jobs on or around the site during that time. The duration of employment will vary according to the type of activity but, it is anticipated, that some of the employees may be working on the project for a number of years and may seek to find permanent local accommodation. This will put pressure on the local housing market in terms of the availability of housing stock and, potentially a distortion in respect of the local housing market in terms of increased house prices. In order to prepare for the impact of this on the area, West Somerset Council has sought to factor-in an ‘economic-uplift’ to the housing numbers being planned for through its emerging development plan. The 2013 West Somerset SHMA Update identified a figure of about 450 dwellings required to meet the additional demand for housing arising from this project. The LPA added this to the housing need figure for the twenty year period and is seeking to plan for a total of 2,900 new homes being required in the LPA area up to 2032 in its emerging local plan.

⁷⁵ Exmoor National Park Employment Land Review (2009) Nathaniel Lichfield and Partners for ENPA; and Employment Land Review Update (2016), ENPA

Establishing an Objectively Assessed Need for Housing

- 4.66 Taking account of the polycentric character of the Northern Peninsula HMA, demographic projections, market signals, economic growth and the range of environmental constraints, the Objectively Assessed Housing Need for the Partner Authorities can be established.

Table 7. Objectively Assessed Need for Housing across Northern Peninsula HMA

Local Planning Authority	Unadjusted Demographic Requirement ⁷⁶	Uplifted Requirement incorporating vacant dwellings, second & holiday homes	Backlog of affordable dwellings	Uplift based upon Economic Growth	Total OAHN
North Devon	5,232	5,769	589	-	-
Torridge	6,727	7,328	235	-	-
North Devon and Torridge	11,959	13,097	824	2,668 ⁷⁷	16,589 ⁷⁸
West Somerset ⁷⁹	2,398			450	2,848
Exmoor NPA	552 ⁸⁰	658	60	-	718
Total	14,909	13,755	884	3,118	20,155

Sources: Northern Peninsula Strategic Housing Market Assessment Update, Housing Vision (December 2015), Strategic Housing Market Assessment, West Somerset Update, Housing Vision (November 2013) and Northern Devon Housing and Employment Study, GL Hearn (April 2014), Strategic Housing Market Assessment: West Somerset Update (November 2013) Housing Vision.

- 4.67 These figures are derived from the SHMA Update (SHMA 7 - December 2015) commissioned jointly by the Partner Authorities, other than for West Somerset, which is based on the West Somerset SHMA Update (SHMA 3 - 2013). The unadjusted

⁷⁶ Figures (excluding West Somerset) based upon 2012-based household projections with figures from 2015 Northern Peninsula SHMA Update based upon the Subnational Household Projections in England, CLG, <https://www.gov.uk/government/collections/household-projections#2012-based-projections>

⁷⁷ Economic uplift only available as a combined figure for North Devon and Torridge LPAs. Figure derived by discounting the economic-based future housing requirement (16,785) provided within Northern Devon Housing and Employment Study by GL Hearn, to account for the demographically derived housing arising from Exmoor National Park (196), the backlog of affordable dwellings (824) and the demographically derived requirements established for North Devon and Torridge set out by Housing Vision (13,097).

⁷⁸ Derived from Northern Devon Housing and Employment Study – Final Report, GL Hearn, April 2014 – identified future housing requirement for North Devon and Torridge of 16,785 discounted by 196 dwellings to exclude future housing associated to Exmoor National Park and align to the local planning authority geographies of North Devon and Torridge.

⁷⁹ West Somerset figures taken from the Strategic Housing Market Assessment: West Somerset Update Housing Vision (November 2013) which has informed the housing provision figure in the emerging West Somerset Local Plan. The Statement of Common ground submitted to the Examination by North Devon/Torridge Councils and Exmoor National Park Authority sets out the OAHN for the HMA (including West Somerset) based on the 2012 household projections as a starting point. The Inspector's report into the examination of the plan is awaited.

⁸⁰ This figure consists of 338 affordable dwellings and 214 market dwellings

figures (except for West Somerset) are derived from the CLG 2012-based sub-national household projections⁸¹ allowing for projected levels of migration.

- 4.68 An uplift for North Devon/Torridge and Exmoor National Park has been applied to the unadjusted demographic need to allow for a proportion of the new homes to be considered as vacant dwellings and/or occupied as second and holiday homes (see Table 3).
- 4.69 The backlog of affordable housing for North Devon/Torridge and Exmoor National Park has also been added⁸², informed by information within the housing registers maintained by Devon HomeChoice and Homefinder Somerset. This backlog relates to existing need and is in addition to future housing needs from projected demographic changes.
- 4.70 The total OAHN for North Devon and Torridge does not derive from the work completed by Housing Vision. Rather, it is the outcome of the economic forecasting provided by the Housing and Employment Study completed by GL Hearn. The demographic analysis completed by Housing Vision does however benchmark and validate the demographic components of the Housing and Employment Study, with the figure of 13,097 dwellings set out by Housing Vision as arising from the 2012-based Household Projections comparing favourably with the 14,305 set out as the demographically derived housing requirement (PROJ1) within the Housing and Employment Study.

The Overall Objectively Assessed Housing Need

- 4.71 The figures in Table 10 show the total OAHN for each LPA, taking on board the requirements from planned economic growth. The total OAHN across the Northern Peninsula HMA is 20,155 dwellings for the period 2011 to 2031.

Unmet Housing Need and the Duty-to-Cooperate

- 4.72 In considering the OAHN for the Northern Peninsula HMA, account has been taken of any requests to or from neighbouring areas. No authorities from adjoining HMAs have considered it necessary to request that their unmet need be met within the Northern Peninsula HMA.
- 4.73 It has, however, been necessary to have Duty to Co-operate discussions regarding the distribution of housing across the Northern Peninsula HMA. As an area with a high quality natural and built environment, the HMA is subject to a range of environmental constraints to housing development. However, at a strategic level, the largest constraint is Exmoor National Park. Exmoor National Park Authority considers that due to the National Park designation, landscape sensitivity, the capacity of its settlements to absorb housing development in the longer term and other constraints that it is not possible for it to accommodate the full OAHN for affordable and market housing. Instead it is seeking to provide for affordable housing.
- 4.74 As a consequence, Duty to Co-operate between the local planning authorities is required to address the National Park's unmet housing need across the wider Housing Market Area. However, the polycentric character of the Northern Peninsula may limit the opportunities for this housing need to be met across the wider Housing Market Area with housing needs needing to be met within identified local housing sub-markets.
- 4.75 Exmoor National Park Authority formally requested that North Devon Council and West Somerset Council consider whether they are able to accommodate the housing

⁸¹ 2012-based Subnational Household Projections in England, CLG, <https://www.gov.uk/government/collections/household-projections#2012-based-projections>

⁸² Derived from NP SHMA Update (SHMA 7) [Table 2.2] Dec 2015

arising from within the National Park, based on the OAHN derived from the 2012-household projection figures⁸³.

- 4.76 North Devon side of the National Park: North Devon Council has agreed, on a Duty-to-Cooperate basis, to meet the unmet need arising from the area of the National Park residing within North Devon. The identified need for housing from that part of the National Park was initially calculated to be 205 dwellings⁸⁴, as identified through the NP SHMA Update of January 2015⁸⁵.
- 4.77 On this basis, the draft of the North Devon and Torridge Local Plan incorporates an allowance of 205 dwellings within the overall housing requirement of 17,220 dwellings to accommodate the need for market and affordable housing arising from the part of the National Park residing in North Devon⁸⁶. This is founded upon evidence of demographically derived future housing requirements that reflect re-based 2012 sub-national population projections. Given that limited levels of economic growth are likely to occur within Exmoor National Park over the Plan period, a demographically derived figure (with uplifts for vacant/second homes and affordable housing backlog) is considered an appropriate source for the requirement.
- 4.78 The settlements accommodating higher levels of growth to help meet the housing needs of Exmoor include the Main Centres of South Molton and Ilfracombe and the Local Centre of North Molton. Other large settlements, such as Combe Martin, have their own environmental constraints arising from a location within the North Devon Area of Outstanding Natural Beauty. The most realistic opportunities are to focus future housing in sustainable settlements where further growth can be delivered during the lifetime of the Plans.
- 4.79 The NP SHMA Update of December 2015, reflecting the more recent 2012-based sub-national household projections and updated evidence on the backlog of affordable housing need, indicates a modest reduction in the level of need arising from the part of the National Park in North Devon, from 205 to 196 dwellings⁸⁷. This variation is however considered to be inconsequential in the context of the overall Objectively Assessed Housing Need for North Devon and Torridge (amounting to less than 0.1% of the overall figure).
- 4.80 West Somerset side of the National Park: ENPA officers initially raised the need to meet affordable and market housing outside the National Park at Duty to Co-operate meetings. However, it was clear from these meetings that West Somerset Council had a similarly high need for affordable housing, and would struggle to meet these needs. Indeed, West Somerset Council had written to its neighbouring authorities (Taunton Deane Borough Council and Sedgemoor District Council) to ask whether they would be able to accommodate any of the affordable housing needs, but they were unable to. As a consequence, ENPA wrote to West Somerset Council to

⁸³ See Appendix 2 of the Exmoor National Park Authority Duty to Co-operate Statement for Submission, May 2016 for details of correspondence

⁸⁴ The figure of 205 dwellings calculated on the basis of summing the backlog of affordable housing (11 households) to the number of households generated from scenario 3 – ‘2012-based @ CLG 2011 to 2021 + 2008 post-2021’ (161 households) before applying a vacancy and second home rate of 19.20%

⁸⁵ Table 6.3, Northern Peninsula Housing Market Area Strategic Housing Market Assessment (SHMA) Update – Final Report, Housing Vision, January 2015

⁸⁶ Paragraph 4.20C, Publication Draft of the North Devon and Torridge Local Plan as modified by the Proposed Main Changes (Change Reference - MAC/35) - <http://consult.torridge.gov.uk/portal/planning/localplan/mainchanges>

⁸⁷ The 196 figure has been arrived at by taking the unadjusted figure of 150 dwellings (2012 based CLG household projections), applying the uplift for vacant dwellings and second homes (19.2%) then applying the backlog of affordable housing (17 dwellings)

formally request that the *market* housing⁸⁸ arising from the National Park was included within the West Somerset Local Plan housing figure of 2900 dwellings. However, West Somerset Council's position is that they are not able to accommodate this request as the housing figures included in their draft Local Plan are based on the higher figures arising from their 2013 Update (SHMA 3), and consequently would require an increase in their Local Plan requirement to accommodate the market housing arising from the National Park.

- 4.81 North Devon and Exmoor National Park Authority submitted a joint statement on duty to Co-operate and the OAHN to inform hearings on the West Somerset Local Plan which were held in March 2016. This included a statement of common ground for both LPAs as well as Torridge District Council which incorporated a table setting out the OAHN using the 2012 household projections as a starting point. This shows that, including appropriate uplifts, planned provision and supply across the HMA will be sufficient to meet the OAHN and, within West Somerset LPA area as well as across the HMA, to accommodate the market housing arising from within the West Somerset housing authority area of the National Park. At the time of drafting, the Inspector's report into the examination of the West Somerset Local Plan is awaited.

5 HOUSING SUPPLY

Joint Working on the Identification of Housing Supply

- 5.1 Alongside joint working on the preparation of evidence on housing need, the partner authorities have also worked together on the identification of appropriate housing supply. A joint sub-regional SHLAA methodology⁸⁹ has been endorsed by the partner authorities and was used by North Devon/Torridge District Councils and Exmoor National Park Authority in the preparation of their SHLAAs. There was also agreement on the use of a sub-regional Stakeholder Panels of experts, with overlap of membership between Panel members for each of the SHLAAs.
- 5.2 Rather than a single collective SHLAA report, however, the partner authorities have prepared a series of SHLAA reports⁹⁰ to cover their respective partner authority areas; an approach that has been necessitated by the varying local plan timetables for each authority.
- 5.3 The SHLAA reports and associated methodology have also been prepared to be broadly consistent with those presented by other local planning authorities within neighbouring HMAs across the south west. The geographical area previously covered by North Cornwall District Council, which makes up the remaining element of the NP HMA, is not covered by the partnership due to the authority's amalgamation into a unitary Cornwall Council. The approach taken by the partner authorities, and methodology followed, does however broadly conform to that followed by Cornwall Council and as such, results could be compared or aggregated up if necessary⁹¹.
- 5.4 The individual SHLAA Reports draw together information to provide a comprehensive picture about land and buildings that might have the potential to deliver future housing across each local planning authority area. North Devon, Torridge and West

⁸⁸ The figure of 186 market dwellings calculated on the basis of the market housing element of the demographic baseline figure derived from the 2012-based household projections (156 dwellings), with an uplift of 19.2% for vacant dwellings and second/holiday homes

⁸⁹ Northern Peninsula Housing Market Area Methodology for Strategic Housing Land Availability Assessments, Torridge District Council, North Devon Council, Exmoor National Park Authority, West Somerset Council, and Devon County Council August 2009

⁹⁰ North Devon and Torridge SHLAA (August 2011, updated September 2014), West Somerset SHLAA (Update July 2015), SHLAA Exmoor National Park Authority (Dec 2014)

⁹¹ Cornwall Council SHLAA; available at: <http://www.cornwall.gov.uk/SHLAA>

Somerset have reviewed their original SHLAA assessments and prepared updated reports.

- 5.5 The SHLAAs provide the key evidence about future housing supply and capacity to support the preparation of Local Plans. Together with consideration of unmet need outside the HMA and other policy objectives, this evidence enables the partner authorities to move towards individual local plan housing targets from an Objectively Assessed Need for Housing, as advised in PAS guidance⁹².
- 5.6 Collectively, the SHLAA reports provide evidence which demonstrate that there is sufficient identified deliverable and developable housing land to meet identified future housing needs across the HMA over the plan periods for the constituent partner authorities. This is discussed in more detail later in the paper.

Key constraints to housing supply in the Housing Market Area

- 5.7 The deliverable supply of housing is, by definition, suitable and available for delivery in the short term and is expected to be delivered in whole or in part within the first five years. Many of these sites will have outline or full planning permission already, or be approved in principle awaiting legal agreements, or be under construction. However, despite these relatively high levels of deliverable supply, the historic rates of housing completions (Table 8) remain low. This reflects restrictions on the local housing market's ability to sell new housing rather than the supply of deliverable sites on which to build them.
- 5.8 However, there is a range of environmental constraints across the Northern Peninsula which cumulatively restrict the potential supply of suitable housing sites, most notably the Exmoor National Park. These are set out in Appendix 1.

Past Dwelling Completions

- 5.9 The nature and character of the housing market area is polycentric with strong self-containment. The historic rates of housing delivery have reflected national economic cycles with lower levels of housing completions achieved since 2009.

⁹² Objectively Assessed Need and Housing Targets Technical Advice Note Second Edition PAS and Peter Brett Associates, July 2015

Table 8: Historic Rates of House Building across Northern Peninsula HMA

Local Planning Authority	2007 / 08	2008 / 09	2009 / 10	2010 / 11	2011 / 12	2012 / 13	2013 / 14	2014 / 15	Over Proposed Plan Period ⁹³	
									Total	Average
West Somerset	122	109	55	40	81	67	84	155	306	102.0
Exmoor NPA	29	20	24	12	42	18	26	10	96	24.0
North Devon	417	341	331	227	177	269	246	283	975	243.75
Torridge	378	498	320	205	304	191	129	466	1,090	272.5
Total	946	968	730	484	604	545	485	914	-	-

Source: Local planning authority dwelling completion monitoring; line indicates Local Plan start date

Identified Future Housing Supply

- 5.10 A relatively large amount of land is potentially available for residential development over the period for which the partner authorities are preparing local plans, excepting Exmoor National Park where supply is constrained more significantly.
- 5.11 The individual Strategic Housing Land Availability Assessment (SHLAA) Reports for each partner authority identify the quantity and distribution of land that has the potential to deliver housing in the future. This is both in terms of 'deliverable' land on which there is a reasonable prospect that housing will be delivered within the next 5 years, and land that is 'developable', whereby it is considered that there is a reasonable prospect that housing could be achievable over the next 15 years.

⁹³ 2011-2031 for Exmoor National Park Authority, North Devon Council and Torridge District Council; and 2012-2032 for West Somerset Council.

Table 9: Supply of potentially Deliverable and Developable Housing Land across Northern Peninsula HMA

LPA	SHLAA Assessment Base Date	Deliverable Supply (dwellings)	Developable Supply (dwellings)	Total Supply (dwellings)
North Devon ⁹⁴	31 March 2013	2,540	9,691	12,231
Torrige ⁹⁵	31 March 2013	1,889	11,404	13,293
West Somerset ⁹⁶	31 March 2015	1,132	1,985	3,117
Exmoor NPA ⁹⁷	31 March 2014	249	0 ⁹⁸	249
Total		5,810	23,080	28,890

Source: Individual local planning authority Strategic Housing Land Availability Assessment (SHLAA) Reports.

Proposed Local Plan Housing Supply

North Devon and Torrige

- 5.12 The draft North Devon and Torrige Local Plan 2011-2031 identifies a housing supply of 17,246 dwellings, amounting to 8,768 dwellings in North Devon and 8,478 in Torrige - a level sufficient to meet the identified OAHN and the proposed plan requirement of 17,220 dwellings. This supply is derived from a range of sources that comprise of a mix of sites which are subject to proposed allocation for housing; a series of non-allocated developable sites that are subject to a favourable SHLAA outcome and reside within proposed settlement development boundaries; dwellings that have been completed since 2011; and commitments in the form of sites with planning permission for housing.
- 5.13 It is considered that this is likely to provide a conservative estimate of potential housing supply. No allowance is made for windfall development although yields from such sites have made a significant contribution to historic development rates. It is anticipated that windfall development will therefore make an additional contribution to the housing land supply, which will further extend development opportunities and provide flexibility. Furthermore, the capacity of proposed allocations has been calculated on the basis of a conservative estimate, in accordance with the assumptions agreed with the Stakeholder Panel supporting the preparation of the Strategic Housing Land Availability Assessment (SHLAA). A generous 15% non-implementation rate has additionally been applied to small sites that contribute to the housing land supply through unimplemented consents.
- 5.14 The North Devon and Torrige Local Plan does not identify a programme of land release; rather the nature and scale of committed and allocated sites provides that there will be a gradual delivery of new dwellings across the Plan period.

⁹⁴ North Devon and Torrige Strategic Housing Land Availability Assessment (SHLAA) September 2014. (Reference BE/36A at <http://consult.torrige.gov.uk/portal/planning/localplan/evidence/>)

⁹⁵ Ibid

⁹⁶ SHLAA Update 2015 <http://www.westsomersetonline.gov.uk/Docs/SHLAA-refresh-Jan-2013/Final-SHLAA-Update-July-2015>

⁹⁷ SHLAA December 2014 http://www.exmoor-nationalpark.gov.uk/_data/assets/pdf_file/0010/578611/Final-SHLAA-Report-Nov_2014.pdf

⁹⁸ SHLAA identifies a capacity for further 228 dwellings on suitable sites, although their availability is currently uncertain.

Exmoor National Park

- 5.15 The approach to housing in the emerging Exmoor National Park Local Plan is to provide for an identified need for affordable housing to meet the needs of local communities through a rural exceptions approach. This can include a range of tenures with a local occupancy tie and maximum floorspace restrictions to ensure housing remains affordable in perpetuity and so meets the definition of affordable housing in the NPPF. Such housing may include owner occupied dwellings.
- 5.16 As it is apparent that the delivery of affordable has become increasingly challenging, Exmoor National Park Authority and its partners have been exploring innovative ways to fund and deliver needed affordable housing in the National Park. Exmoor National Park Authority was a custom build joint vanguard in 2014/15 with Dartmoor National Park Authority and became one of the first authorities to set up a register of self/custom build local housing. A number of households have expressed an interest in pursuing self or custom build housing with a local need occupancy tie in the National Park. For all new housing proposals, the SHLAA will provide a potential supply of sites known to be available. Exmoor National Park Authority has worked over a long period at a local level in partnership including with housing providers, local communities and rural housing enablers. Other sites which were considered to be suitable for housing by the SHLAA panel, though not necessarily available, will nevertheless have potential where other they are otherwise considered to be acceptable in planning terms and landowners consider releasing them for local need housing. Other initiatives are being explored including a rural housing network for the National Park, the use of existing assets and developing community initiatives such as community land trusts.
- 5.17 Additionally, the special measures necessary in protected landscapes together with experience of the ways in which housing providers and others such as local housing trusts can contribute to the local need for affordable housing suggest that affordable homes do not always need to be newly built. The Authority intends to continue to work with housing partners over the plan period to further explore the potential for such approaches and the benefits that they might bring over time.

West Somerset

- 5.18 West Somerset Council is planning to provide for 2,900 additional dwellings over the 20-year period to 2032. This is based on the housing need figure identified in the 2013 West Somerset Update (SHMA 3) to the original 2008 NP SHMA plus an economic-uplift to account for the impact of the long-term and large construction project associated with a new nuclear power station at Hinkley Point. The need figure closely reflects the average long-term delivery rate of new housing (c.120 dwellings per annum) which has been achieved in the LPA area over the past 40 years. The emerging Local Plan to 2032 seeks to identify strategic (c.250+ dwellings and a minimum of 3 hectares of land for employment generating and community uses) locations around the three key settlements of Minehead, Watchet and Williton that are expected to provide approximately 50% of the overall housing need. The remainder is expected to come forward on smaller sites that will be identified through subsequent development plan documents and through windfall development. The overall strategy of focusing development in the three main facilities reflects the fact that these locations each contain a range of services and facilities to meet day-to-day needs of the local population and, in the case of Minehead a wider and more comprehensive range. It also reflects the fact that in the past 40 years almost 80% of new residential development has occurred in and around these three settlements and they provide the best prospects of encouraging sustainable patterns of movement amongst future residents.

6 RELATING HOUSING PROVISION TO REQUIREMENTS

6.1 Table 10 shows the unadjusted demographic figure, total OAHN, adjustment for duty to cooperate, planned housing requirement, housing delivered to date, and identified housing supply. The total OAHN across the NP HMA is significantly above the unadjusted demographic figure, reflecting the uplifts variously applied for vacant / second homes and economic uplifts. The planned housing requirement set out within the three emerging Local Plans exceeds the OAHN. This demonstrates the partner authorities' commitment to addressing the identified housing needs of their local communities through a positive approach to housing delivery.

Table 10. Housing Provision across Northern Peninsula HMA

LPA	Unadjusted Demographic Figure	Total OAHN ⁹⁹	DtC Adjustment (+/-)	Planned Housing Requirement	Housing Delivered 2011-2015	Identified Housing Supply ¹⁰⁰
North Devon	5,232	-	-	-	975 ¹⁰¹	8,768
Torrige	6,727	-	-	-	1,090	8,478
North Devon and Torrige ¹⁰²	11,959	16,589	+196	17,220 ¹⁰³	2,065	17,246
West Somerset ¹⁰⁴	2,398	2,848		2,900	306 ¹⁰⁵	2,900
Exmoor National Park	552 ¹⁰⁶	718	-196	336 ¹⁰⁷	96 ¹⁰⁸	345 ¹⁰⁹
Total	14,909	20,155		20,456	2,467	20,491

⁹⁹ Figures derived from Table 7.

¹⁰⁰ Figures from North Devon/Torrige and West Somerset emerging Local Plans

¹⁰¹ There are 16 completions 2011/12 to 2014/15 within the North Devon part of Exmoor National Park. These have not been included in the figure of 975.

¹⁰² Combined total of North Devon and Torrige in rows above.

¹⁰³ Incorporating total OAHN, allowance for 196 dwellings arising from the OAHN for the part of Exmoor National Park within North Devon and uplift to deliver additional housing for additional workforce arising from uplift in employment land provision contained within the Local Plan.

¹⁰⁴ West Somerset figures taken from the West Somerset Update 2013 (SHMA 3)

¹⁰⁵ Completions over period 2012-2015

¹⁰⁶ Figure consists of 338 affordable dwellings and 214 market dwellings.

¹⁰⁷ Affordable housing element of total for West Somerset Housing Authority area in the National Park 2011-31 which is included in the emerging Exmoor Local Plan as an estimate of need only. The market housing (186 dwellings) arising from the West Somerset part of Exmoor National Park is not provided for in the Exmoor Local Plan.

¹⁰⁸ Total completions of 96 dwellings (53 affordable and 43 open market completions 2011/12 to 2014/15) of which 80 are in the West Somerset part of the National Park (46 affordable and 34 open market completions) and 16 in the North Devon part of the National Park (7 affordable and 9 open market completions).

¹⁰⁹ Total identified housing supply from developable SHLAA sites have total capacity of 249 dwellings, with a further 96 windfall completions (2011-2015).

APPENDIX 1 - DEFINING THE HOUSING MARKET AREA

National Policy Context

- A.1 The National Planning Policy Framework (NPPF) requires that local planning authorities should assess their full housing needs over a housing market area, working with neighbouring authorities where housing market areas cross administrative boundaries¹¹⁰. National Planning Practice Guidance (PPG) elaborates upon the NPPF requirements, noting that housing needs should be assessed over “*relevant functional areas*”.
- A.2 As such, a key step of assessing housing need is to first establish the appropriate housing market area over which need should be considered. The PPG assists in this, providing a definition that states¹¹¹ that:
- “A housing market area is a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work. It might be the case that housing market areas overlap.*
- The extent of the housing market areas identified will vary, and many will in practice cut across various local planning authority administrative boundaries. Local planning authorities should work with all the other constituent authorities under the duty to cooperate.”*
- A.3 The PPG goes on to provide detail about how these areas can be defined in practice. It notes that housing market areas can be “*broadly defined by using three different sources of information*”, citing:
- House prices and rates of change in house prices;
 - Household migration and search patterns; and
 - Contextual data (for example travel to work area boundaries, retail and school catchment areas)¹¹².
- A.4 The advice note from the Planning Advisory Service on Objectively Assessed Need and Housing Targets¹¹³ provides further useful guidance about the practical implementation of defining a housing market area, noting that in practice, the main indicators used to define a housing market area are migration and commuting¹¹⁴. The advice note goes on to state that a national study¹¹⁵, the so called ‘CURDS study’, which carried out a national analysis of these indicators to research potential housing market area geographies, provides the best available starting point for defining the extent of individual housing market areas. In doing so, it advocates the use of the single-tier ‘silver standard’ geography, which follows local authority boundaries, so

¹¹⁰ Paragraph 159, National Planning Policy Framework (NPPF), CLG, March 2012

¹¹¹ Paragraph 010, What is a Housing Market Area? (Reference ID: 2a-010-20140306), Revision date: 06 03 2014, Planning Practice Guidance at <http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/scope-of-assessments/>, CLG

¹¹² Paragraph 011, What is a Housing Market Area? (Reference ID: 2a-011-20140306), Revision date: 06 03 2014, Planning Practice Guidance at <http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/scope-of-assessments/>, CLG

¹¹³ Objectively Assessed Need and Housing Targets - Technical Advice Note (Second Edition), July 2015, Peter Brett Associates for the Planning Advisory Service (PAS), available at: <http://www.pas.gov.uk/documents/332612/6549918/OANUpdatedadvicenote/f1bfb748-11fc-4d93-834c-a32c0d2c984d>

¹¹⁴ Paragraph 5.5, Objectively Assessed Need and Housing Targets – Technical Advice Note (Second Edition), Peter Brett Associates for the Planning Advisory Service (PAS), July 2015

¹¹⁵ Geography of Housing Market Areas – Final Report, November 2010, CLG

that no local authority is divided between different HMAs¹¹⁶. This approach recognises that in practice it is necessary to align plan making to local planning authority boundaries.

The Northern Peninsula Housing Market Area (NP HMA)

- A.5 Research¹¹⁷ carried out by DTZ Piedad Consulting on behalf of the South West Regional Housing Board established a series of sub-regional housing market areas for the south west of England. In doing so, it based their definition on extensive analysis of currently available data on household movements and travel to work patterns¹¹⁸.
- A.6 The analysis indicated¹¹⁹ that the South West could be divided into a series of 12 sub-regional housing markets, associated to the principal urban areas in the South West, along with a further large 'character area' (see Figure 2). The character area was not considered to act as a single sub-regional housing market, in the traditional sense, but was rather defined by common housing characteristics and settlement patterns.
- A.7 The research establishes the spatial extent of this character area, identifying that it covers a large swathe along the northern coast of the south west peninsula; extending from north Cornwall in the west, running through northern Devon and extending into west Somerset (area denoted by reference 13 on Figure 2). In doing so, it spans the geographical areas of the following local planning authorities:
- Exmoor National Park Authority;
 - former North Cornwall District Council (now incorporated into a wider Cornwall Council authority);
 - North Devon Council;
 - Torridge District Council; and
 - West Somerset Council.
- A.8 Significantly, the research recognises that the character area does not act as a single sub-regional housing market¹²⁰ in the traditional sense; rather that it **comprises a series of local markets which are subject to similar characteristics and issues**.
- A.9 In doing so, it indicates that the area is characterised by its rural nature and a settlement pattern of villages and market towns with no major centres of employment; whilst the effect of in-migration and the purchase of second and holiday homes on house prices are identified as common issues.

¹¹⁶ Paragraph 5.8, Objectively Assessed Need and Housing Targets – Technical Advice Note (Second Edition), Peter Brett Associates for the Planning Advisory Service (PAS), July 2015

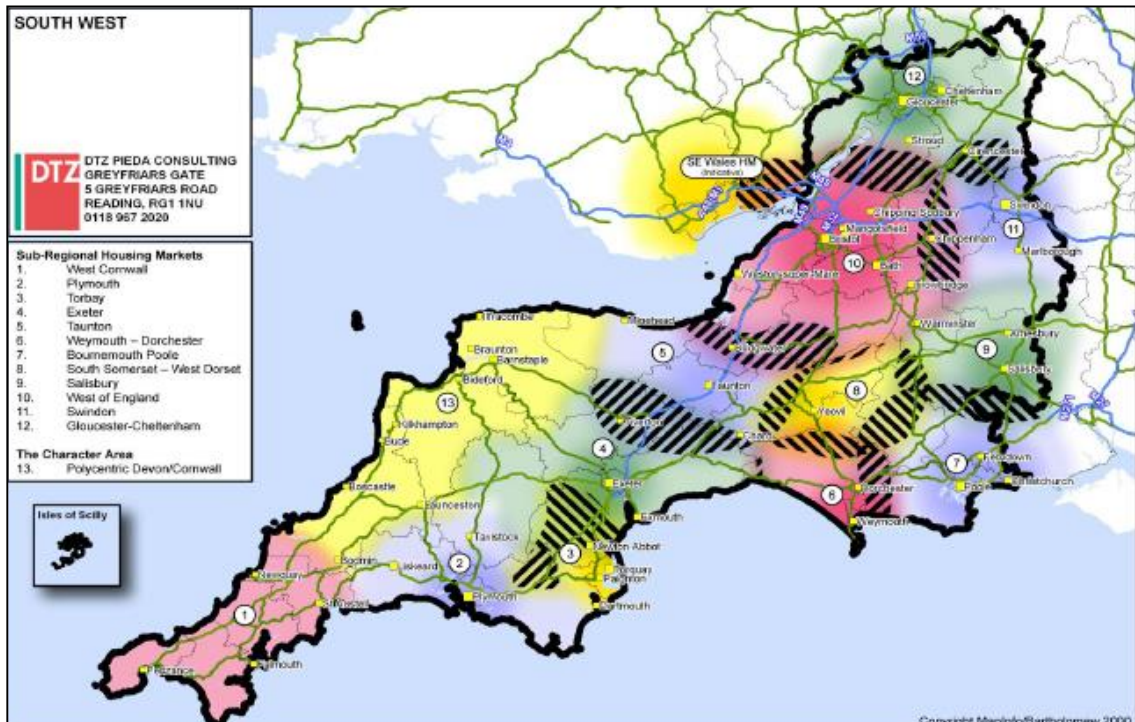
¹¹⁷ Analysis of Sub-regional Housing Market Areas in the South West, DTZ Piedad Consulting, July 2004

¹¹⁸ Paragraph 3.04, Analysis of Sub-regional Housing Market Areas in the South West, DTZ Piedad Consulting, July 2004

¹¹⁹ Paragraph 3.01, Analysis of Sub-regional Housing Market Areas in the South West, DTZ Piedad Consulting, July 2004

¹²⁰ Paragraph 3.02, Analysis of Sub-regional Housing Market Areas in the South West, DTZ Piedad Consulting, July 2014

Figure 2 Sub-regional Housing Markets in the South West¹²¹



- A.10 On this basis, the research acknowledges that there is not the same compelling logic for undertaking a Housing Market Assessment for the character area as a whole as that which exists for the other defined sub-regional housing market areas across the South West. It does however recognise there may be merit in the preparation of a joint study of the area in order to examine the shared characteristics and the housing market dynamics that can be found across it, to develop a shared understanding of the issues and how they may be addressed¹²². In doing so, it acknowledges that any such study is likely to be *quite different* to that which would be taken for the other sub-regional housing market areas¹²³.
- A.11 Responding to this, the constituent local planning authorities from the character area (Exmoor National Park Authority, former North Cornwall District Council, North Devon Council, Torrington District Council and West Somerset Council), along with Devon County Council, appointed consultants to prepare a character area-wide Strategic Housing Market Assessment (SHMA). The Strategic Housing Market Assessment for the Northern Peninsula (NP SHMA) was commissioned in order to provide sound evidence for housing, planning, regeneration and economic development strategies and interventions, with the intention that the conclusions of the assessment should assist the local authorities to fulfil a more strategic housing enabling role in future¹²⁴. In doing so, one of the questions set to the consultants was how can the Housing Market Area for the Northern Peninsula be defined?

Northern Peninsula as series of self-contained local housing markets

- A.12 Building upon the earlier regional work which recognised that the character area was made up of a series of more local housing markets, the NP SHMA carried out

¹²¹ Unreferenced Figure, Page 3, Analysis of Sub-regional Housing Market Areas in the South West, DTZ PIEDA CONSULTING, July 2004

¹²² Paragraph 6.21, Analysis of Sub-regional Housing Market Areas in the South West, DTZ PIEDA CONSULTING, July 2014

¹²³ Final bullet point, paragraph 3.03, Analysis of Sub-regional Housing Market Areas in the South West, DTZ PIEDA CONSULTING, July 2014

¹²⁴ Paragraph ES1.2, Strategic Housing Market Assessment for the Northern Peninsula, Housing Vision, December 2008

comprehensive analysis of the character area, making use of a combination of methods to define meaningful housing sub-markets. In doing so, it applied a sequential staged approach¹²⁵ comprising:

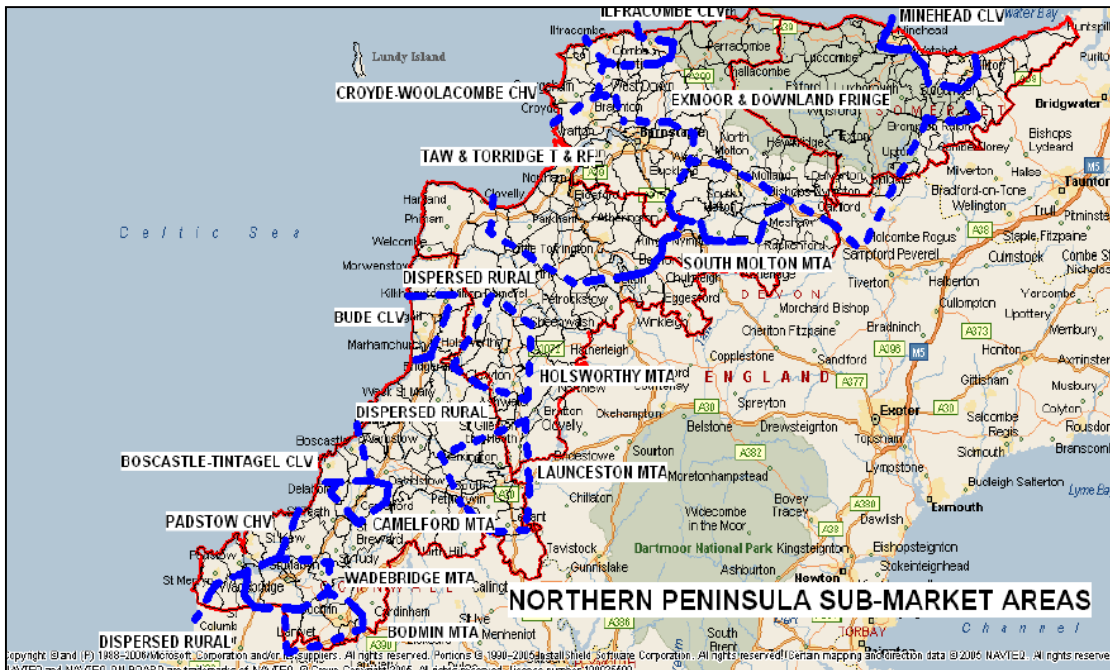
- an agenda setting e-survey providing an initial view of the housing markets based on local and professional knowledge;
- initial mapping of home moves from the largest 150 local settlements applying a 75% self containment threshold;
- detailed mapping of property sales recorded by the Land Registry in 2007;
- detailed analysis and mapping of currently advertised new-build sales;
- 38 wide ranging interviews with property agents across the area to provide a 'reality check' against our emerging desk top analysis; and
- consultation with planning policy and housing strategy officers in the four districts, the three counties and the Exmoor National Park Authority area.

A.13 The outcome was to establish a series of discrete housing sub-market areas (see Figure 3) comprising of:

- Taw and Torridge - Towns and Rural Fringe Sub-market Area: an area served by and with good accessibility to the main residential centres of Barnstaple and Bideford;
- Market Town Sub-market Areas: consisting of Bodmin, Camelford, Holsworthy, Launceston, South Molton and Wadebridge; these are larger, more self-contained settlements with a 'gravity' in the market and are mainly inland but with good accessibility;
- Coastal: Higher Value Sub-market Areas: Croyde and Padstow are attractive to incomers, especially second home owners, and are characterised by greater accessibility and prohibitively high property values;
- Coastal: Lower Value Sub-market Areas: consisting of Boscastle and Tintagel, Bude, Ilfracombe and Minehead, some of which are characterised by the need for local regeneration; these less accessible but relatively self-contained locations offer more affordable homes (i.e. homes that are more affordable);
- Exmoor Core and Fringe Sub-market Area: the very high value National Park and adjacent area which is attractive to incomers, especially second home owners; and
- Dispersed Rural Sub-market Areas: mainly inland and typically less accessible areas away from the influence of market towns.

¹²⁵ Paragraph 3.1, Strategic Housing Market Assessment for the Northern Peninsula, Housing Vision, December 2008

Figure 3 - Identified Housing sub-market areas within the Northern Peninsula HMA

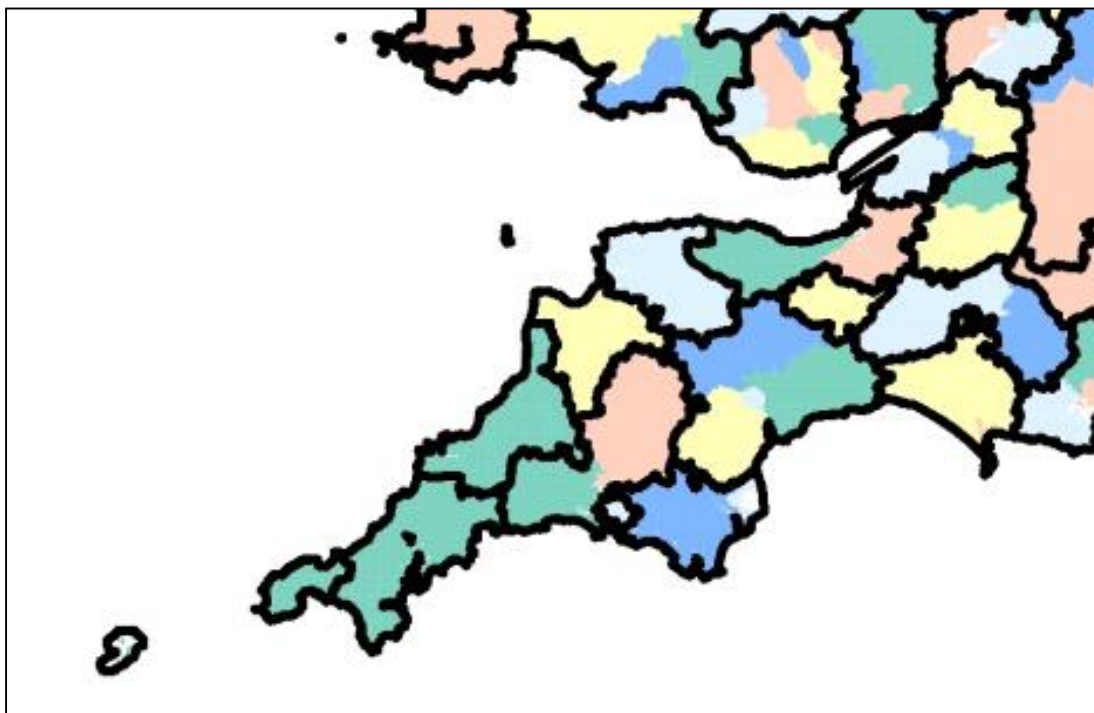


- A.14 The principal sub-market areas can be seen to be defined around the market and coastal towns contained within the Northern Peninsula; a further area that comprises the National Park and the area influenced by its special characteristics; and a wide area which comprises mainly inland and typically less accessible areas away from the influence of market towns.
- A.15 It is considered that, on the basis of the sub-market geographies defined through the NP SHMA, the Northern Peninsula HMA can be legitimately considered as a series of more local functional housing market areas within a broad character area.
- A.16 The notion of the NP HMA comprising of a series of more local housing market areas is also supported by national research on housing market area geographies; namely the 'CURDS' study¹²⁶ which the Planning Advisory Service consider in their advice note on objectively assessed need and housing targets as the best available starting point for establishing housing market areas¹²⁷.
- A.17 The geography from the CURDS study favoured by the Planning Advisory Service, is that which follows local authority boundaries (Figure 4) - namely the single-tier 'silver standard' geography. Using this geography, it can be seen that the area covered by the NP HMA can be split into a number of smaller HMAs. In doing so, it is possible to identify the areas of North Cornwall, North Devon, Torrridge and West Somerset as residing in individual and separate HMAs, with Exmoor National Park divided to sit within the constituent local authorities of North Devon and West Somerset.

¹²⁶ Geography of Housing Market Areas in England, Colin Jones, Mike Coombes and Cecilia Wong, July 2010; commissioned by National Housing and Planning Advice Unit and available at: <http://www.ncl.ac.uk/curds/research/defining/NHPAU.htm>

¹²⁷ Paragraph 5.7, Objectively Assessed Need and Housing Targets – Technical Advice Note, Second Edition, Peter Brett Associates on behalf of the Planning Advisory Service (PAS), July 2015

Figure 4 - Single-tier 'silver standard' HMA geography following local authority boundaries¹²⁸



Source: The Geography of Housing Markets Areas in England, National Housing and Planning Advisory Unit

- A.18 These smaller housing market areas are supported by locally completed HMA evidence which suggests that: North Cornwall can reasonably be considered to fall within a single Cornwall-wide HMA, North Devon and Torridge together form a highly self-contained HMA and that West Somerset also holds a relationship with settlements along the M5 corridor and in particular Taunton.
- A.19 The area of Exmoor National Park, sitting within parts of the local authority areas of North Devon and West Somerset, is considered to hold housing market relationships to both. However it is considered that the physical nature of the area is such that the constituent parts of the National Park residing within each of the local authority areas tend to hold the strongest market relationships to the local planning authorities directly bordering those parts of the National Park.
- A.20 Analysis of commuting and migration data, as contained within the original SHMA and subsequent Update reports for each of the partner authorities, also supports this interpretation; showing a strong level of self-containment for the collective area of North Devon and Torridge and that West Somerset and North Cornwall show dispersed relationships to a range of other surrounding areas, with no particularly strong linkages back to the central districts of the NP HMA (i.e. North Devon and Torridge).
- A.21 The partner authorities of the NP HMA consider this significant in the context of distributing and apportioning housing need across the NP HMA in line with the provisions of national planning policy and guidance. National planning policy requires that local planning authorities plan for the delivery of the full, objectively assessed

¹²⁸ 'Silver standard' single tier set of HMAs, The Geography of Housing Markets Areas in England, completed by Centre for Urban and Regional Development Studies (CURDS) on behalf of the National Housing and Planning Advisory Unit and available at: <http://www.ncl.ac.uk/curds/assets/documents/8.pdf>

needs for market and affordable housing in the housing market area, as far as is consistent with the other policies set out in national planning policy¹²⁹. In doing so, it goes on to state that local planning authorities should address the unmet development need from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development and that joint working should enable local planning authorities to work together to meet development requirements which cannot wholly be met within their own areas¹³⁰.

Cornwall as a self-contained HMA

- A.22 The Northern Peninsula HMA incorporates the geographical area covered by the former non-metropolitan District of North Cornwall. Following the formation of a unitary authority in 2009, the area of North Cornwall has been assimilated into the wider geographical area covered by Cornwall Council.
- A.23 In 2010, Cornwall Council elected to pursue the preparation of a single Strategic Housing Market Assessment Update¹³¹ to cover the entirety of the Council's geographical area; recognising the need to secure provision of consistent information across the area as a whole. In doing so, it adopted a similar approach to that taken for the NP HMA, identifying the need to arrive at a unified geography of sub-market areas within Cornwall for the purpose of aggregating lower level data and providing a finer grained analysis of supply and demand relationships¹³². The assessment elected to base these around a series of pre-existing Community Network Areas (CNAs); which are generally reflective of the County's market and coastal towns and their associated hinterlands. The approach of dividing Cornwall into a series of CNAs is something taken forward in their Local Plan.
- A.24 More recently, Cornwall Council has worked with a wider partnership of five local planning authorities¹³³ across the South Devon and Cornwall sub-region, to complete a Strategic Housing Market Needs Assessment (SHMNA)¹³⁴. Whilst the Assessment does not provide a review of the housing market area geography for the constituent local planning authorities, it again treats Cornwall as a single housing market area.
- A.25 Cornwall Council recognises Cornwall as a largely self-contained housing market, whilst recognising the functional draw of Plymouth for leisure, retail and employment, and the influence of smaller cross-border flows to and from other market towns and associated catchments across the Devon-Cornwall Border¹³⁵. Cornwall Council does not feel that the approach of incorporating the former North Cornwall District Council area in the NP HMA holds a strong enough justification to outweigh the reasoning for considering Cornwall as a single self-contained HMA¹³⁶.
- A.26 The definition of the geographical area of Cornwall as a single self-contained housing market area has been reinforced through the acceptance of such an approach by the

¹²⁹ Paragraph 47, National Planning Policy Framework (NPPF), CLG, March 2012

¹³⁰ Paragraphs 179 & 182, National Planning Policy Framework (NPPF), CLG, March 2012

¹³¹ The Cornwall Housing Market Strategic Evidence Base 2010 Update, full report, Peter Smith Research and Consulting (PSRC), July 2010,

http://www.cornwall.gov.uk/media/3627904/Cornwall_SHMA_Update_Report_2010_.pdf

¹³² Paragraph 1.22, The Cornwall Housing Market Strategic Evidence Base 2010 Update, full report, Peter Smith Research and Consulting (PSRC), July 2010, available at:

http://www.cornwall.gov.uk/media/3627904/Cornwall_SHMA_Update_Report_2010_.pdf

¹³³ Cornwall Council, Dartmoor National Park Authority, Plymouth City Council, South Hams District Council and West Devon Borough Council.

¹³⁴ Strategic Housing Market Needs Assessment (SHMNA), GVA, July 2013

¹³⁵ Paragraph 2.1, Objectively Assessed Need, Cornwall Local Plan – submission, February 2015, Cornwall Council, available at: <http://www.cornwall.gov.uk/media/10812558/A11-Objectively-Assessed-Need.pdf>

¹³⁶ Paragraph 2.5, Objectively Assessed Need, Cornwall Local Plan – submission, February 2015, Cornwall Council, available at: <http://www.cornwall.gov.uk/media/10812558/A11-Objectively-Assessed-Need.pdf>

Planning Inspector examining the Cornwall Council Local Plan, who considered that '*Cornwall is sufficiently aligned with a single housing market area for housing needs to be considered on a Cornwall-only basis*'; going on to indicate that he had '*seen no substantial evidence to justify requiring an alternative approach to the geographic coverage of the SHMNA*'¹³⁷.

- A.27 The submission draft of the Cornwall Local Plan provided for the delivery of 47,500 homes over the plan period up to 2030¹³⁸. In doing so, the figure is above the level of 47,300 identified as the baseline Objectively Assessed Need for housing within the SHMNA¹³⁹.
- A.28 Following on, Cornwall Council has confirmed that it is satisfied that the amount of housing proposed for delivery, through the Cornwall Local Plan, within the former North Cornwall District Council area is appropriate¹⁴⁰. In doing so, they note that the level of housing provision proposed for the CNAs which collectively equate to the former North Cornwall District area amounts to around 20% of the overall level of provision made for Cornwall as a whole, which compares favourably with the level of population, cited at 16%, contained within that area at 2011.
- A.29 Cornwall Council has stated that it does not envisage circumstances in which there would be a call on any local planning authority within the NP HMA to meet any of the objectively assessed need for housing arising from the Cornwall Local Plan¹⁴¹. Expanding upon this, the Council has indicated that it is not seeking for the levels of growth proposed within the Local Plan to be met outside Cornwall and that none of its duty-to-cooperate partners foresee a call on Cornwall Council to be planning for additional housing to meet any unmet need¹⁴².
- A.30 Following the publication of the Inspector's preliminary findings, the examination on the Cornwall Local Plan was formally suspended¹⁴³ in July 2015 to allow the Council to undertake further work and consult on proposed changes to address his concerns. One of the principal areas identified by the Inspector was around the legitimacy of the Objectively Assessed Need for housing¹⁴⁴ – at 47,500 dwellings.
- A.31 Following the suspension, Cornwall Council has carried out additional work to reassess the full Objectively Assessed Need for Cornwall. On the basis of this work, an increase in the overall housing target for the Local Plan to 52,500 dwellings is now

¹³⁷ Inspector's Preliminary Findings - Cornwall Local Plan Strategic Policies – Examination, Preliminary Findings Following The Hearings in May 2015, Planning Inspectorate, 11th June 2015, available at: <http://www.cornwall.gov.uk/media/12843214/ID05-Preliminary-Findings-June-2015-2-.pdf>

¹³⁸ Policy 2, Cornwall Local Plan: Strategic Policies Proposed Submission document (March 2014) with the changes proposed in the Focused Changes Document (September 2014), Cornwall Council, January 2015

¹³⁹ Paragraph 4.3, Strategic Housing Market Needs Assessment (SHMNA), GVA, July 2013, available at: <http://www.cornwall.gov.uk/media/3628392/Cornwall-SHMNA-Overview-Report-Oct-2013-Part-2.pdf>

¹⁴⁰ p91, Cornwall Local Plan: Strategic Policies - Duty to Co-operate Statement, 30 April 2015, available at: <http://www.cornwall.gov.uk/media/14814081/duty-to-co-operate-statement-combined-updated-v5-30-april-2015-updated-web-links-sept-2015.pdf>

¹⁴¹ Ibid

¹⁴² Para. 2.3, Objectively Assessed Need, Cornwall Local Plan – submission, February 2015, Cornwall Council, available at: <http://www.cornwall.gov.uk/media/10812558/A11-Objectively-Assessed-Need.pdf>

¹⁴³ Cornwall Local Plan Strategic Policies – Examination, Suspension of the Examination – July 2015, Planning Inspectorate, available at: <http://www.cornwall.gov.uk/media/13175489/ID051-Suspension-acceptance.pdf>

¹⁴⁴ Section 3, Cornwall Local Plan Strategic Policies – Examination – Preliminary Findings Following the Hearings In May 2015, Planning Inspectorate, available at: <http://www.cornwall.gov.uk/media/12843214/ID05-Preliminary-Findings-June-2015-2-.pdf>

being recommended¹⁴⁵. At this time, there has been no request through duty-to-cooperate discussions or otherwise, to suggest that Cornwall Council will be calling upon any of the local planning authorities within the NP HMA to accommodate any of the additional housing arising from the uplift in the housing target, or equally that the identified target cannot be met in full within Cornwall.

The Self-containment of North Devon and Torridge

- A.32 Whilst residing within the wider character area, it is considered that North Devon and Torridge (including the element of Exmoor National Park that resides within the District of North Devon) can be defined as a relatively self-contained housing market area in its own right. Analysis of travel to work patterns shows that the significant majority of the working population residing in North Devon and Torridge work within the two Districts, and equally, the significant majority of those that work within North Devon and Torridge live there¹⁴⁶. An analysis of migration data shows that by far the strongest migration relationship is found between North Devon and Torridge, with those to the other local planning authorities within the NP HMA and in fact to other neighbouring local authorities being of a significantly smaller scale¹⁴⁷. As such, whilst it is recognised that there are important housing market linkages to other areas, they are dispersed and are of a fundamentally different magnitude than the relationships found between North Devon and Torridge.
- A.33 In recognising the relatively high levels of self-containment for North Devon and Torridge, it is important to note that this relates to consideration of North Devon as a local authority rather than a local planning authority, thereby incorporating the part of Exmoor National Park that resides within North Devon.
- A.34 Whilst North Devon and Torridge exhibit strong levels of self-containment that are considered to provide strong justification to define them as a single housing market area in their own right, their wider position in the Northern Peninsula Housing Market Area is also accepted, in so far as recognising it is a polycentric character area and accepting that all of the partner authorities contained within it are subject to similar influences and constraints.

The Juxtaposition of the National Park

- A.35 Exmoor National Park was designated in 1954¹⁴⁸. Approximately two thirds lies within West Somerset and one third in North Devon and it has a resident population of 10,273 people;¹⁴⁹. A total of 42 parishes are within (or partly within) the National Park with most of the population living in small dispersed settlements. Exmoor is one of the few upland areas in southern England and its remoteness, topography and climate have contributed to its maintaining a large extent of well preserved, semi-natural upland landscapes of moorland, woodland, valleys, farmland and undeveloped coastline. The area of Exmoor National Park is subject to a special set of circumstances that influence the approach to addressing future housing requirements.

¹⁴⁵ Report to Planning Portfolio Advisory Committee – Cornwall Local Plan Strategic Policies 2010-2030 – Further Significant Changes following Suspension of Examination, 17th November 2015, available at:

<https://democracy.cornwall.gov.uk/documents/s84625/Cornwall%20Local%20Plan%20Strategic%20Policies%202010%202030.pdf>

¹⁴⁶ Tables 2.38 & 2.39, Strategic Housing Market Assessment: Torridge and North Devon Update – Final Report, Housing Vision, December 2012, available at: <http://consult.torridge.gov.uk/file/3342676>

¹⁴⁷ Tables 2.31 – 2.34, Strategic Housing Market Assessment: Torridge and North Devon Update – Final Report, Housing Vision, December 2012

¹⁴⁸ H.M. Government; National Parks and Access to the Countryside Act 1949: Exmoor National Park (Designation) Order 1954 (HLG 92/176); H.M.S.O. 1956

¹⁴⁹ Office for National Statistics (2013) - 2011 Census, Key Statistics for National Parks in England and Wales (webpage)

National Park Statutory Purposes and Duty

- A.36 The statutory purposes of National Parks are set out under the National Parks and Access to the Countryside Act 1949, as amended by the Environment Act 1995, and are:
- to conserve and enhance the natural beauty, wildlife and cultural heritage (of the National Parks); and
 - to promote opportunities for the understanding and enjoyment of the special qualities (of the National Parks) by the public.
- A.37 The National Park Authority's primary responsibility is to deliver the statutory purposes. In pursuing National Park purposes, National Park Authorities have a duty to *"seek to foster the economic and social well-being of local communities within the National Park and shall for that purpose co-operate with local authorities and public bodies whose functions include the promotion of economic or social development within the area of the National Park"*. Within the Parks, conserving and enhancing the landscape, biodiversity, cultural heritage, dark skies and natural resources, and promoting public understanding and enjoyment of these should lie at the very heart of developing a strong economy and sustaining thriving local communities¹⁵⁰.
- A.38 Section 62 of the Environment Act also requires all relevant authorities to "have regard to the statutory purposes in exercising or performing any functions in the National Park and; if it appears that there is a conflict between those purposes, to attach greater weight to the purpose of conserving and enhancing the natural beauty, wildlife and cultural heritage of the area", known as the 'Sandford Principle'.

National Policy

- A.39 *Paragraph 14 of the NPPF states that* Local Plans should meet objectively assessed needs unless:
- Any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in the Framework taken as a whole; or
 - Specific policies in the Framework indicate development should be restricted. Footnote 9 of paragraph 14 sets out examples which include within National Parks.¹⁵¹
- A.40 The special circumstances of National Parks are recognised in the NPPF which sets out twelve core principles: planning should take account of the different roles and character of different areas, recognising the intrinsic character and beauty of the countryside and supporting thriving rural communities within it¹⁵². It recognises the special circumstances in delivering housing within National Parks, which are given *"the highest status of protection in relation to landscape and scenic beauty...[and] great weight to the conservation of wildlife and cultural heritage"*¹⁵³. The purposes of National Parks and duties of relevant bodies set out in the Environment Act 1995 (sections 61 and 62) carry great weight and in themselves provide the context for interpreting policy.
- A.41 The NPPF refers to the Vision and Circular for the English National Parks and the Broads (2010) which sets out policy guidance specifically for the English National Parks for all those whose decisions or actions might affect them. ¹⁵⁴ *"The*

¹⁵⁰ DEFRA (2010) English National Parks and the Broads UK Government Vision and Circular, London: DEFRA.

¹⁵¹ DCLG (2012) National Planning Policy Framework, London: DCLG, paragraph 14 and footnote 9.

¹⁵² Ibid, paragraph 17.

¹⁵³ Department of Communities and Local Government (March 2012) National Planning Policy Framework, London: CLG, paragraph 115.

¹⁵⁴ Ibid. Footnote 25 of paragraph 115.

Government recognises that the Parks are not suitable locations for unrestricted housing and does not therefore provide general housing targets for them. The expectation is that new housing will be focused on meeting affordable housing requirements, supporting local employment opportunities and key services". National Park Authorities are expected to "include policies that pro-actively respond to local housing needs" in their Local Plans, and to prioritise affordable housing for local needs.¹⁵⁵ It notes the importance of affordable housing, including for the sustainability of National Parks and their communities, recognising that high external demand for housing in National Parks has driven up house prices. Combined with relatively low wages, this means much of the stock is beyond the reach of many local households, potentially affecting the social and economic diversity of rural communities and undermining social support networks and the viability of rural businesses, which are key components of sustainable rural communities. The Circular recognises that Authorities have an important role to play as planning authorities in the delivery of affordable housing though they are neither housing authorities nor housing providers.¹⁵⁶

Overview of Constraints across the HMA

- A.42 The deliverable supply of housing is, by definition, suitable and available for delivery in the short term and is expected to be delivered in whole or in part within the first five years. Many of these sites will have outline or full planning permission already, or be approved in principle awaiting legal agreements, or be under construction. However, despite these relatively high levels of deliverable supply, the historic rates of housing completions (see Table 8) remain low. This reflects restrictions on the local housing market's ability to sell new housing rather than the supply of deliverable sites on which to build them.
- A.43 There are a range of environmental constraints across the Northern Peninsula which restrict the potential supply of suitable housing sites, most notably the Exmoor National Park designated for the statutory purposes of conserving and enhancing the natural beauty, wildlife and cultural heritage of the area, and promoting opportunities for understanding and enjoyment of its special qualities by the public. Other key environmental designations which constrain potential development include:
- Areas of Outstanding Natural Beauty (North Devon Coast and Quantock Hills);
 - Ecological designations including Sites of Special Scientific Interest, Special Areas of Conservation, County Wildlife Sites, Ancient Woodland (across the HMA);
 - Heritage designations including Scheduled Ancient Monuments, Listed Buildings, Conservation Areas, Historic Parks and Gardens, Torrington Commons and Braunton Great Field as well as the setting of these and other designated heritage assets (across the HMA); and
 - Potential light pollution affecting the Exmoor International Dark Sky Reserve.
- A.44 In addition to formal designations, there are a range of other constraints to the supply of housing across many parts of the Northern Peninsula. For example:
- Areas at risk of flooding, both tidal and fluvial;
 - Protected species and the habitats and shelters on which they depend, especially for foraging, burrowing, travelling, roosting and hibernating;

¹⁵⁵ DEFRA (2010) English National Parks and the Broads UK Government Vision and Circular 2010, London: DEFRA, para 78.

¹⁵⁶ DEFRA (2010) English National Parks and the Broads UK Government Vision and Circular 2010, London: DEFRA.

- The relative sensitivity of particular landscapes to change, as informed by landscape sensitivity assessments;
- Land elevated due to topography where development would be particularly prominent in the wider landscape, especially on the hill tops around existing towns and villages;
- The wider historic landscape and the distinctive historic character of many towns and villages;
- Existing settlement patterns with many rural locations being remote from existing settlements and where new housing development would be contrary to the principles of sustainable development.

Constraints to Housing Development in the National Park

A.45 Physical constraints such as topography, flood risk, heritage assets, wildlife and wildlife site designations, heritage coast as well as the sensitivity of Exmoor's landscape affect the capacity of Exmoor's settlements to absorb more housing development:

- Topography significantly influences flood risk. Many of the National Park's watercourses flow through steep confined valleys and most settlements are located in valley bottoms, which are often at risk of flooding.
- The built environment consists of a range of dispersed farmsteads, hamlets and villages as well as the larger settlements of Dulverton, Lynton and Lynmouth and Porlock (all of which have a parish population of less than 1,500). The National Park's settlements, sites and features are of particular cultural and historic interest with a high number of listed buildings, archaeological sites and historic features. The historic resource is diverse, of unusually high quality and these heritage assets are also fragile, and, ultimately irreplaceable.
- A significant 45 km long stretch of undeveloped coast.¹⁵⁷
- A very limited capacity for new housing on greenfield sites within the National Park without detriment to landscape character demonstrated by an assessment of the landscape sensitivity of the National Park settlements to housing development.¹⁵⁸
- Many important rare species and habitats. Around 28% of the National Park is designated as internationally or nationally important habitat - Special Areas of Conservation and/or Sites of Special Scientific Interest. Additional areas are identified as locally important for wildlife or are Section 3 land¹⁵⁹.

Key Similarities across the HMA

A.46 The Northern Peninsula 'polycentric character area' is a predominantly rural area incorporating a range of settlements. One of the most distinctive characteristics of the housing market is the extent and strength of connections with distant housing markets particularly in London, the South East, the East of England and the West Midlands. The net effect is that moves to the area are particularly strong for people in middle age, including early retirees and families with dependent children. Across the area, there is a high proportion of older age groups with West Somerset (and Exmoor National Park) having the highest average age in the country. Substantial increases

¹⁵⁷ Land use Consultants (July 2006) Review and Evaluation of Heritage Coasts in England, The Countryside Agency. Cheltenham

¹⁵⁸ Bryan, P (2013) Exmoor National Park Landscape Sensitivity Study, Dulverton: ENPA (capacity for 326 units).

¹⁵⁹ Section 3 of the Wildlife and Countryside (Amendment) Act 1985 placed a responsibility on National Park Authorities to prepare a map showing those areas of mountain, moor, heath, woodland, down, cliff or foreshore, the natural beauty of which the Authority considers it is particularly important to conserve

are expected in these age ranges. There is internal population loss due to there being more deaths than births. However, all have gained population through immigration.

- A.47 The housing available in the area is skewed in a number of respects; there is a much higher than average proportion of detached properties and larger bedroom homes; and a lower than average proportion of smaller purpose built flats and one and two bedroom dwellings. There is a high level of home ownership. The proportion of social rented housing is much lower, and the level of private renting is slightly above average.
- A.48 The economy of the area is dominated by low paid, seasonal and migrant employment, much of which is in tourism and agriculture, and increasingly in the care services, a sector which is likely to grow significantly. The disparity between typical local incomes and the cost of market housing is now so great as to exclude the majority of local households from the prospect of purchasing either a full or a part share in their own home. In a situation where accessing social housing is very limited, there is likely to be a higher latent need than has been registered.
- A.49 There is a high proportion of second and holiday homes in the area with heavy concentrations around 'hot spots', for instance in some coastal areas and the Exmoor National Park where they can form the vast majority of the housing stock.

West Somerset

- A.50 The West Somerset LPA is primarily comprised of two housing sub-markets as identified in the original 2008 NP SHMA study. The most active of these is found in the northern 'coastal strip' and includes the three main settlements of Minehead, Watchet and, Williton. This area and the surrounding villages is relatively self-contained in terms of provision of most economic and social services and facilities. For more specialised needs the local population look to the larger settlements of Bridgwater to the east and Taunton to the south-east. The three main settlements also provide the most sustainable locational options for the high proportion of affordable housing need identified through the original NP SHMA and the 2013 West Somerset SHMA Update.
- A.51 Outside of the 'coastal strip' the second housing sub-market area is comprised of a sparsely populated area containing a number of villages, which do not have a clear focus and there is limited access and housing-market activity within it. The original study referred to this area as the 'rural remainder'. Whilst the proposed construction of a new nuclear power station at Hinkley Point is outside of the coastal strip, it is anticipated that much of the economic-uplift benefits in terms of additional housing in the LPA area will be catered for in the three main settlements due to the range of services and facilities available within them.
- A.52 Two important considerations that will impact directly on the future development and evolution of the West Somerset area. These are the limited range of transport communications to and within the area. This limits the level of accessibility available to the local population and results in the communities being relatively isolated from larger settlements. The second is in the demographics of the area. West Somerset has a high proportion of older people and is a popular location for retirement and early retirement. The consequence of this is that as this proportion of the population grows the demands on local facilities and services, especially health and social-care are likely to increase.

APPENDIX 2 THE HOUSING NEED EVIDENCE BASE

B Joint work to identify housing need

- B.1 The local planning authorities within the Northern Peninsula Housing Market Area have worked together over an extended period in order to establish a significant body of evidence relating to housing need in order to support the preparation of development plans. In doing so, the partner authorities have commissioned a range of reports in relation to housing need, the scope of which is summarised below, with key details tabulated (Figure 5). Further information specific to the individual partner authority areas is set out more fully in the individual housing topic papers to support their local plans.

Strategic Housing Market Assessment for the Northern Peninsula (Housing Vision, December 2008) [SHMA 1]

- B.2 Responding to research carried out at the regional level and the approach established through the emerging regional spatial strategy, the constituent local planning authorities from the Northern Peninsula Housing Market Area (Exmoor National Park Authority, former North Cornwall District Council, North Devon Council, Torridge District Council and West Somerset Council), along with Devon County Council, appointed consultants to prepare a character area-wide Strategic Housing Market Assessment (SHMA). The Strategic Housing Market Assessment for the Northern Peninsula (NP SHMA) was commissioned in order to provide sound evidence for housing, planning, regeneration and economic development strategies and interventions, with the intention that the conclusions of the assessment should assist the local authorities to fulfil a more strategic housing enabling role in future¹⁶⁰.
- B.3 The assessment was completed in December 2008 and it provided comprehensive evidence on the housing market area (including North Cornwall) that incorporated the identification of sub-market areas and analysis of commuting and migration. The assessment provided projections of future housing requirements based upon bespoke commissioned 2004-based projections incorporating a 20 year base trend period, over the period 2006-2026, for each LPA area except the Exmoor National Park Authority which were subsumed within the relevant local authority areas. In doing so, it provided an analysis by housing type, size and tenure and included information on the need for specialist forms of accommodation.

Updates to the Strategic Housing Market Assessment for the Northern Peninsula

- B.4 The original NP SHMA was subject to a series of separate updates for North Devon, Torridge and West Somerset District Councils and the Exmoor National Park Authority between 2012 and 2014¹⁶¹. These updates were commissioned to provide evidence in response to publication of the NPPF and as the implications of the abolition of strategic plans (Regional Spatial Strategies and Structure Plans) became apparent. Given the different stages of development plan preparation at that time, the updates were undertaken separately by the HMA partner authorities. However, they were prepared by the same consultant responsible for the 2008 SHMAA. As the 2012 North Devon and Torridge Update had included the part of the National Park in

¹⁶⁰ Paragraph ES1.2, Strategic Housing Market Assessment for the Northern Peninsula, Housing Vision, December 2008

¹⁶¹ Housing Vision (2012) Strategic Housing Market Assessment: North Devon and Torridge Update, Final Report. Housing Vision (2013) Strategic Housing Market Assessment: West Somerset Update, Final Report. Housing Vision (2014) Strategic Housing Market Assessment Update: Exmoor National Park in West Somerset, Final Report.

North Devon, the 2014 Exmoor National Park update was commissioned to provide projections for the remaining part of the National Park.

Strategic Housing Market Assessment: Torridge and North Devon Update (Housing Vision, December 2012) [SHMA 2]

- B.5 Recognising the need to provide up-to-date evidence of housing needs to support the preparation of a joint North Devon and Torridge Local Plan, North Devon Council and Torridge District Council commissioned Housing Vision to prepare an update to the original NP SHMA. Recognising that the partner authorities were at differing stages of Local Plan preparation, the update only covered the geographical areas of North Devon and Torridge Councils, rather than the full housing market area. As the update was based upon the local authority rather than local planning authority geographies it's analysis and findings did incorporate the part of Exmoor National Park that resides within North Devon.
- B.6 Published in December 2012, the update provided comprehensive information on the part of the housing market area covered by the two local authority areas, including information on market signals and affordability. In doing so, it also presented projections of future housing requirements for the period 2011-2031, using 2008-based sub-national household projections, adjusted to take account of the outcomes of the 2011 Census and with a 20-year trend based projection of net migration applied. It also provided an analysis by sub-market area and a breakdown of requirements by dwelling tenure and size, includes an analysis of affordable housing need and consideration of specialist housing requirements.

Strategic Housing Market Assessment: West Somerset Update (Housing Vision, November 2013) [SHMA 3]

- B.7 In a similar manner to North Devon and Torridge, West Somerset Council commissioned Housing Vision to prepare a Strategic Housing Market Assessment Update to cover the geographical area of West Somerset. In contrast to that completed for North Devon and Torridge, the West Somerset Update was aligned to the local planning authority geography, excluding the part of Exmoor National Park in West Somerset. To do so, the Update incorporated a spatial analysis of population and household distribution within the District to enable relevant data, projections and future housing requirements for the West Somerset local planning authority and the part of the National Park that resides within West Somerset to be decoupled.
- B.8 The assessment provided projections of future housing requirements for the period 2011-2031 using 2008-based sub-national household projections, adjusted to take account of the outcomes of the 2011 Census and with a 20-year trend based projection of net migration applied. The report also incorporates consideration of the potential construction of Hinkley Point C nuclear power station on future housing requirements. It further provided a breakdown of requirements by dwelling tenure and size along, includes an analysis of affordable housing need and consideration of specialist housing requirements.

Strategic Housing Market Assessment Update: Exmoor National Park in West Somerset (Housing Vision, January 2014) [SHMA 4]

- B.9 Recognising that the two preceding updates to the original NP HMA did not provide coverage for the part of Exmoor National Park in West Somerset, Exmoor National Park Authority commissioned Housing Vision to provide an update relating to this remaining geographical area. Published in January 2014, the Update took forward the spatial analysis work carried out within the West Somerset Update, to enable future housing requirements to be established for the local planning authority area of Exmoor National Park within West Somerset.

- B.10 The assessment provided projections of future housing requirements for the period 2011-2031, using 2008-based household projections which are adjusted through the application of a 10-year trend based projection of net internal migration. The Update also provided a breakdown of requirements by dwelling tenure and size, analysis of affordable housing need and consideration of specialist housing requirements.

**Northern Peninsula Housing Market Area Strategic Housing Market Assessment (SHMA) Update – Final Report (Housing Vision, January 2015)
[SHMA 5]**

- B.11 The partner authorities came together to jointly commission Housing Vision to prepare a further Northern Peninsula Strategic Housing Market Area (SHMA) Update to objectively assess housing need across the Northern Peninsula HMA in late 2014¹⁶². Published in January 2015, the update was commissioned in light of the publication of the 2012-based sub-national population projections and 2011 Census Origin-Destination data which was subsequent to the preparation of the earlier updates. In doing so, it recognised that a number of Inspector's Reports into Local Plan Examinations were requiring assessments of future housing need to take account of the most recent population projections by making use of a number of varying methodological approaches.
- B.12 The joint Update responds by providing a comprehensive review and appraisal of the implications of the ONS 2012 sub-national population projections on the future housing requirements across the constituent local planning authority areas of the partner authorities. In doing so, it incorporates a series of scenarios based upon different methodological approaches:
- Application of average household sizes from 2008-based sub-national household projections to the 2012-based sub-national population projections;
 - Application of average household sizes from the Interim 2011-based sub-national household projections to the 2012-based sub-national population projections;
 - Application of household representative rates from the Interim 2011-based sub-national household projections up to 2021, followed by an annual trajectory of change of rates from 2008-based sub-national household projections to 2031, to the 2012-based sub-national population projections;
 - Application of the household representative rates from the Interim 2011-based sub-national household projections at 2011, recovering to those from the 2008-based sub-national population projections at 2031, to the 2012-based sub-national population projections; and
 - Application of static household representative rates to the 2012-based sub-national population projections, so as to act as a benchmark.
- B.13 It built upon the earlier spatial analysis to provide disaggregated future housing requirements over the period 2011-2031 for each of the constituent local planning authorities of North Devon, Torridge, West Somerset and Exmoor National Park; including a breakdown for each of the constituent parts of Exmoor National Park within the local authority areas of North Devon and West Somerset respectively.
- B.14 The assessment applied a consideration of vacant and second homes, along with the backlog of affordable housing to each of the scenarios, whilst providing a comparison

¹⁶² Northern Peninsula Housing Market Area Strategic Housing Market Assessment (SHMA) Update – Final Report, Housing Vision , January 2015

to the 2008-based sub-national household projections and the interim 2011 sub-national household projections.

Strategic Housing Market Assessment Update: Exmoor National Park – Final Report (Housing Vision, March 2015) [SHMA 6]

- B.15 Using the outcomes of the joint Update [SHMA 5], Exmoor National Park Authority commissioned Housing Vision to complete a supplementary report specifically for Exmoor National Park. In doing so, it provided further information relevant to its National Park status and updated the information from the original 2008 SHMA regarding the National Park's housing, population and household change along with information on housing stock and tenure, in order to provide information specific to, and for the whole of, the National Park.
- B.16 The commission recognised that the preceding update for North Devon and Torridge did not provide such information as could be disaggregated precisely to the National Park boundary, rather it only provided information for the 'Exmoor and Downland Fringe' sub market area which included areas outside the National Park. Equally, the 2013 West Somerset Update only provided information for the area of West Somerset outside the National Park.
- B.17 Applying the tenure breakdown established in the preceding Update for Exmoor National Park in West Somerset, the assessment additionally carried out analysis to derive an estimate of affordable housing need for the National Park as a whole and the parts of the Park within North Devon and West Somerset respectively.
- B.18 In light of the statutory National Park Authority duty to further the socio-economic well being of local communities, the commission further carried out additional analysis to understand the future housing requirements in the context of external demand (i.e. the impacts of the demand for projected future housing arising from in-migration), providing a range of scenarios modelled on the basis of excluding net migration.

Northern Peninsula Housing Market Area Strategic Housing Market Assessment: the Implications of 2012-based Household Projections – Final Report (Housing Vision, December 2015) [SHMA 7]

- B.19 Subsequent to the completion of the joint SHMA Update in January 2015 [SHMA 5], 2012-based sub-national household projections were published in February 2015¹⁶³. These provided revised household projections for each local authority area, although not specifically for the National Park. Recognising that national Planning Practice Guidance indicates that the starting point for establishing future housing requirements should be the most up-to-date household projections, the partner authorities jointly commissioned Housing Vision to carry out an assessment to understand the potential implications of these projections on future housing requirements across the housing market area. The report was published in December 2015.
- B.20 This Update provided an assessment of future housing requirements based on the 2012-based sub-national household projections over the period 2011-2031, for each of the partner authorities using local planning authority geographies. It also incorporated comparisons to the range of scenarios provided in the earlier Update [SHMA 5]. In doing so, the assessment applied a consideration of vacant and second homes, along with the backlog of affordable housing. It further included a breakdown

¹⁶³ ONS 2012-based Subnational Population Projections for England, ONS, <http://www.ons.gov.uk/ons/rel/snpp/sub-nationalpopulation-projections/2012-based-projections/stb-2012-based-snpp.html>

of requirements to each of the constituent parts of Exmoor National Park within the local authority areas of North Devon and West Somerset respectively.

- B.21 The final report incorporated an adjusted split for the distribution of population and households within and outside of Exmoor National Park compared to the earlier joint SHMA Update, following a review of this aspect as part of an Exmoor National Park specific assessment. In doing so, revised estimates of the housing requirements arising from scenarios provided within the earlier joint SHMA Update, disaggregated to the constituent local planning authorities, are provided within this report.

Strategic Housing Market Assessment Update - Exmoor National Park: Implications of 2012-based Household Projections – Final Report (Housing Vision, November 2015) [SHMA 8]

- B.22 Following the completion of the joint SHMA Update that housing requirements on the basis of 2012-based sub-national household projections for each of the partner authorities [SHMA 5], Exmoor National Park Authority commissioned Housing Vision to carry out follow up analysis in order to further understand the potential implications of projections on the National Park. In particular it provided a breakdown of affordable housing need and also considered the impact of excluding in-migration from future housing requirements.

Understanding Changes in Population and Household Projections: West Somerset Council – Draft Report 2 (Housing Vision, November 2015) [SHMA 9]

- B.23 A supplementary report was commissioned, subsequent to the review of 2012-based sub-national household projections, by West Somerset District Council to provide additional information as to why those projections are indicating different levels and compositions of population and household growth for the West Somerset Council area during the period 2011-2031 when compared to previous projections. In doing so, it considers whether there are any indications as to why the latest projections might not be a suitable basis for identifying an OAHN for the area¹⁶⁴. It concludes that the 2012-based sub-national household projections provide the soundest technical base available for establishing an Objectively Assessed Need for Housing.

Northern Devon Housing & Employment Study – Final Report (GL Hearn, April 2014) [SHMA 10]

- B.24 Recognising that economic rather than demographic growth could be the determining factor in establishing an Objectively Assessed Need for housing, North Devon Council and Torridge District Council appointed consultants to consider the interaction of housing market and economic dynamics in Northern Devon, with the resultant report published in April 2014¹⁶⁵. In doing so, the assessment considered the interplay between them and provides a linked assessment of housing and employment needs over the period 2011-2031 to inform the development of the local plan for North Devon and Torridge.
- B.25 In carrying out the assessment, the consultants considered North Devon on the basis of the local authority rather than the local planning authority geography, and therefore all figures contained within the report relating to North Devon, or Northern Devon as a whole, incorporate consideration of that part of Exmoor National Park in North Devon.
- B.26 The assessment provided a detailed analysis of the economic performance and housing market dynamics of the area and included a series of five modelled projections to inform future housing and employment requirements.

¹⁶⁴ Understanding Changes in Population and Household Projections: West Somerset Council – Draft Report 2, Housing Vision, November 2015.

¹⁶⁵ Northern Devon Housing & Employment Study, GL Hearn, April 2014

- B.27 A bespoke baseline demographic projection was prepared that made use of the 2010-based and 2011-based sub-national population projections, identifying a requirement for 14,305 dwellings across North Devon and Torridge during the period 2011-2031 on the basis of simply demographically derived housing growth.
- B.28 The assessment provides a series of economic derived projections, two modelled on the basis of Cambridge Econometric and Experian Forecasts respectively along with a further 'Policy-on' projection, incorporating sectorial growth levels informed through local intelligence and assumptions applied on matters such as reductions of out-commuting and 'double-jobbing'. It also carried out sensitivity testing on the projections and incorporated an allowance for vacant homes.
- B.29 The report recommends the use of the policy-on projection as the basis for establishing future housing and economic requirements, concluding that it would be reasonable to plan for the provision of 16,000-17,000 homes over the period 2011-2031, with the economic evidence converging on the provision of 16,800 dwellings. In doing so, the requirement relates to the whole of North Devon and Torridge, including that part of Exmoor National Park in North Devon.

Figure 5. Summary of Strategic Housing Market Assessment Reports

Ref. No.	Title	Author and Publication Date	Local Planning Authorities	Basis for Housing Requirements	Time Period	Commentary
SHMA 1	Strategic Housing Market Assessment for the Northern Peninsula (NP SHMA)	Housing Vision December 2008	NDC*, TDC, WSC*, North Cornwall District Council, ENPA**	Bespoke commissioned 2004-based household projections incorporating a 20 year base trend period, over the period 2006-2026	2006-2026	Initial SHMA for the Northern Peninsula Housing Market Area, providing analysis of the character area, definition of sub-market areas and breakdown of future housing requirements by constituent local authority area.
SHMA 2	Strategic Housing Market Assessment: Torridge and North Devon Update – Final Report	Housing Vision December 2012	NDC*, TDC	2008-based Sub-national Household Projections, adjusted to take account of the outcomes of the 2011 Census and with a 20-year trend based projection of net migration applied.	2011-2031	Update of the initial NP SHMA specifically for North Devon and Torridge to reflect more recent household projections and provide an NPPF compliant assessment of future housing requirement Covers only North Devon and Torridge however figures for North Devon also incorporate the part of Exmoor National Park within North Devon. Provides a detailed assessment of future housing requirements, including analysis of affordable housing need, specialist housing requirements and information at sub-market level.
SHMA 3 (EB2)	Strategic Housing Market Assessment: West Somerset Update – Final Report	Housing Vision November 2013	WSC	2008-based Sub-national Household Projections, adjusted to take account of the outcomes of the 2011 Census and with a 20-year trend based	2011-2031	Comparable update to that completed for North Devon and Torridge but covering the geographical area of West Somerset local planning authority only. Carried out spatial analysis to enable population and households

Ref. No.	Title	Author and Publication Date	Local Planning Authorities	Basis for Housing Requirements	Time Period	Commentary
				projection of net migration applied.		to be split to those within West Somerset local planning authority area and Exmoor National Park respectively. Incorporated consideration of the potential future housing implications of the construction of Hinkley Point Nuclear Power Station.
SHMA 4	Strategic Housing Market Assessment Update: Exmoor National Park in West Somerset – Final Report	Housing Vision January 2014	ENPA	2008-based Sub-national Household Projections, adjusted to take account of the outcomes of the 2011 Census and with a 10-year trend based projection of net migration applied.	2011-2031	Comparable update to those provided for North Devon, Torridge and West Somerset to provide analysis and an assessment for the remaining area of the National Park within West Somerset. Builds upon spatial analysis provided by the preceding West Somerset Update and includes a breakdown of affordable and market housing requirements.
SHMA 5	Northern Peninsula Housing Market Area Strategic Housing Market Assessment (SHMA) Update – Final Report	Housing Vision January 2015	ENPA, NDC, TDC, WSC	Range of bespoke scenarios based upon 2012-based Sub-national Population Projections, 2008-based Sub-national Household Projections, 2011-based Interim Sub-national Household Projections and 2011 Census data. Incorporating allowance for backlog of affordable housing, vacancy rate and second homes.	2011-2031	Provides of a range of scenarios to model potential future housing requirements, reflecting best practice at Local Plan Examinations and taking account of the 2012-based Sub-national Population Projections. Provides a breakdown to local planning authority geography and incorporating vacancy and second homes allowance.

Ref. No.	Title	Author and Publication Date	Local Planning Authorities	Basis for Housing Requirements	Time Period	Commentary
SHMA 6	Strategic Housing Market Assessment Update: Exmoor National Park	Housing Vision March 2015	ENPA	Range of bespoke scenarios based upon 2012-based Sub-national Population Projections, 2008-based Sub-national Household Projections, 2011-based Interim Sub-national Household Projections, 2011 Census data and consideration of excluding net migration. Incorporating allowance for backlog of affordable housing, vacancy rate and second homes.	2011-2031	Building upon range of scenarios developed through preceding update [SHMA 5] to provided further information relevant to its National Park status, consider the implications of in-migration and understand affordable housing need.
SHMA 7	Northern Peninsula Strategic Housing Market Assessment Update, Housing Vision	Housing Vision Dec 2015	ENPA, NDC, TDC, WSC	2012-based Sub-national Household Projections, incorporating allowance for backlog of affordable housing, vacancy rate and second homes.	2011-2031	Models future housing requirements on the basis of the 2012-based Sub-national Household Projections and includes a comparison to previously modelled scenarios. Provides a breakdown to local planning authority geography and incorporating vacancy and second homes allowance.
SHMA 8	SHMA Update - Exmoor National Park: Implications of 2012-based Household Projections	Housing Vision Dec 2015	ENPA	2012-based Sub-national Household Projections, incorporating allowance for backlog of affordable housing, vacancy rate and second homes. Consideration of excluding net migration.	2011-2031	Reviews the outcome of applying 2012-based Subnational Household Projections to the National Park area focussing on the implications of excluding in-migration from future housing requirements. Report also

Ref. No.	Title	Author and Publication Date	Local Planning Authorities	Basis for Housing Requirements	Time Period	Commentary
				Incorporating allowance for backlog of affordable housing, vacancy rate and second homes.		provides an estimate of affordable housing need.
SHMA 9	Understanding Changes in Population and Household Projections: West Somerset Council – Second Draft Report	Housing Vision Nov 2015	WSC	2012-based Sub-national Household Projections with comparison to 2008-based and 2011-based household projections and 2012-based population projections.	2011-2031	Reviews the reasons for differences in projected future population and household growth in West Somerset arising from the 2012 Sub-national Household Projections in comparison to earlier projections and whether they provide an appropriate basis for deriving a future Objectively Assessed Housing Need (OAHN) for the area.
SHMA 10	Northern Devon Housing & Employment Study – Final Report	GL Hearn April 2014	NDC*, TDC	Bespoke demographic projection using 2010 & 2011-based Sub-national Household Projections along with economic derived projections based on Cambridge Econometrics and Experian Forecasts along with locally adjusted 'policy-on' economic forecast. Incorporates allowance for vacant homes.	2011-2031	Provides a comprehensive assessment of future housing and employment requirements for North Devon and Torridge, taking account of demographic and economic projections. Commissioned on a recognition that economic growth might be the determining factor for future housing requirements.

* Figures provided a local authority and not a local planning authority (i.e. including that part of Exmoor National Park within the local authority boundary)

** Figures and analysis subsumed into that of North Devon Council and West Somerset Council as carried out on basis of local authority and not local planning authority geography