Mid Devon Local Plan Review 2013-33.
Submission Plan

Strategic Housing Policies Topic Paper

March 2017

Mid Devon
DISTRICT COUNCIL

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1.0 Introduction and summary

1.1 This Topic Paper deals with the strategic housing policies in the Mid Devon Local Plan Review 2013-33. In summary, the Local Plan Review meets in full the objectively assessed needs for market and affordable housing, and is consistent with NPPF requirements.

1.2 The Local Plan Review is supported by a Strategic Housing Market Assessment (SHMA) (DCA 2015)[1] which assesses full Objectively Assessed Need (OAN) to be around 370 dwellings per year. This is well in excess of the demographically implied provision and allows a significant buffer to support economic growth. The SHMA, and other evidence studies were prepared on a cross boundary basis with neighbouring authorities as part of the Council's Duty to Cooperate. Mid Devon and its neighbours are continuing to cooperate on strategic planning matters, particularly in the context of the Greater Exeter Strategic Plan (GESP)[i]. However, the Local Plan Review is able to meet Mid Devon's objectively assessed need in full, and there have been no requests from neighbouring areas for Mid Devon to accommodate other areas' need.

1.3 The Local Plan proposes a housing requirement of 7,860 dwellings over the Plan period 2013-33 equal to 393 dwellings per year. This is a significant but achievable increase above the Core Strategy (adopted 2007) level of 340 dwellings per year.

1.4 The Plan makes provision for about 8,634 dwellings, which is about 10% (774 dwellings) above the identified requirement. This is intended to provide flexibility and a buffer for non-completions due to force majeure.

1.5 Housing numbers were increased by 660 during the Plan preparation. This increase was to accommodate the 2015 SHMA's findings and to ensure that housing needs arising from the District's ambitions for economic growth, including tourism/leisure proposals at Junction 27 of the M5, are fully accommodated.

1.6 Housing allocations are supported by a 2013 Strategic Housing Land Availability Assessment (SHLAA) prepared jointly with neighbouring authorities, and updated by a SHLAA review Panel in 2014. The SHLAA panel also assessed sites identified in the Options consultation, which took place in January 2014[2].

1.7 **Policy S2 of the Local Plan Review** sets out the amount and distribution of development. The largest site allocations are in Cullompton (3,930 dwellings about 50% of the Local Plan Review's overall requirement) based on the availability of

[1] Exeter Housing Market Area Strategic Housing Market Assessment. DCA, 2014/15
https://www.middevon.gov.uk/media/103519/shma_final_report__2015.pdf

[2] Greater Exeter Strategic Plan (GESP) is being jointly prepared by Devon County Council, Mid Devon District Council, Teignbridge District Council and East Devon District Council. It is being prepared in cooperation with its neighbouring authorities including Torbay Council (unitary authority), Taunton Dean DC and North Devon DC. An issues consultation took place in February-April 2017.
https://www.middevon.gov.uk/residents/planning-policy/greater-exeter-strategic-plan/

suitable land and community support for expansion, particularly to the east of the town. This area to the east of Cullompton is now seen as comprising the first phase of the Culm Garden Village, which was designated in January 2017. Around 1,750 dwellings at East Cullompton are included in the Plan, with scope for later phases of development to be considered through the Neighborhood Plan or the Greater Exeter Strategic Plan.

1.8 The second largest requirement is in Tiverton (2,358 dwellings or 30% of the Local Plan requirement). Whilst Tiverton is the largest settlement in Mid Devon; there are fewer developable sites.

1.9 Smaller requirements are proposed in Crediton (786 dwellings) and rural areas (786 dwelling), amounting to 10% of the Local Plan requirement each. Early indications are that the requirement for the rural areas will be exceeded, as completions since 2013, commitments and identified sites in the villages at March 2016 come to just under 1300 dwellings. This comes to around 16.4% of the Plan requirement and will help maintain a prosperous rural economy and provide opportunities for smaller housebuilders (in line with Chapter 3 of the NPPF and Paragraph 1.33 etc. of the Housing White Paper).

1.10 Whilst the housing proposals do not rely on windfall sites (which the Local Plan Review defines as 5 or fewer dwellings), there is evidence from the SHLAA (see below) that at least 104 per year can be expected to arise on such sites. This will also help boost housing delivery and help the district to thrive. Additional sites may come forward through Neighbourhood Plans, and rural exception sites, but the Council is not relying on these for its housing supply.

2. Duty to Cooperate

2.1 Mid Devon is part of the (Greater) Exeter Housing Market Area (EHMA), comprising Devon County Council, Mid Devon, Teignbridge and East Devon District Councils. A small area of Mid Devon is also within Dartmoor National Park, which is its own Local Planning Authority. Housing needs were assessed on an HMA basis along with the neighbouring Torbay HMA, by Opinion Research Services in 2007, which has now been updated by the 2015 SHMA.

2.2 The EHMA Authorities commissioned David Couttie Associates (DCA) to provide an updated strategic housing market assessment on a cross boundary basis, which was published in 2015. This assessed an EHMA wide objectively assessed need for 2,865 dwellings per year. It is assessed as part of the Duty to Cooperate work, that the various development plans in the EHMA make provision for 2,880 dwellings a year. Collectively on a SHMA wide basis this exceeds the mid-range projected need by about 10% and is comparable to highest (2008 based) job-based projection, thereby providing significant flexibility in the area.

2.3 Mid Devon is not seeking help from adjoining authorities to meet the housing need arising within the district. Similarly there have been no requests from other authorities for Mid Devon to provide any of their need. Accordingly no issues arise in relation to overall housing provision in relation to the duty to cooperate.

2.4 The local planning authorities in the EHMA have also taken a consistent approach to the preparation of their Strategic Housing Land Availability Assessment, with a common methodology agreed between the authorities. The original methodology was agreed in 2008 and was recently updated.

2.5 North Devon, Torridge and West Somerset are part of the Northern Peninsula Housing Market Area (which includes Exmoor), whilst West Devon (including a part of Dartmoor) is within the Plymouth Housing Market Area. Separate cooperation procedures with other local planning authorities operate within these areas. Similarly Taunton Deane and West Somerset are within the Taunton Housing Market Area, together with the adjoining district of Sedgemoor, (West Somerset is within two overlapping HMAs). While these Housing Market Areas have borders with Mid Devon, and therefore there are likely to be some flows of commuters/housebuyers across these borders, there is not considered to be any significant cross-boundary strategic housing issues arising with these areas. In particular, there are no proposals to meet Mid Devon's housing needs within these Housing Market Areas, nor for needs arising in those areas to be met within Mid Devon.

3. Mid Devon's Objectively Assessed Need

DCLG Household Projections

3.1 The online Planning Practice Guidance (PPG) 2a-015 indicates that DCLG household projections provide the starting point for estimating overall housing need. The most recent DCLG Household Projections were published in July 2016 and based on 2014 based sub-national population projections. They update the previous 2012 based household projections published in February 2015.

3.2 The DCLG Household projections for the Plan period 2013-33 are set out in Appendix 1. The 2014 Projections project an increase in 5,499 households by 2033, equal to 275 per year. The 2014 based figures project 406 fewer households than indicated in the 2012 based projections[3].

3.3 It is noted that "households" do not equate exactly to dwellings; for example there may be some allowance for shared households, or short term empty properties to allow for market churn. Mid Devon's proposed requirement of 7,860 dwellings is 45% above the most recent household projection. However the DCLG Household Projections are trend based and may reflect the period of constrained growth since 2008. On this basis the 2015 DCA Strategic Housing Market Assessment and subsequent work by DCC (described below) provides a more comprehensive picture than relying on the Household Projections alone.

Exeter Housing Market Area Strategic Housing Market Assessment (DCA 2015)

3.4 The Exeter Housing Market Area Strategic Housing Market Assessment was prepared by David Couttie Associates (DCA), and establishes Objectively Assessed

[3] 3 https://www.gov.uk/government/statistics/2014-based-household-projections-in-england-2014-to-2039

Housing Needs in the local planning authority areas of East Devon, Exeter, Mid Devon and Teignbridge.

3.5 The SHMA is based on an assessment of various drivers of housing need. These included demographic trends, the need to support economic growth, and the need arising for affordable housing. It assessed Mid Devon's OAN to be around 370 dwellings per year. A higher figure of 380 dwellings per year is assessed based on demographic evidence, and the Local Plan has taken this higher figure, to ensure that it is not constraining need based on the (lower) economic drivers.

3.6 The drivers of Mid Devon's housing need identified in the SHMA are summarised in Table 1.

Table 1 Mid Devon's Objectively Assessed Housing Need in the SHMA (DCA, 2014). Dwellings per year.

Driver of housing Need	**Description**	**Dwellings per year)**
Demographic	Based on household and population projections, considering migration trends, household size etc.	381
Jobs led	Assessment of housing needed to support jobs growth scenarios, taking into account jobs projections, economic growth, population age structure, economic activity rates etc. Note that this does not include assessment of the impact of Junction 27, which has been carried out as a separate exercise by Edge Analytics.	359-367
Housing needs led	Provision for *newly forming* households unable to access the open market (see below).	339-381
Mid Point of range	Advice on objectively assessed need taking into account a rounded assessment of the above drivers and market signals. .	370

3.7 It is noted that the SHMA predates the 2012 or 2014 based household projections, but provides a detailed assessment of household growth based on 2008 and 2011 figures, as well as demographic forecasts from Devon County Council (using Popgroup modelling). It therefore avoids the danger that relying purely on post-recession household projections, which may be overly pessimistic about economic growth. Whilst some of the development industry have argued that later household projections and assumptions about household sizes should be used, it is noted that the 2014 based household projections are *lower* than those used in the SHMA. DCC has considered the implications of 2014 based assumptions about household formation rates etc, and advised that these do not significantly change the SHMA.

3.8 The SHMA assessed housing market and wider economic signals, including an assessment of housing and land prices, affordability and build out rates. It found that whilst house prices in the Exeter HMA were at the upper end of national levels, the HMA was not significantly different to the overall Devon or South West Regional level. The housing market has followed national trends: Between 2000-2013 house prices in England rose by 124%, which is the same as the HMA average. Mid Devon is marginally lower at 121% and Exeter higher at 137%. Local residential land value data suggested that Exeter City is above the regional average and at the England average, but values had fallen off significantly since 2007, which the greatest fall being in plots for flats. DCA did not consider that OAN needed to be adjusted in response to these market indicators (Section 9 and paragraph 10.1.16).

The Impact of Junction 27

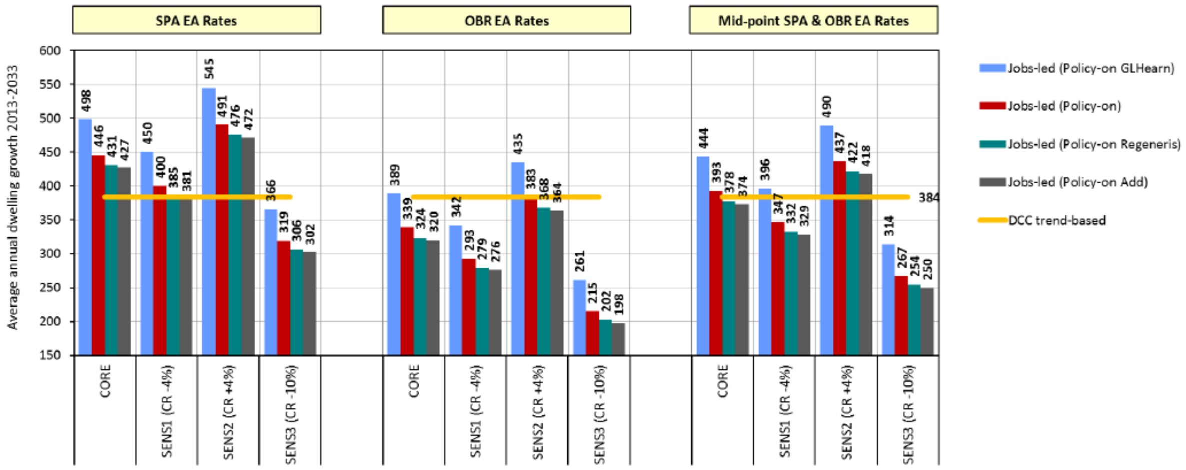
3.9 The Council commissioned a number of assessments from Edge Analytics[4ii] to consider the demographic implications of a strategic scale employment site at Junction 27 of the M5. These are summarised in Mid Devon Demographic Scenarios Policy-on (Edge Analytics, August 2016). This notes that estimates of jobs arising from Junction 27 range from +866 to +1,186. The promoters have indicated that the reduced scheme (currently the subject of a Modification to the Local Plan) will yield around 1,186 jobs.

3.10 Edge Analytics assessed a range of scenarios for housing demand arising from Junction 27, based upon different assumptions around economic activity rates, unemployment rates and commuting rates. They produced four “core scenarios of annual dwelling demand of between 427-498 dwellings per year (i.e. an increase above the 384 dwellings per year DCC Trend Based projection without Junction 27).

3.11 To test out different ways that the local economy could change, Edge Analytics produced sensitivity tests for the main scenarios to explore different levels of changes to commuting and economic activity rates. (This is set out in Appendix B of the Edge Analytics report, August 2016). These include a 10% reduction in net out-commuting in Mid Devon (which results in scenarios of 302-366 dwellings per year). In addition, Edge analyse Office of Budget Responsibility (OBR) data on economic activity rates, which assume higher economic activity rates due to later retirement ages. These produce a range of scenarios from 320-389 dwellings per year (with higher out-commuting) or 198-261 dwellings per year combined with a reduced outwards commute. These scenarios are summarised in Chart 1 below. It can be seen that the highest of the “mid-point” of assessments is 384 dwellings per year. Mid Devon’s commuting rate is the highest in the Exeter HMA, and the Council consider that Junction 27 is likely to result in a reduction in commuting rates. An additional advisory note from Edge Analytics on economic activity rates and jobs led modelling is attached at Appendix 3.

Chart 1 Dwelling Growth Outcomes 2013-33 with Junction 27 (Edge Analytics, 2016)

[4] Edge Analytics Ltd. licence and develop the POPGROUP demographic modelling software on behalf of the Local Government Association. For more details see http://www.edgeanalytics.co.uk



3.12 The Local Plan Review includes a Major Modification to include Junction 27, and accordingly increases the housing requirement to 7,860 (393 per year). Overall this is an increase of 660 dwellings from the original Submission Plan, of which +260 dwellings are to account for Junction 27. The Council regards this is a sound approach to ensure that sufficient housing is provided. It notes that some of Edge Analytics (and the development industry's) scenarios are higher than the "mid-point" figures. However, Mid Devon has a very high rate of out-commuting and the raison d'etre for promoting Junction 27 is to improve Mid Devon's economic prospects, and consequently reduce the need to commute.

3.13 More details of this are set out in the Topic Paper on employment (to follow). On this basis the Council would not support a higher rate of increase in the housing requirement. Nor could this be reasonably considered part of Objectively Assessed Need but is a *Policy On* assessment. The retail assessments of Junction 27 envisage jobs being fully realised by 2024, (See the Employment Topic Paper). This will be after the next five year review of the Local Plan and allows ample time for the housing implications of Junction 27 to be further considered, should the analysis set out above prove overly pessimistic.

Affordable Housing

3.14 The SHMA also carried out a full affordable housing needs assessment (Appendix III of the SHMA). This identified that nearly a third of newly arising households are unlikely to be able to afford open market house prices or rents, resulting in an annual need for 124 affordable homes per year. (Using 2008 based household projections the figure is 130 and using 2011 based projections the figure is 118. The SHMA recommends taking a mid-point of 124). It recommended that this 124 dwelling need should be part of objectively assessed need scenarios of between 339-381 dwellings per year.

3.15 The housing needs of newly arising household is separate from overall housing need in Mid Devon, which also includes a figure for backlog of existing households in inadequate or mismatched housing or with other social needs. The SHMA assesses this to be 599 dwellings per year (124 newly forming and 475 existing households falling into need- table 1-5). However, in line with PAS advice[5] the SHMA recommends that only newly arising need be counted as part of OAN (para 11.1.3). This approach is consistent with PPG paragraph 2a-029-20140306 which indicates that an increase in local plan housing figures should be *considered* where it could help deliver the required number of affordable homes; but does not require the full affordable housing need from existing households to be added to the assessment of OAN.

3.16 The SHMA does not recommend increasing supply to address this backlog, and notes that there are viability constraints to increasing affordable housing requirements. It discusses other mechanisms for increasing housing affordable housing delivery, including re-lets of existing stock, freeing up stock as older tenants down size, bringing empty homes back into use, improving non-decent stock and conversion of existing buildings. In addition, some schemes may exceed the Local Plan target for affordable housing, for example on rural exceptions schemes, or the development of publically owned land. Accordingly, the Council considers that the figure of 124 dwellings per year is an appropriate figure to represent the affordable housing element within OAN.

Specialist accommodation

3.17 Chapter 12 of the SHMA considered the specific needs of older people, households with support needs, and students. Mid Devon was projected to have the highest increase in older people in the Exeter Housing Market Area, with a 54.3% increase in the population aged 65+ between 2012-33, and 81.8% increase in people aged 75+ over the Plan period.

3.18 The SHMA notes that peoples' preference and adult social care policy is to assist people to live independently as long as possible. It also identifies a wider issue of under occupation and that assisting people to downsize can free up housing stock. However, the SHMA does not identify any specific requirement to set a target for elderly persons' accommodation.

3.19 An increase in households aged 65+ with learning disabilities, but a small decrease in the working age population with learning disabilities is forecast in the Plan period (Tables 12-3 and 12-4 of the SHMA). There is forecast to be a small fall in population with moderate physical disability (-0.8%) but a small increase of 0.9% in population with serious disability in the Plan period.

3.20 The 2014 based ONS population projections confirm that Mid Devon's population structure is significantly older than the national average, and this trend is projected to continue, in common with much of Devon. By 2033, the proportion of 65+ year olds is forecast to rise to nearly 30% of Mid Devon's population, compared to 21% in England. By 3033, 5.8% of Mid Devon's population is projected to be over 85, compared to 3.4% in England. This is summarised in table 2.

[5] Objectively Assessed Need and Housing Targets, PAS 2014).

Table 2 Mid Devon's Ageing Population (ONS 2014 Based Population projections)					
	2014	**2018**	**2023**	**2028**	**2033**
All age groups	79,200	80,900	83,300	85,400	87,300
65+	17,800	19,200	21,200	23,400	25,600
85+	2,400	2,700	3,200	3,900	5,100
65+ as % of Population	22.4%	23.7%	25.4%	27.4%	29.3%
85+ as % of Population	3%	3.3%	3.84%	4.6%	5.8%

3.21 The Devon Joint Strategic Needs Assessment (JSNA) 2016, published by Devon County Council in conjunction with the Devon Health and Wellbeing Board, notes the challenges of an ageing population. The focus of the JSNA and wider Public Health policy is to enable people, including older age groups and those with special needs, to live independently and "enjoy long and healthy lives feeling safe at home and connected to the community". However the JSNA does assess that disability free life expectancy is only 82% of male, and 76% of female life expectancy. This is summarised at Table 3.

Table 3, Healthy Life Expectancy and Disability Free Life Expectancy, 2012-14

Area	**Healthy Life Expectancy (HLE)**				**Disability Free Life Expectancy (DFLE)**			
	HLE in years		**HLE as % of LE**		**DFLE in years**		**DFLE as % of LE**	
	M	**F**	**M**	**F**	**M**	**F**	**M**	**F**
Devon	65.6	66.4	81%	79%	66.1	64.1	82%	76%
South West	65.1	65.6	81%	79%	65.0	63.7	81%	76%
England	63.4	64.0	80%	77%	63.3	63.2	80%	76%
Source: Office for National Statistics Annual Population Survey and Public Health Outcomes Framework, 2016/ Devon JSNA 2016								

3.22 This points to a need for a range of properties that are capable of adaptation, in order to help people live independently for as long as possible.

3.23 Policy SS1(g) of the Local Plan Review promotes the provision of a range of housing including accessible housing for the elderly and disabled. Policy DM12 sets a requirement for 30% of dwellings on sites of 10 dwellings or more to be built to level 2 of Building Regulations Part M "accessible dwellings". Policy DM12 also requires homes to be built to nationally described space standards to ensure that the needs of older people are accommodated. The impact of Policy DM12 has been specifically viability tested (Dixon Searle, December 2014).

3.24 The Local Plan Review does not specifically set a target for specialist housing, as the main approach is for peoples' needs to be met in the general housing stock, and specialist providers are part of this mix. In recognition of the additional costs faced by extra care housing, this is zero rated for CIL.

Student Accommodation

3.25 The SHMA found that Exeter had a significant need for student accommodation due to its University, although these were part of household population. However no significant need was identified for Mid Devon.

Gypsy and Traveller Accommodation.

3.26 The Devon Partnership Gypsy and Traveller Accommodation Assessment[6] was prepared by RRR consultancy for all of the Greater Exeter HMA authorities, plus Torbay, and published in March 2015. This identified a need for 35 permanent gypsy and traveller pitches and 11 plots for travelling show people in Mid Devon between 2014-34, plus 34 "bricks and mortar" i.e. dwelling houses (Table A.9. p147) No need for transit pitches was identified.

3.27 The GTAA shortly predated the publication of the government's revised Planning Policy for Traveller sites (PPTS) in August 2015. This made a number of changes to planning policy on gypsies and travellers. Most significantly for the current paper, it changed the definition of traveller for planning purposes to exclude people who have permanently ceased travelling. On this basis "bricks and mortar accommodation" for people who have *permanently* ceased a nomadic lifestyle is subsumed into the general housing need.

3.28 RRR have advised that the 2015 GTAA remains a robust assessment of need for accommodation for travelling people, and the Council consider that it is appropriate for the Local Plan Review to meet this level of need. Officers have reviewed the implications of the PPTS, as part of the Plan preparation. It would be possible to reduce the assessed need by 9%, on the basis that 9% of responses to the GTAA survey indicated that they had ceased to travel permanently. It was noted that a similar approach had been taken in the Swale Local Plan. This would reduce the need from 35 pitches to 32 pitches. However this approach entails a degree of interpretation of primary data that is not recommended by the consultants, and the difference is only 3 pitches.

3.29 On balance it was considered appropriate to adhere to the 35 pitch target identified by the 2015 study, although as outlined above this is likely to be at the upper end of the need.

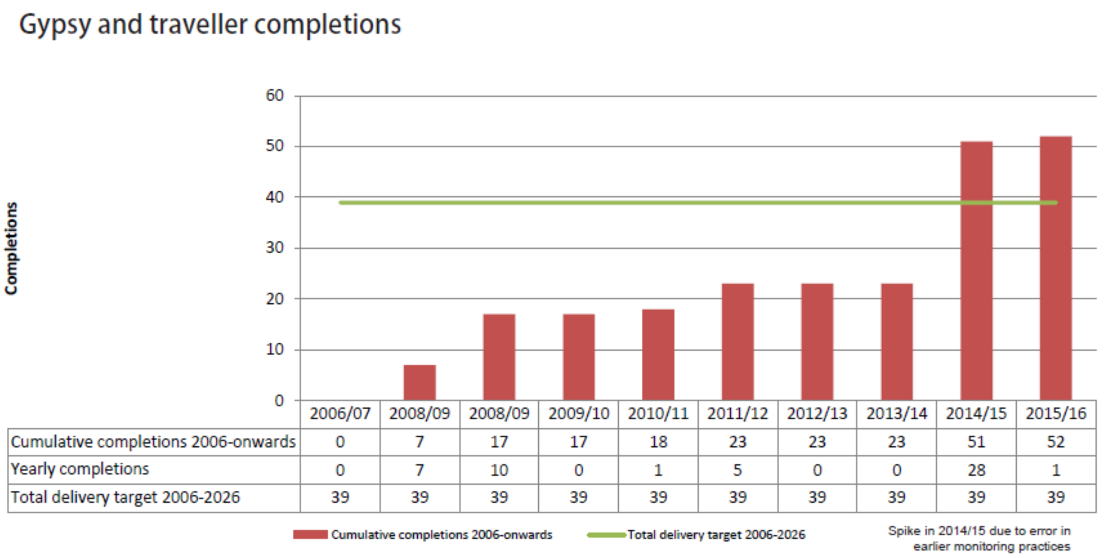
3.30 Local Plan Review Policy S1(g) and the site allocations policies allocate 25 pitches across 4 sites, with 1 pitch being provided in 2015/16. (i.e. a potential shortfall of 6-9 pitches). However windfalls have provided an average of 5 pitches per year since 2006/7, i.e. a total of 51 pitches.

3.31 Whilst the policy context is different under the 2015 PPTS, there is evidence that windfalls will continue to arise, with two applications (for 9 pitches) in the

[6] https://www.middevon.gov.uk/media/114028/devon-partnership-2015-gtaa-final-report.pdf

planning system at late 2016. On this basis, windfalls and site allocations on strategic sites will meet the objectively assessed need for pitches for travellers. This is shown in Chart 2 which excludes the 9 pitches noted above.

Chart 2 Gypsy and Traveller Completions



	2006/07	2008/09	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Cumulative completions 2006-onwards	0	7	17	17	18	23	23	23	51	52
Yearly completions	0	7	10	0	1	5	0	0	28	1
Total delivery target 2006-2026	39	39	39	39	39	39	39	39	39	39

3.32 With regard to Travelling Showpeople, the Local Plan has accepted the 11 plot figure as its requirement (para 2.31 of the Local Plan). Just three families, out of the 82.35% Mid Devon travelling showpeople surveyed, indicated a desire to move to larger plots within Mid Devon. However it is noted that this does not include newly arising need. Assessment of the GTAA data indicated that 32% of those questioned indicated that they had ceased to travel permanently, which the Council has assessed could reduce the need to 5 pitches by 2034[7] .

3.33 However, as noted above, this entailed going beyond the recommendations of the GTAA and on balance it is considered more robust to adhere to study's recommendations, particularly given the low absolute numbers involved.

3.34 There has only been one windfall permission for plots for travelling showpeople since 2006/7, so no windfall allowance can be made. However, the Council has worked with the travelling showpeople community to increases the capacity of an existing site near Cullompton.

3.35 Representations received during the modifications consultation have raised concerns regarding the reluctance of mortgage lenders to provide funding on sites with a Gypsy & Traveller pitch requirement. There is no written evidence of this issue directly by lenders and their valuers. Whilst the Council has been informed of these issues, it is satisfied that its position is appropriate, and consistent with Equalities legislation. In order to safeguard delivery the LPA would consider

[7] Based on numbers being extrapolated to 2034.

applying the policy flexibly through off-site provision where appropriate and delivery can be assured, or where viability problems with onsite delivery can be demonstrated.

4. Strategic Housing Land Availability Assessment (SHLAA)

SHLAA Summary

4.1 The Local Plan Review is supported by a Strategic Housing Land Availability Assessment, prepared jointly by the Devon HMA authorities[8]. It was based on a call for sites in 2013 and published in December 2013. Review Panel assessments were published in 2014 to inform allocations within the Local Plan Review. The Review Panel assessed sites promoted at the Local Plan Review Options Consultation (January 2014).

4.2 The SHLAA identified a total potential of 14,551 dwellings over the period 2013-33, with longer term scope for a further 6,785 dwellings, as set out below:

Table 4: Mid Devon SHLAA Final Report, December 2013, Table 2			
	Until 2033	**3033+**	**Total**
Tiverton	5,264	741	6,005
Cullompton	3,293	3,869	7,162
Crediton	1,479	0	1,479
Bampton	244	0	244
Elsewhere	4,271	2,175	6,446
Total	14,551	6,785	21,336

Windfalls

4.3 The SHLAA also assessed the potential for windfall sites. Between 2002/3 and 2012/13 there were an average of 214 windfall sites per year, with the lowest year being 122 dwellings in 2006/7. It was assessed that about 15% of these completions came from residential gardens. The SHLAA therefore advised that 104 dwellings per year could be expected from windfall sites. This is based on the lowest year of completions, minus 15% to take into account that some of these sites would now be categorized as greenfield sites. This is a conservative position in order to ensure robustness in a range of market conditions. Mid Devon's windfall completions are shown at Table 5 and Chart 3 below.

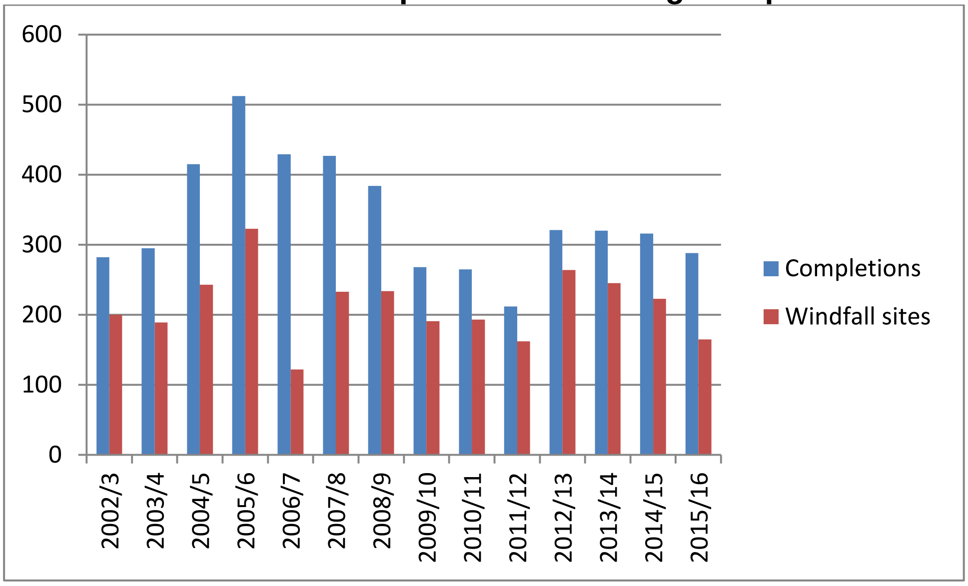
Table 5 Windfalls as a Proportion of Housing Completions

Year	Completions	Windfall sites	Windfalls as a % of completions
2002/3	282	200	71
2003/4	295	189	64
2004/5	415	243	59

[8] https://www.middevon.gov.uk/residents/planning-policy/land-availability-assessments/

2005/6	512	323	63
2006/7	429	122	28
2007/8	427	233	55
2008/9	384	234	61
2009/10	268	191	71
2010/11	265	193	73
2011/12	212	162	76
2012/13	321	264	82
2013/14	320	245	77
2014/15	316	223	71
2015/16	288	165	57

Chart 3 Windfalls as a Proportion of Housing Completions



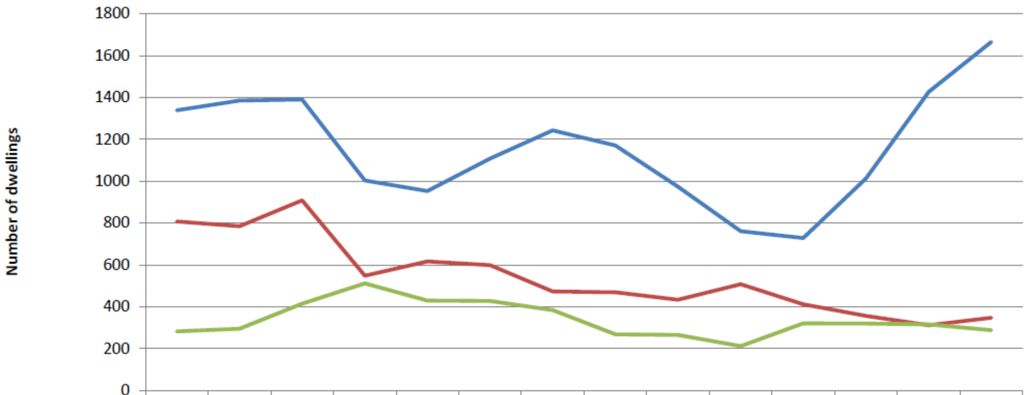
4.4 The Local Plan does not rely on windfalls for its housing supply, nor is there any compulsion in NPPF paragraph 48 to include them. But it is noted that these are likely to arise, and will provide a useful source of opportunities for small housebuilders. Windfall sites will tap into existing infrastructure and will help to maintain sustainable rural communities, as promoted by NPPF paragraph 28; for example by maintaining rural services, school places and providing homes in local communities. The suitability of sites will be assessed through the development management process. Windfalls are therefore unlikely to impact significantly upon the overall Local Plan strategy.

4.5 The Council does not consider it is appropriate to include windfalls within the overall housing requirement for several reasons. They are not needed to meet OAN, and including them in the housing requirement could create five year supply problems if they do not come forward. Making allowance for windfalls in the Local Plan Review would do nothing to actually bring them forward. The Local Plan target of 393 dwellings per year is already an increase of about 15% above the 2007 Core Strategy requirement of 340 dwellings per year: and the Core Strategy reflects a much more economically buoyant era.

Historic Housing Delivery and Likely Future Delivery.

4.6 Table 6 sets out Mid Devon's historic delivery against the Core Strategy Requirement of 340 dwellings per year. The Council have accepted that they have not met the Core Strategy targets, due to the global economic crash of 2008, from which the market has not yet fully recovered. It took longer than anticipated to bring forward strategic sites in large part due to the poor economic climate. However, large sites in Cullompton and Tiverton are now delivering housing, and the Council expect sites in East Cullompton to meet housing needs in the latter part of the Plan Period (with later phases being delivered after 2033).

Chart 4 Housing Delivery 2002-14



	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Permissions	1339	1385	1390	1003	953	1108	1243	1170	974	761	728	1013	1427	1665
Under construction	807	785	908	548	616	599	473	469	433	508	412	356	312	347
Completed	282	295	415	512	429	427	384	268	265	212	321	320	316	288

Permissions — Under construction — Completed

Chart 1

Cranbrook Demonstrates Deliverability in large urban Extensions

4.7 A major area of housing growth in the Exeter HMA is the development of a new settlement at Cranbrook, located within the West End Development Area of East Devon District Council (with close links to Exeter).

4.8 The East Devon Local Plan 2013-31 (adopted 2016) allocates 10,550 dwellings (plus 131ha of employment land) in the West End Development Area (i.e. Cranbrook and its environs). This is about 58% out of the Local Plan requirement of 18,250 dwellings, (and 73% of the requirement for 131ha of employment land).

4.9 Cranbrook is being built out by a consortium of three national housebuilders (one of which with two subsidiary companies, making five named house builders in all) Cranbrook commenced in June 2011, with the first dwellings complete in mid 2012. Phase 1 of 1,120 homes built out by the end of 2015/16, and Phase 2 underway. At December 2016, 1431 dwellings had been completed, 1501 were near complete and a further 1545 under construction. 30% (424 dwellings) had been delivered as affordable housing.

4.10 It is clear from experience at Cranbrook, Exeter/ East Devon that after a long lead in time, development can "take off" and there is effective demand in the Exeter HMA to sustain significant rates of growth, and that major housebuilders are able and willing to work with the public sector to deliver sustainable new communities. As noted above, the expansion of Cranbrook has arisen from multiple developers/outlets working in cooperation. There is no reason why Cullompton/Culm Garden Village cannot mirror this success.

5 Policies for Housing in the Local Plan Review.

Vision and Spatial Strategy

5.1 The amount and distribution of development is summarised in the Key Diagram (p14) of the Local Plan Review. Note that this relates to the amount of development that the Plan identifies capacity for, and therefore the figures exceed the Plan requirement of 7,860 dwellings. The housing and growth trajectories are detailed at section 2.1 of the Plan (see Chart 1 and Table 6, PP24-25). Again, this trajectory is based on forecast completions between 2013-33 of 8,634 dwellings. This exceeds the Local Plan Review requirement of 7,860.

5.2 The spatial strategy was considered through the Local Plan Review's development, as set out in Paragraph 1.16 of the Plan. Environmental constraints at Tiverton and Crediton lead the Council to seek opportunities for expansion in other settlements, informed by the SHLAA (see above) and consultation on the emerging Plan.

5.3 Whilst there are opportunities within villages, the Local Plan review seeks to maintain the focus of growth on, or close to, key settlements. A new settlement in the vicinity of Willand was considered but rejected because of concern about its impact and deliverability. Cullompton was assessed to be less constrained, and there is support from the Town Council for growth. Accordingly the Local Plan Review identified Cullompton as the largest growth area. The example of Cranbrook described above shows that there is scope for sustainable new settlements and that placing a significant proportion of growth in a single settlement can provide a deliverable and sound strategy. In the event the Local Plan Review's allocation at Cullompton is about a third of the size of Cranbrook, so should be deliverable more speedily.

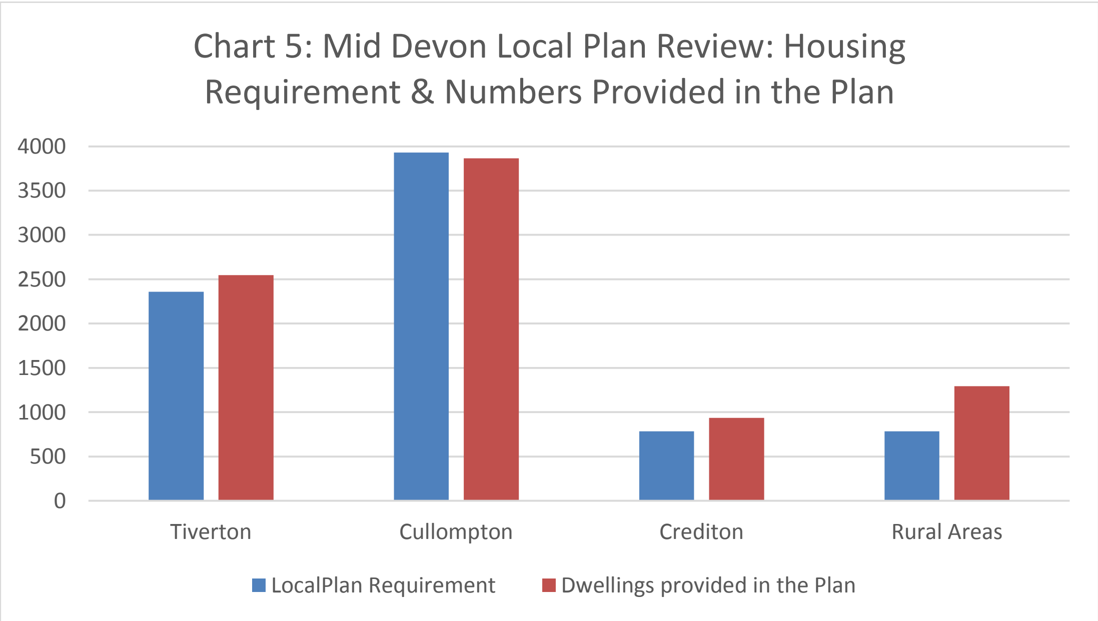
5.4 Subsequent to publication of the Modification version of the Plan the government has proposed that land east of Cullompton could form a Garden Village. The Garden Village expression of interest identifies opportunities for earlier build out. Discussions are currently underway with the Homes and Communities Agency with regard to accelerated growth following the announcement of Garden Village status in January 2017.

5.5 It is noted that the Garden Village is unlikely to be fully built out in the Plan period. The promoters have argued for a higher quantum of growth in the Local Plan Review, possibly actuated by a view that there is likely to be longer term capacity in the Garden Village. As noted, the Council is investigating opportunities for accelerated delivery; however it is critical to the delivery of sustainable development that infrastructure and environmental safeguards are provided. Part of the success of Cranbrook (see above) has been due to the timeous delivery of infrastructure. Increasing the Local Plan Reviews' headline number could jeopardise this, and if it resulted in a lack of five year supply it would weaken the Council's ability to ensure a high quality of development and the proper provision of infrastructure.

5.6 The amount and distribution of development is shown in Table 6 and Chart 5.

Table 6: Mid Devon Local Plan Review: Housing Requirement and Numbers provided in the Plan

Location	Local Plan Requirement	Provision in the Local Plan (see table 6, p25)	Buffer above Local plan requirement (excluding windfalls)
Tiverton	2,358	2,546	8%
Cullompton	3,930	3,864	-1.7%
Crediton	786	935	6.2%
Junction 27	0	0	
Rural Areas	786	1,295	64%
Total	7,860	8,634	9.85%



5.7 At 31 March 2016, the position was:

- Completions since 2013 = 924
- Commitments and under construction = 2012
- Uncommitted requirement to be met though site allocations = 4924[9].

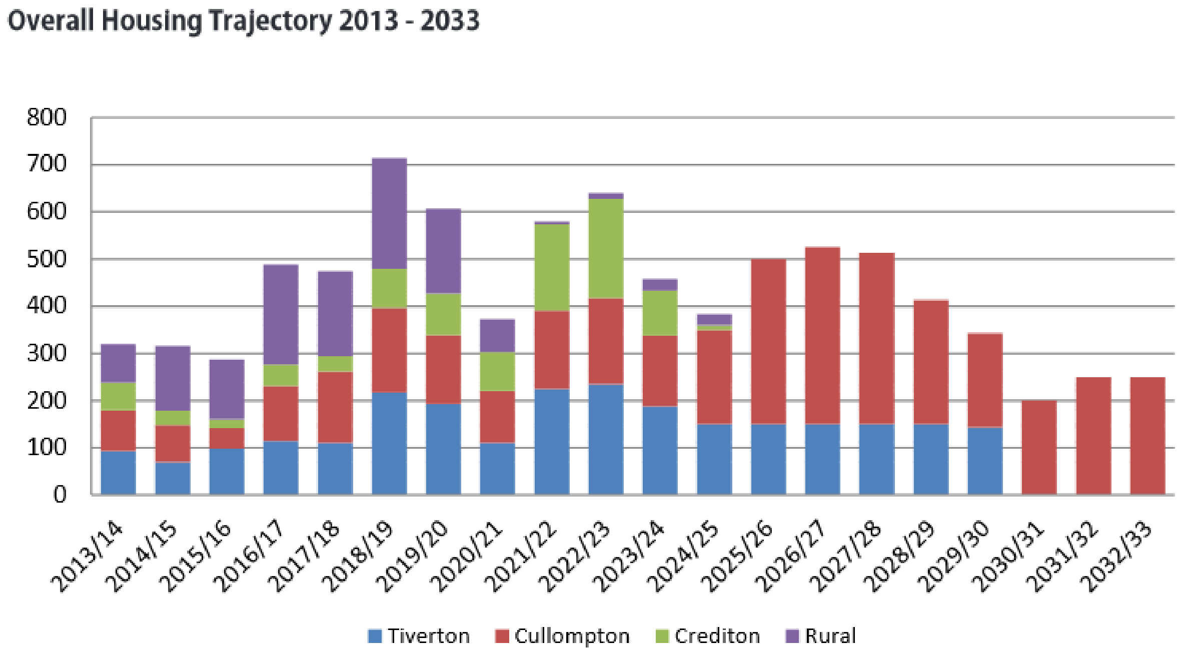
5.8 A break down by town is provided at table 2.3 of the Local Plan Review (p23). This indicates that commitments in rural areas are likely to exceed the Local Plan requirement. However, this will not undermine the Plan's spatial strategy and will

[9] At March 2016: 347 completions in the Plan Period,535 committed dwellings (see Table 5, p23) plus 407 dwellings allocated within villages (Table 22, p130).

assist with maintaining viable rural communities. The sites are proposed in the Rural Areas chapter of the Local Plan (p130 et seq.) and have been assessed to be sustainable.

5.9 The overall Housing trajectory is shown in Chart 6 of the Local Plan (reproduced below). This shows an emphasis on early delivery in the first five year period of the Plan, peaking at up to 700 dwellings in 2018/19. Larger sites in Tiverton are likely to provide development during the earlier part of the Plan period, but may trail off towards the late 2020s. Development at Culm Garden Village, Cullompton will ramp up in the second half of the Plan period and are likely to extend beyond 2033 (the scope for later phases of development will be considered in the Greater Exeter Strategic Plan).

Chart 6 Overall Housing Trajectory



5.10 **Policy S1 Sustainable development priorities** (P30) outlines key development priorities, including providing a wide choice of high quality homes for a range of housing needs.

5.11 **Policy S2 Amount and Distribution of Development** (P32) sets out a target of 7,860 dwellings and 147,000 sq m of employment floorspace between 2013-33. Development will be concentrated at Tiverton, Cullompton and Crediton, with more limited development to meet the needs of rural communities. Table 7 below summarises the housing proposals in more detail. A full trajectory is provided in Table 6 of the Local Plan Review (page 25-26). Many of the proposals are for mixed use developments and full details are provided in Section3 "Site Allocations" of the Local Plan Review.

Table 7 Housing proposals in the Local Plan Review.

Location	Policy	Total dwellings

Tiverton		
Eastern Urban Extension	TIV1-5	1250
Howden Court	TIV9	10
Roundhill	TIV10	20
Phoenix Lane	TIV12	60
Tidcombe Hall (contingency)	TIV 13	0 (100)
Blundells School	TIV16	200
Committed sites (at 01/04/2016 March 2016)	-	745
Completions 1/04/2013 to 31/03/2016	-	261
Tiverton Sub Total	**-**	**2546**
Cullompton		
NW Cullompton	CU1-CU6	1,350
East Cullompton	CU7-12	1,750
Knowle Lane	CU13	30
Ware Park and Footlands	CU14	38
Colebrook (contingency)	CU21	0 (100)
Committed sites (at 01/04/2016 March 2016)	-	487
Completions 1/04/2013 to 31/03/2016	-	209
Cullompton Sub Total		**3,864**
Crediton		
Red Hill Cross	CRE2	135
Cromwells Meadow	CRE3	35
Woods Group	CRE4	8
Pedlerspool	CRE5	200
Sports Fields	CRE6	120
Stonewall Lane	CRE7	50
Land at Barn Park	CRE8	20
Alexandra Close	CRE9	15
Committed sites (at 01/04/2016 March 2016)		245
Completions 1/04/2013 to 31/03/2016		107
Crediton Sub Total		**935**
Location	**Policy**	**Total dwellings**
Rural Areas		
Newon Square	BA1	5
Hollywell	BO1	20
Hele Road	BR1	7
Barton	CH1	20
Land off Church Lane	CB1	20
Barnshill Close	CF1	7
Land adj school	CF2	22
Old Abbatoir	CO1	30

Linhay Close	CL1	6
Hunters Hill	CL2	10
Land Adj Fishers Way	HA1	10
Greenaway	MO1	20
Court Orchard	NE1	25
Former Tiverton Parkway Hotel	SP1	10
Higher Town	SP2	60
Fannys Lane	SA1	8
Old Butterleigh Road	SI1	8
The Garage	SI2	5
South of Broadlands	TH1	12
West of Uffculme	UF1	60
Land East of M5	WI1	42
Committed sites (at 01/04/2016 March 2016)		535
Completions 1/04/2013 to 31/03/2016		347
Rural Sites Sub Total		**1,289**
Total		**8,634**

5.12 **Policy S3 Meeting Housing Needs.** This reiterates the 7,860 dwelling target, equal to about 393 dwellings per year. It sets targets and thresholds for affordable housing of 28% of sites of 11 dwellings or more in Tiverton, Cullompton and Crediton; and 30% on sites of 6 or more dwellings elsewhere. Policy S3 also promotes self build and custom build housing. It undertakes to maintain a five year supply of gypsy and traveler pitches through allocations on strategic sites.

5.13 **Policy S4 Ensuring Housing Delivery.** This sets out mechanism to monitor housing supply against the Local Plan trajectory of 393 dwellings per year. If cumulative completions fall below two years' worth of targets (i.e. 786 dwellings), or a five year supply of deliverable sites cannot be demonstrated, then the Council will work proactively to bring forward allocations or consents. If this is insufficient to deliver the necessary housing, then identified contingency sites at Tidcombe Hall, Tiverton(TIV13) and Colebrook, Cullompton (CU21) will be permitted to boost supply.

Site Allocation Policies

5.14 **Policy S10 Tiverton**. Policy S10 proposes 2,358 dwellings in Tiverton, of which 660 are proposed to be affordable, and 29,400 sq m of commercial floorspace. Tiverton has about 30% of Mid Devon's housing allocation, and will remain the largest urban area in the district. Polices TIV1-16 set out proposals for housing, employment and accompanying infrastructure in more detail, the largest allocation being the Eastern Urban Extension (TIV1-TIV5)

5.15 **Policy S11 Cullompton.** Around 3930 dwellings are proposed in Cullompton, of which around 1,100 are proposed to be affordable, and 73,500 sq m of commercial floorspace. Cullompton contains the largest allocation in Mid Devon, accounting for about half of the area's growth. Policies CU1-21 make site specific allocations, including the infrastructure required to ensure that expansion takes place in a sustainable fashion. Significant growth areas are proposed in the North West (CU1-6) and East (CU7-12). East Cullompton is the location of the proposed Culm Garden Village, located to the east of the M5. The first phase of this will arise as part of the Local Plan, with later phases being anticipated in the context of the Greater Exeter Strategic Plan.

5.16 **Policy SS12 Crediton.** Around 786 dwellings are proposed at Crediton, including 220 proposed affordable homes, and 14,700 sq m of commercial floorspace. These are expanded on by site specific proposals in Policies CRE1-10.

5.17 **Policy S13 Villages**. Limited development is proposed primarily to meet local need, and ensure the vitality of local communities. Allocations for specific villages are set out between P130 and 151 of the Local Plan. These comprise 407 dwellings on uncommitted sites. When combined with 535 committed dwellings and 347 dwellings completed between 2013-16, the Plan provides a total allocation of around 1,289 dwellings in the villages, about 16% of the overall requirement. Most allocations are relatively small at about 20 dwellings, which provides opportunities for small-medium house builders, as well as sustaining prosperous rural communities.

5.18 Further sites are likely to come forward as rural exception sites, in accordance with Policy DM6 of the Local Plan.

5.19 **Policy S14 Countryside** deals with the countryside and limits new housing to affordable homes meeting local needs, or conversions of existing buildings.

5.20 **Section 4 Managing Development.** Section 4 of the Plan has policies for development management, several of which are relevant to new housing. In particular:

- DM6 Rural Exceptions sites
- DM7 Traveller sites
- Policy DM8 Rural workers' dwellings
- DM9 Conversion of rural buildings.
- DM9 Protection of employment land, sets out a "reasonable prospects" test that would apply to applications for re-use of employment land.

6. Representations Made at Consultation stages on Housing Matters

Scoping and Options

6.1 The Local Plan Review was the subject of consultation in July 2013 (Scoping), January 2014 (Options), February 2015 (Proposed submission) and January 2017 (Proposed modifications)[10]. The Scoping consultation did not present options but consulted on general topic areas. The Options consultation considered several different spatial strategies:

[10] These may be viewed at: https://www.middevon.gov.uk/residents/planning-policy/local-plan-review/

1) Town Focus
2(a) Connecting J27 to Willand.
2(b) Expansion of Cullompton, to the east of the M5

6.2 The Local Plan pursued a hybrid of options 1 and 2(b) with significant focus on existing towns, and 2(b) with development to the east of Cullompton.

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6.3 The Council has summarised representations and its response to these in a separate consultation statement. This section provides a brief summary of the issues raised on housing related issues at the latter plan making stages. Earlier issues are summarised in the Vision and Spatial Strategy chapter of the Plan and above.

Proposed Submission Consultation

6.4 The Proposed submission consultation took place between 9th February -27th April 2015. 971 organisations and individuals made representations on the Plan. There was significant support from the community for an urban extension at Cullompton and for the overall approach of focusing the bulk of development close to existing settlements. However the risks of reliance on large urban extensions were also noted and some representations argued for a larger number of small sites, particularly to assist delivery early in the Plan period.

6.5 There were some objections from the development industry to the SHMA methodology, and that housing numbers should be increased to make up for previous under delivery, and to help increase affordable housing numbers. There were also objections to the mechanisms for release of contingency sites.

6.6 The Council has made a number of Modifications in response to representations; in particular it has increased the housing requirement by 660 dwellings. However it considers that its overall spatial strategy remains sound.

Proposed Submission incorporating Proposed Modifications Consultation

6.7 The Proposed Submission incorporating proposed Modifications consultation ran from 3rd January to 14th February 2017. It received 739 representations, including comments from the major house builders. Details of representations are available on the Council's website[11]. In summary, the Council do not consider that the representations require any further major modifications. The main issues raised relating to housing were:

- **Housing Numbers.** The development industry largely welcomed the increase in housing numbers, but argued that 7860 dwellings should be a minimum figure. Some argued that the figure should be higher and called for an update to the SHMA. For the reasons set out above, the Council considers its housing need evidence to be robust and that the Local Plan meets its OAN in full. .
- **Reliance on Urban Extensions.** Some developers pointed out that a high proportion of the Local Plan's housing numbers come from three urban

[11] These may be viewed at: https://www.middevon.gov.uk/residents/planning-policy/local-plan-review/

extensions, which could jeopardise five year supply if there are delays in delivery. This issue was largely raised in the context of the promotion of rival sites, and it is not clear to the Council if these could be delivered more speedily than the proposed development sites. Many of the sites have similar highways capacity issues to the urban extension sites.

As set out in this Paper, windfall sites have performed well and will boost short term supply on small deliver\able sites until urban extensions can come on stream. The success of Cranbrook in East Devon shows that urban extensions are able to deliver high growth rates and that there is effective demand for them in Devon. Planning applications have been received at Tiverton Eastern Urban Extension and are expected shortly at North west Cullompton.

Mid Devon has previously proposed urban extensions in the Core Strategy (2007) and Site Allocations DPD (2011), which were found sound. The Council is not relying on urban extensions to meet all its need, and the Local plan proposes a number of smaller sites as well as setting a framework to approve sustainable smaller sites in villages and rural areas.

- **Cullompton.** There was a good level of community support for strategic growth at Cullompton, although there were also objections to it. All parties, including the Council, agree that there is a significant need for additional infrastructure to deliver the urban extensions.

- **Other sites promoted in Crediton or rural areas.** However the Council does not consider there is a need to propose further sites. The Local Plan's housing sites are based on the SHLAA panel report, and exceed objectively assessed need with a buffer of about 10%. However, the requirement is not intended to be a maximum.

- **Concern about reliance on large sites to deliver Gypsy and Traveller Pitches.** The development industry expressed concern about the viability of placing pitches in urban extensions as has the National Gypsy and Traveller Community's Liaison Group in terms of reliance on large urban extensions to meet all the need for sites is unrealistic. The Council proposes to meet need via both pitch provision on major allocations together with other sites via windfalls. The provision of rural sites was removed from Policy S14 (a) in response to the Planning Policy for Gypsies and Travellers, which stipulates stronger controls in the open countryside.

7. Conclusion

7.1 The Mid Devon Local Plan Review has been prepared on the basis of sound and recent evidence about local and sub regional housing market need and land availability. It provides a strategy which meets objectively assessed needs as well as providing a buffer of around 10% 774 dwellings, not counting windfalls) to allow for contingencies.

7.2 The Plan promotes development in sustainable locations, with 90% of housing development located at the main settlements of Tiverton, Cullompton and Crediton. This maintains a focus of development in sustainable locations. Whilst strategic urban extensions particularly at Cullompton take time to deliver, this is accounted for in the housing trajectory. The development has Homes and Communities Agency support as a Garden Village. The experience of Cranbrook within the same HMA demonstrates that new settlements in the area are both deliverable and sustainable.

7.3 Whilst 10% of the Local Plan's identified requirement is in the rural villages, this number is likely to be boosted by windfall development.

7.4 The Plan provides detailed development management policies and is accompanied by actions to ensure that development is implemented, for example through Garden Village proposals. The Plan's policies and requirements on developers have been viability tested.

7.5 Although Mid Devon is part of the wider Exeter Housing Market Area, it is meeting its own objectively assessed need, and there have been no requests for the district to accommodate neighbouring areas' growth.

7.6 In conclusion the Plan is sound having regards to the requirements of the NPPF, and seeks to meet the Government's aspirations set out in the Housing White Paper and elsewhere to accelerate the supply of housing, within the framework of broader sustainability objectives.

Appendix 1 DCLG Household projections for Mid Devon, (2012 and 2014 based).

	2013	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**
2014 (2016) based HH projections	33,259	33,602	33,857	34,116	34,383	34,664	34,970	35,254	35,539	35,825	36,110	36,392	36,659	36,946	37,229	37,495	37,753	38,017	38,274	38,.518	38,758
Yearly HH Growth		343	255	259	267	281	306	284	285	286	285	282	267	287	283	266	258	264	257	244	240
Cumulative growth		343	598	857	1,124	1,405	1,711	1,995	2,280	2,566	2,851	3,133	3,400	3,687	3,970	4,236	4,494	4,758	5,015	5,259	**5,499**
	2013	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**
2012 (2015) based HH projections	33,338	33,653	33,958	34,273	34,571	34,869	35,196	35,507	35,826	36,138	36,437	36,734	37,024	37,331	37,634	37,921	38,199	38,478	38,745	38,996	39,243
Yearly HH Growth		315	305	315	298	298	327	311	319	312	299	297	290	307	303	287	278	279	267	251	247
Cumulative Growth		315	620	935	1,233	1,531	1,858	2,169	2,488	2,800	3,099	3,396	3,686	3,993	4,296	4,583	4,861	5,140	5,407	5,658	5,905
Difference between 2012 and 2014 based projections		**28**	**22**	**-78**	**-109**	**-126**	**-147**	**-174**	**-208**	**-234**	**-248**	**-263**	**-286**	**-306**	**-326**	**-347**	**-367**	**-382**	**-392**	**-399**	**-406**

Appendix 2

Mid Devon District Council population and dwelling projections: 2016 Update – Undertaken by Devon County Council

Introduction

In March 2015, the Local Authorities in the Exeter Housing Market Area (the HMA) published a Strategic Housing Market Assessment (SHMA). This set out the Objectively Assessed Need (OAN) for the area between 2013 and 2033. The SHMA was prepared and coordinated by David Couttie Associates who drew on projection inputs from Devon County Council and Edge Analytics consultants.

The County Council was fully involved in developing the SHMA and undertook trend-based population projections and dwelling projections for the area. These projections were fed into a wider projection process undertaken by Edge Analytics consultants to take account of the potential housing requirements related to employment growth. The jobs-led population and dwelling projections ensured that assessments of housing and jobs requirements for the Local Authorities are aligned.

The need for an update

Following the publication of the SHMA, East Devon District Council commissioned additional, District-specific, related demographic and dwelling projections based on policy considerations to inform the preparation of the East Devon Local Plan.

Subsequently, Mid Devon District Council has progressed a Local Plan through the pre-submission consultation stage. In the period since the publication of the SHMA, a series of new data releases have been made and it is necessary to reflect these in updated population and housing projections for Mid Devon. This will ensure that the housing needs evidence upon which Mid Devon District Council relies is up to date.

As was the case with the methodology for preparing the original SHMA, Devon County Council has updated the trend-based population and dwellings projections. These have been provided to Edge Analytics who have undertaken employment-led projections informed by the County Council assessments. This process ensures that a consistent methodology is retained reflecting that undertaken for the original SHMA.

What is included in the update?

Since the original SHMA was produced, a series of new data have been released which need to be factored into updated population and dwellings projections for Mid Devon. Those included in the Mid Devon update are:

- Mid year estimates (ONS);
- Fertility rates (ONS);
- Mortality rates (ONS);
- Migration trend period 2085-2015 (derived by DCC using ONS data); and
- New household formation rates (DCLG).

Table 1 compares the data updates used in August 2016 for the Mid Devon update with those included in the original SHMA.

	Original SHMA (2015)	Mid Devon update (2016)
Mid year estimate	2013	2015
Fertility rates	2013	2015
Mortality rates	2013	2015
Migration trend period	1983-2013	1985-2015
Household formation rate	2008 and 2011 interim	2014 based

Table 1: Components of the 2016 population and dwelling projection update

It should be noted that although the actual years included in the revised migration trend-period have been updated, the length of the trend period remains consistent with the original methodology at 30 years.

Outputs from the 2016 update

The broad outputs from the 2016 update are included in Table 2. This also includes the original DCC trend-based projections as per the 2015 SHMA for reference.

Scenario (DCC trend based projections)	Data
Mid Devon population 2033: Update	91,534
Mid Devon housing requirement 2014-2033: Update: 2014 household formation rate	7,671 (384 pa)
Mid Devon population 2033: (from 2015 SHMA)	90,611
Mid Devon housing requirement 2014-2033: 2008 household formation rate (from 2015 SHMA)	8,001 (400 pa)
Mid Devon housing requirement 2014-2033: 2011 household formation rate (from 2015 SHMA)	7,227 (361 pa)

Table 2: Outputs from the projection updates, 2016

Table 2 demonstrates that the 2016 update results in only small revisions to the trend-based population and dwelling projections for Mid Devon for the period 2014 to 2033. In particular, the updated trend-based dwelling requirement based on the 2014 household formation sits between the two scenarios set out in the SHMA which used the 2008 and 2011 interim household formation rates.

It should be noted that the figures quoted in tables 1 and 2 are *trend-based* projections; they do not set out housing requirements based on employment projections or policy and as such do not represent the final Objectively Assessed Need. The trend-based projections undertaken by Devon County Council are used to inform employment-led projections. These are developed by Edge Analytics.

Summary

Devon County Council produced trend-based population and dwelling projections as part of the 2015 SHMA for the Exeter HMA. Since this work was undertaken, various updates to data sets have been released. These updates have been incorporated into updated trend-based projections for Mid Devon, again undertaken by Devon County Council. The updated, trend-based dwelling projections for Mid Devon are between the two dwelling projection scenarios included in the 2015 SHMA. This demonstrates that the implications of the data updates on trend-based housing requirements for Mid Devon are minimal.

Appendix 3

MARCH 24, 2017

ADVISORY NOTE ON ECONOMIC ACTIVITY RATES IN DEMOGRAPHIC AND JOBS LED MODELLING

A NOTE FOR MID DEVON DISTRICT COUNCIL

ROBIN MILLER

UNDERSTANDING DATA LTD.

2011 Census Economic Activity Rates in Demographic and Jobs led modelling

'Economically active' refers to the population that is both employed and unemployed, i.e. the labour force. Economic activity rates determine the level of labour force participation associated with different age-sex categories.

The “core” economic activity rates used in scenarios are based on the latest statistics from the 2011 Census. Census-based rates have been used as they provide the most detailed information on age-specific rates of economic activity for individual local authority areas.

Economic activity rates provide the basis for calculating the size of the labour force within the population. Economic activity rates by five-year age group (ages 16-74) and sex have been derived from 2011 Census statistics in the modelling undertaken by Edge Analytics.

The 2011 Census statistics include an open-ended 65+ age categorisation, so economic activity rates for the 65-69 and 70-74 age groups have been estimated using a combination of Census 2011 tables, disaggregated using evidence from the 2001 Census.

This comparison indicates that economic activity rates have increased in the older age groups for both males and females in all districts, particularly for females, for whom rates have seen a general increase across all age-groups 20+.

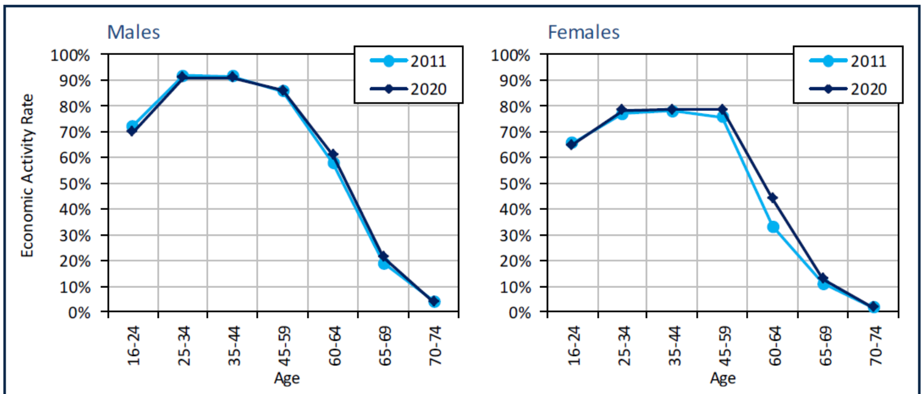
Adjustments to Economic Activity Rates

1. State Pension Age changes

Using the 2011 Census statistics as a base, changes have been made to the age-sex specific economic activity rates to take account of changes to the State Pension Age (SPA) and to accommodate potential changes in economic participation which might result from an ageing but healthier population in the older labour-force age-groups.

The SPA for women is increasing from 60 to 65 by 2018, bringing it in line with that for men. Between December 2018 and April 2020, the SPA for both men and women will then rise to 66. Under current legislation, the SPA will be increased to 67 between 2026 and 2028 and 68 between 2044 and 2046.

The impact of these changes is reproduced below from the Edge Analytics report.



Sex \ Age	% Change 2011 - 2020 16-24	25-34	35-44	45-59	60-64	65-69	70-74
Males	-3.1%	-0.8%	-0.7%	0.3%	5.6%	11.9%	-5.6%
Females	-1.2%	1.8%	0.4%	3.9%	33.4%	16.3%	0.0%

Figure 8: ONS Labour Force Projection 2006 – economic activity rates 2011-2020 (Source: ONS)

2. OBR Economic Activity Rates

As an additional sensitivity on the Jobs-led (Policy-on) scenarios, an alternative set of economic activity rates has been used that modifies the 2011 Census for males and females aged 60-75+ in line with the Office for Budget Responsibility's (OBR) labour market analysis. In contrast to the SPA rates, the OBR rates vary from 2011 to 2033, not 2020.

The figure below shows the resulting 2033 OBR economic activity rates and compares them to the 2011 figures. The OBR rates assume higher rates of economic participation in the oldest age-groups, particularly females. In addition, the OBR rate profile includes an open-ended, 75+ age category, in contrast to the alternative SPA rates which cap the labour force at age 74.

Extract form Edge Analytics August 2016 report

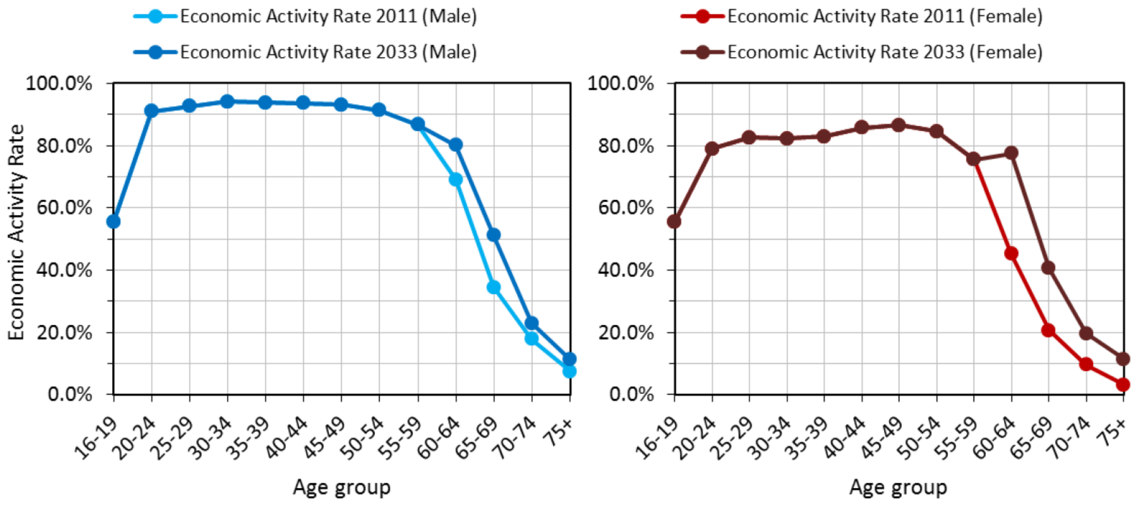
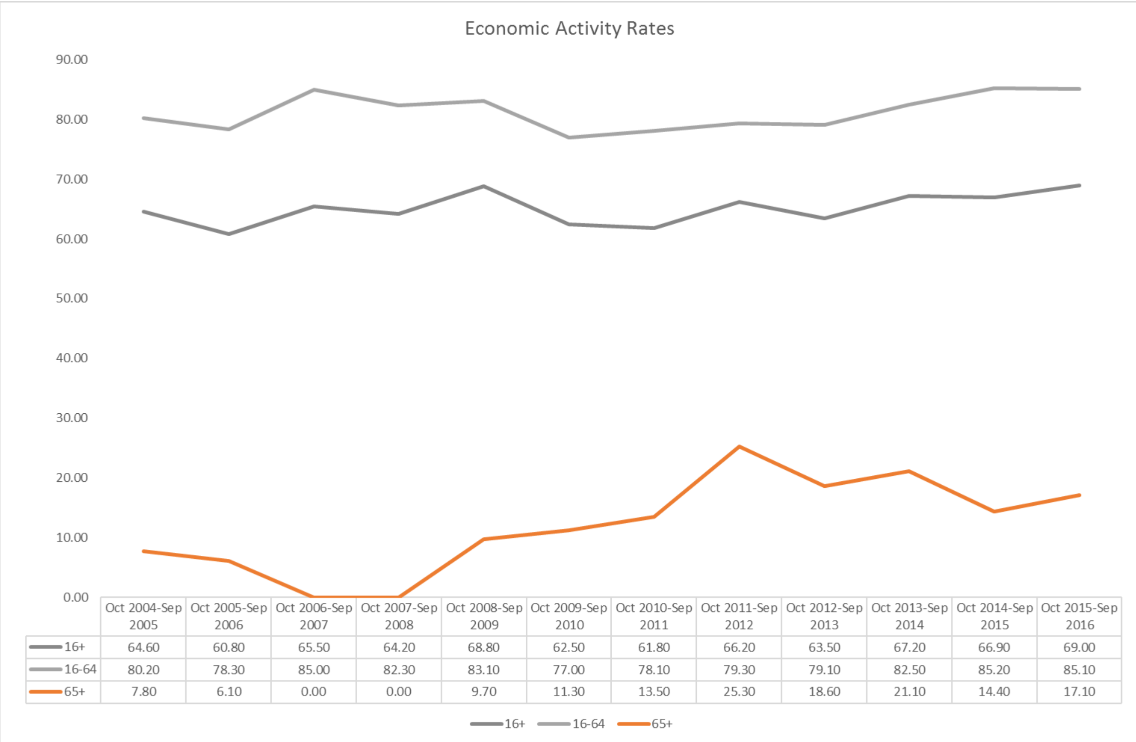


Figure 10: Economic activity rates, 2011 vs 2033 (OBR EA Rates)

What has changed in Mid Devon?

It is helpful to consider what available data reveals about changes in economic activity rates. This data is sourced from the Annual Population Survey, which is a residence based labour market survey encompassing population, economic activity (employment and unemployment), economic inactivity and qualifications. These are broken down where possible by gender, age, ethnicity, industry and occupation. Data is available at Local Authority level and above. Data is updated quarterly.

Mid Devon Economic Activity Rates 2004-2016



	Oct 2004-Sep 2005	Oct 2005-Sep 2006	Oct 2006-Sep 2007	Oct 2007-Sep 2008	Oct 2008-Sep 2009	Oct 2009-Sep 2010	Oct 2010-Sep 2011	Oct 2011-Sep 2012	Oct 2012-Sep 2013	Oct 2013-Sep 2014	Oct 2014-Sep 2015	Oct 2015-Sep 2016
16+	64.60	60.80	65.50	64.20	68.80	62.50	61.80	66.20	63.50	67.20	66.90	69.00
16-64	80.20	78.30	85.00	82.30	83.10	77.00	78.10	79.30	79.10	82.50	85.20	85.10
65+	7.80	6.10	0.00	0.00	9.70	11.30	13.50	25.30	18.60	21.10	14.40	17.10

Looking at available Annual Population Survey data for Mid Devon shows some clear trends in economic activity.

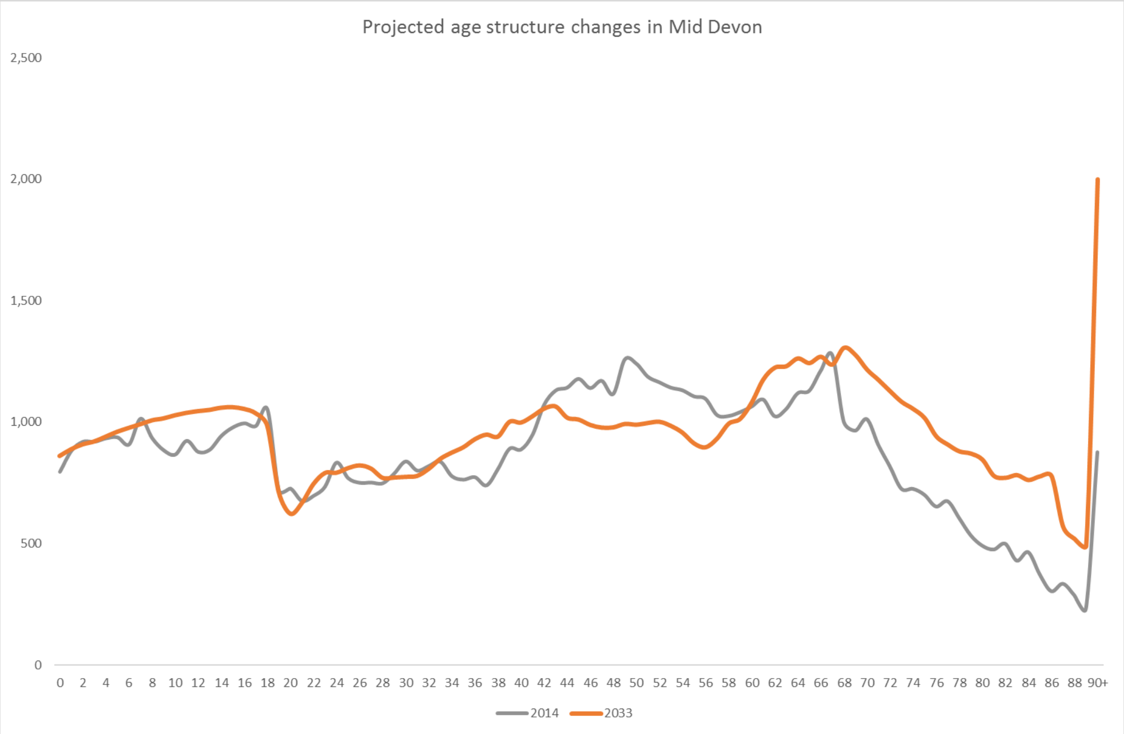
- Increases in the 65 + age group from 7.8 to 17.1% (2004-2016)
- Increases for those aged 16-64 from 80.2 to 85.1% (2004-2016)
- Increases for those aged 16+ from 64.6% to 69% (2004-2016)

Note there are issues with sample sizes and fluctuations within this data. The published data contains confidence levels and further explanation. However, the trend lines are clear, showing increasing participation levels.

This increased participation is influenced, and to an extent constrained both by the availability of opportunities with local labour markets, and the ability of people to access these.

It is helpful to consider future changes in participation in the context of the projected age structure of the population (SNPP 14 data used)

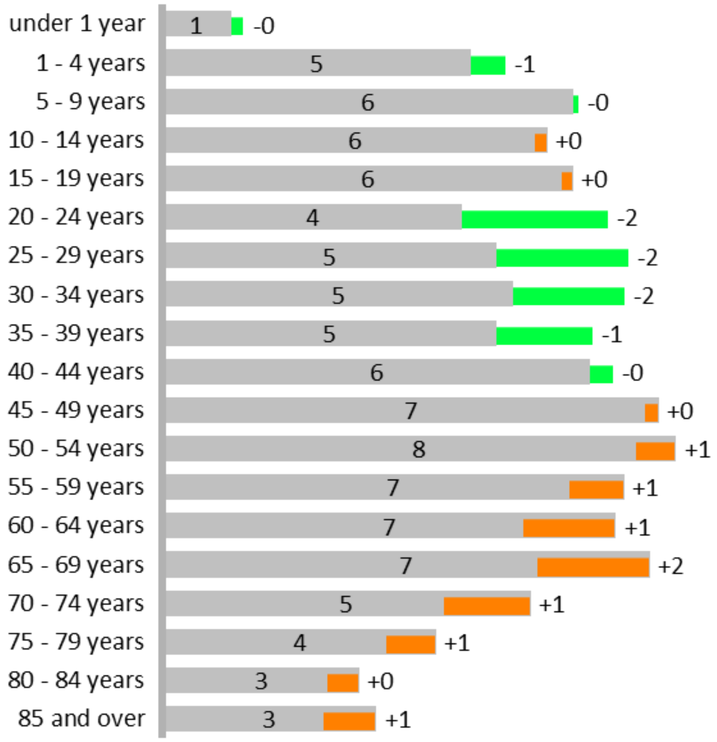
Future Age Structure Changes – Mid Devon



Under the available recent demographic projections, there is expected to be increases in the older population of the area.

Mid Devon currently (2015) has an older age structure than England.

Mid Devon age structure compared to England



This chart shows the Mid Devon age structure in percentages compared to England. The main value is the Mid Devon percentage, the figure next to the orange bars show how much higher this is than the England value, and the figure next to the green bars shows how much lower the Mid Devon value is compared to England.

Commentary

There are some variations between the SPA and OBR derived sensitivity tests which are reflected in the presentation of final dwelling totals in tables 1-3 of the Edge Analytics August 2016 report.

In total, this report sets out results based on:

the application of 2011 Census based economic activity rates (Table 1), (and other core assumptions);

A sensitivity test based on applying the State Pension Age adjusted (Table 2);

A sensitivity test based on applying the OBR adjusted (Table 3);

A mid-point table balancing the tests of SPA and OBR (Table 4).

The 2011 census rates are a good starting point and if they were taken forward solely as fixed rates, applied to a changing population, they would show some shifts in the working age population. This would strongly reflect the ageing of the population overall. However, they would not address changes due to the known impact of the variations to the State Pension Age, and already evidenced trends in increasing participation.

The change between 2001 and 2011 in terms of economic activity rates by age show clear evidence that there are other factors which influence the likelihood of being economically active. As the UK economy continues to become increasingly serviceoriented, older people tend to continue working. Improving health standards also mean that people can participate in the labour force for longer and there are also factors around building up enough savings ahead of longer retirements.

Extract from Edge Analytics Report August 2016

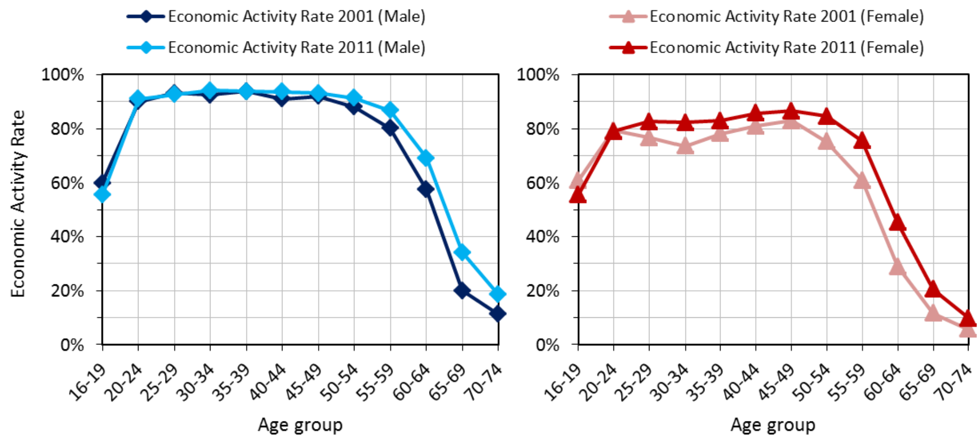


Figure 7: Economic activity rates, 2001 vs 2011

Summary of SPA adjustments

Using the 2011 Census statistics as a base, changes have been made to the age-sex specific economic activity rates to take account of changes to the State Pension Age (SPA) and to accommodate potential changes in economic participation which might result from an ageing but healthier population in the older labour-force age-groups. Modelling only known pension age changes but only to a 2020 timeframe. Age changes are capped at 74.

Summary of OBR adjustments

While these projections are national, they have been fitted to a locally derived Mod Devon 2011 Census start point. Age changes include a 75+ category.

The OBR have confirmed the long-term trend for increased economic participation, as already well established by the ONS. They also make a new adjustment for increased pension ages, reflecting Government policy

The sensitivity testing of two alternatives is a reasonable approach. However, given the range of results that this produces, and that there are inherent uncertainties in predicting the future, a mid-point of the two sensitivity tests is a sensible approach upon which to base the housing based end results.

Caveat

While the Edge work considered a core and two sensitivity tests around economic activity rates, other sources of possible future changes in economic activity rates are available, normally from economic projections. This appendix does not look to critique other alternative way of approaching this issue.

Conclusion

There are different approaches set out in the Edge Analytics August 2016 report to economic activity rates. There is no single set way of interpreting this issue. Different approaches are useful to consider, where the data inputs are transparent and robust.

It is felt that the two sensitivity tests used in this report are robust. Both have clear strengths.

Given the range that these two tests express, it is a further reasonable step to balance them, through the application of a mid-point. Scenario outputs are clearly presented under all four of the options.

The population profile of the District is already elderly compared and it is predicted that this will increase. Because of this population profile, Mid Devon is more sensitive to assumptions about older age economic activity rates.

This is further reason why the mid-point approach in determining the level of housing need is pragmatic and supported.

Changes between the 2001 and 2011 Census show a long-term trend for older people to work longer, up to and past state retirement ages. This partly reflects extended life expectancy and improved health of older people who no longer need (or want) to retire in their early 60's.

In addition to this trend, the Government has committed to increasing the age at which State Pensions are available. These factors are covered in slightly different ways, for different age groups, and over different time periods by the SPA and OBR sensitivity tests.

Presenting these results as a mid-point, as done in Table 4 of the Edge Analytics August 2016 report (page 10) is a reasonable approach to inherent uncertainties, and a sensible way of levelling out inherent uncertainties in the future.

Robin Miller

24/03/2017

For Mid Devon Council