

Report to: Strategic Planning Committee

Date of Meeting: 12 March 2024

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Exemption applied: None

Review date for release N/A



Designated Neighbourhood Area Housing Requirement in the new Local Plan

Report summary:

At the 13 February 2024 meeting, this Committee agreed two options to be put forward as 'reasonable alternatives' for public consultation for how we propose to calculate Designated Neighbourhood Area housing requirement figures for inclusion in the new Local Plan. This decision was subject to sight of the full set of material for the consultation comprising a full detailed technical report, the calculations (using both options) for each of our 41 Designated Neighbourhood Areas, and the supporting text for the consultation. This report provides that detailed information and seeks Member approval to proceed to Regulation 18 stage public consultation on this basis in Spring 2024.

Is the proposed decision in accordance with:

Budget Yes No

Policy Framework Yes No

Recommendation:

1. That Strategic Planning Committee endorse the technical report (Appendix 2 of this report) as evidence setting out the rationale for the selection of the reasonable alternatives, and as the basis for the calculation of Designated Neighbourhood Area Housing Requirement figures in the emerging Local Plan.
2. That Strategic Planning Committee note the calculations for Designated Neighbourhood Area housing requirement (Appendices F and G of the technical report), prepared in accordance with the methodology set out in the technical report.
3. That Strategic Planning Committee agree that the method selection for the calculation of Designated Neighbourhood Area housing requirement can now be subject to public consultation.
4. That Strategic Planning Committee agree the non-technical summary information (Appendix 1 of this report), including the summary table of housing requirements) as the basis for the Spring 2024 public consultation, alongside the publication of the full detailed technical report with appendices as supporting information, and delegate authority be given to the Assistant Director – Planning Strategy and Development Management in consultation with the Chair – Strategic Planning Committee for any minor/non-material amendments for the final release.

Reason for recommendation:

To ensure that Designated Neighbourhood Area housing requirement figures are based on a logical and transparent methodology and that the public are given an opportunity to comment on the methodology and its application as part of the local plan production process.

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Portfolio(s) (check which apply):

- Climate Action and Emergency Response
- Coast, Country and Environment
- Council and Corporate Co-ordination
- Democracy, Transparency and Communications
- Economy and Assets
- Finance
- Strategic Planning
- Sustainable Homes and Communities
- Tourism, Sports, Leisure and Culture

Equalities impact Low Impact

Climate change Low Impact

Risk: Medium Risk; It is important that we set out how Designated Neighbourhood Area housing requirement figures are to be calculated to ensure a rational and appropriate approach is followed and evidenced so that it can be relied on to justify local plan policy on these figures. It is important that the public are given the opportunity to provide feedback in response to the draft proposals.

Links to background information

Link to [Council Plan](#)

Priorities (check which apply)

- Better homes and communities for all
- A greener East Devon
- A resilient economy

1. Overview and Update

- 1.1 As per the report brought to last Committee (and previously in March 2023), the emerging East Devon Local Plan must set a housing requirement figure in strategic policy for each of the Designated Neighbourhood Areas in the district, as required by

the NPPF (para 67). As there is no set method prescribed by Government for how this should be calculated, it is necessary to consult on the methodology to be used. The current adopted Local Plan was not subject to this requirement, which was introduced subsequently to its adoption, through revision to the NPPF in 2019.

- 1.2 Based on further investigation by Officers of compliant and robust options for method calculation (including research into how other authorities are approaching the matter and the extent to which we might reasonably rely on neighbourhood plans to bring forward housing sites in the plan period), Members agreed in principle at the February Committee to there being two reasonable alternatives. Both are supply-based. They comprise deriving Designated Neighbourhood Areas figures from the sum of housing numbers expected to come forward in the plan period from all sources of housing supply, with the variation between them being whether a windfall allowance be included or not. The full detailed technical report setting out all options considered and the justification for the two reasonable alternatives is now available for members consideration (see Appendix 2 of this report).
- 1.3 It was noted in the discussion at February Committee that the consequence for neighbourhood planning of using either of the identified reasonable alternative options would not be dissimilar to the approach in the adopted Local Plan. Although not explicitly stated, the adopted Local Plan did not rely on supply on future neighbourhood plan allocations for forecast housing supply to meet the district housing requirement. Instead, the combination of policies set out how the adopted Local Plan would meet the minimum district housing requirement in full whilst making provisions and exceptions for neighbourhood plans to bring forward housing in addition to meet identified local needs, where this could be justified on sustainability grounds. Consequently, to date the council have provided indicative zero housing requirement figures for neighbourhood planning purposes.
- 1.4 The approach in the adopted Local Plan is generally considered to have worked well, with a high level of neighbourhood planning activity occurring, but it will not be compliant with the current NPPF and PPG for use in the new Local Plan, unless the minimum housing requirement figure for each DNA is explicitly set out in policy and justified on the basis of a robust methodology which establishes it as the “scale of housing expected to take place” in each area. This is the essence of the proposed approach to be consulted on to inform the new Local Plan.
- 1.5 In accordance with the February report, calculations have now been undertaken for each of the 41 Designated Neighbourhood Areas in East Devon for both the preferred ‘reasonable alternative’ option (excluding windfall allowance) and the currently rejected ‘reasonable alternative option (including windfall allowance). Members can view the breakdown of the calculations in detail in Appendix G, and the summary table in Appendix F of the Technical Report. It should be stressed that these are not the final figures as they will appear in the new Local Plan as it is too early to be able to provide a definitive set. The figures are calculated as at the 2023 Monitoring Point

and based on the Regulation 18 draft Local Plan as it stood at the 2022/23 consultation. The figures will need to be recalculated at the 2024 (and possibly 2025) Monitoring Points in terms of completions and commitments, and also as decisions are made about Local Plan site allocations, including an apportionment of dwellings related to the new community which it has not been possible to include at this time. The figures as they currently stand/are known are included in the consultation material as interim and will change but are intended to help consultees with considering the implications of the different method options.

- 1.6 The summary table sets out the forecast supply by supply sources for each Designated Neighbourhood Area. It shows that the proposed method does not rely on supply from future neighbourhood plan allocations in justifying the Designated Neighbourhood Areas housing requirement figures. Whilst few if any Designated Areas would then have a zero total housing requirement figure, the proposed approach would effectively continue to give an expectation of 'net nil' housing provision being made through future neighbourhood plan making. However, consistent with NPPF it sets out the context of the total numbers of dwellings expected to come forward in the area from all supply sources across the full plan period. On this basis, Neighbourhood Plan groups can use and rely on the figures (including at examination) to underpin decisions about the scope and content of their own plans, including whether to plan for additional (or potentially alternative) housing provision, and ensure they at least meet, and where possible exceed, the minimum requirement.

2 Proposed Consultation

- 2.1 It is proposed that public consultation on various Regulation 18 stage local plan matters, including methodology for Designated Neighbourhood Area Housing Requirement, will be undertaken as soon as possible after receiving Committee approval. Such consultation will last for a minimum of 6 weeks.
- 2.2 The suggested text and summary information for the consultation are overleaf. It is proposed to also make available the full detailed technical report, including the detailed breakdown of the DNAHR calculation for each area, as supporting document for those who wish to consider the matter in greater depth. The consultation material may be subject to minor amendments before the start of the consultation.
- 2.3 NPPF does not require the plan to provide housing requirement figures for areas that are not Designated Neighbourhood Areas. So, at this time we would not propose that an emerging local plan policy includes housing requirement figures for those areas. As explained in the technical report, the council will be able to provide indicative housing requirement figures for these areas in the future, or exceptionally neighbourhood plans for these areas can produce their own figures which they will have to justify for examination. However, some consultees may have questions about

forecast supply in their areas compared to other areas. This may influence their views about future neighbourhood planning.

3 Next Steps

- 3.1 After the public consultation, the responses will be analysed and a report brought back to Committee for decision on the final selection of the method to be used in the Regulation 19 version of the Plan.

Financial Implications:

There are no direct financial implication resulting from the report.

Legal Implications:

There are no direct legal implications resulting from the report.

Appendix 1: Proposed Consultation Material Summary

East Devon Local Plan 2020 to 2040

Preferred Options Reg. 18 Further Consultation Draft Plan

Spring 2024

We consulted on a draft local plan from November 2022 to January 2023 that referred to the setting of 'housing provision requirement' (now referred to simply as 'housing requirement') figures in Designated Neighbourhood Areas in the draft policy wording and justification of Strategic Policy 3: Levels of Future Housing Development. Designated Neighbourhood Areas are areas (typically parishes) which have had applications approved to designate them for the purposes of neighbourhood planning. There are now 41 of these in East Devon as shown in the map at Figure 1 below. In simple terms, housing provision requirement figures are numbers of houses to be built in the Local Plan period (2020-2040).

At the previous consultation stage, we simply stated an intention that the policy would set out the housing provision requirements for designated neighbourhood areas in East Devon 2020-2040 (or other timeframe to be specified). The Designated Neighbourhood Areas (as existed at the time) were identified by name but the housing requirement figures were not included. It was stated that these would be set following consultation on the methodology for identifying the scale of housing provision requirement in these areas.

Work has now been undertaken to consider the method options. Two potential options have been identified from a wider range of options considered and discounted. Both options are based on sources of housing supply across the Plan period (2020-2040). Housing supply sources are:

- Completions (houses built)
- Commitments (houses with planning approval)
- Site allocations (housing on land proposed in adopted/made development plan documents (i.e. Local Plan, Cranbrook Plan, Made Neighbourhood Plans)
- 'Windfalls' (an allowance for housing coming forward on other sites, not yet known)

The preferred option is for the housing requirement figures to comprise the sum total of houses from all sources of housing supply **excluding** windfalls. The currently rejected but alternative option would be to **include** a windfall allowance in the figures. The latter would give a more complete picture but is not the preferred option as windfalls are difficult to predict with certainty for small geographical areas.

The summary table at Figure 2 below shows the housing requirement figures for each of the 41 Designated Neighbourhood Areas in East Devon as far as it is currently possible to calculate them. **It is important to note that these figures will need to be recalculated as more data becomes available until they are fixed at a point in time for publication in the new Local Plan. They are therefore not the final figures at this stage.**

In considering your views on the methodology, we would encourage you to look at the consultation [commonplace-reg-18-final-071122.pdf](https://www.eastdevon.gov.uk/commonplace-reg-18-final-071122.pdf) ([eastdevon.gov.uk](https://www.eastdevon.gov.uk)) as this sets out the context for the policy. For more detailed explanation you might find it useful to also read our background technical paper, which includes the detailed breakdown of the calculations in each area for the 2 options put forward, as well as information on other rejected options.

The key points to be aware of are:

- We are required by Government to set housing requirement figures for all of our Designated Neighbourhood Areas within strategic policy of the Local Plan (this was not a requirement at the time of preparing the current adopted Local Plan). Government advises that the figures should establish the 'scale of housing expected to take place in each area' and should reflect the overall spatial strategy of the Local Plan.
- Government does not set a method for how these should be calculated and this is why we are consulting on the method to be used for the new Local Plan
- Government stipulates that these housing figures form part of the overall district housing requirement that the Local Plan needs to provide for (and are not additional to it). The Local Plan will therefore need to be able to robustly evidence and rely on them at its independent examination.
- They are strictly **minimum** figures - Neighbourhood Plans cannot plan for less housing, but they can plan for more housing should they wish to do so to meet specific local needs.
- The figures can be used to help inform and justify neighbourhood plan preparation.
- The requirement figures are not zero for any of the DNAs. However, the sum of the types of supply that are used to calculate the housing requirement do not include a figure for allocations in future (not yet made or started) neighbourhood plans. Similar to the policy approach in the adopted Local Plan, neither of the options being put forward for use in the new Local Plan would place an expectation on future neighbourhood plans to make provision for housing to meet the minimum requirement through site allocations. This would not prevent neighbourhood plans for making additional provision for housing should they wish to do so and this would be supported and encouraged.

Subject to the results of the consultation and the final selection of the method to be used for calculating the figures, we would expect the wording within Strategic Policy 3 to say:

Strategic Policy 3 - Levels of Future Housing Development

[...]

*8. **Minimum** housing provision requirements for designated neighbourhood areas in East Devon are as follows:*

This would then include a table / list of all DNAs that exist in East Devon at the time and give the total figure for each DNA.

The policy would then cross-refer to a table similar to the summary table (in Figure 2) below for confirmation and interpretation of what the total figures comprise. This would be for the plan period (currently still set at 2020-2040 but subject to change at this stage)

The policy would also state as previously drafted words to the effect that "Where it is not possible to provide a requirement figure for a neighbourhood area, the Local Planning Authority will provide an indicative figure, if requested to do so by the neighbourhood planning body."

We would expect the justification to the policy to make it explicitly clear that there is no expectation for neighbourhood plans to make housing provision to meet the District minimum housing requirement. Also that, if some supply identified within the housing figures does not materialise (e.g. because planning permissions expire) there is no expectation of neighbourhood plans addressing the shortfall by allocating sites for additional housing. The local plan intends to manage risk to deliverability through the amount of housing in local plan allocations.

The map below shows the areas of the district that are currently designated as Neighbourhood Areas and for which a housing requirement figure has been calculated for the two options, based on the data available.

We welcome your views on whether you think Option 1 (as our preferred option) is the most appropriate method to use to give housing requirement for Designated Neighbourhood Areas in the new Local Plan. If you think Option 2 or any of the other rejected alternative options is more appropriate, or if you think there is another alternative option, please tell us why.

To help with consideration of the implications of the options, figures are provided for in Figure 2 overleaf (with more detail about their make up in Appendix F of the Technical paper), These are primarily to illustrate the options and show how it could work in practice. The figures are not however the final figures as they will appear in the Local Plan. They do not include any housing completions or commitments for planning approvals since 01/04/23, nor housing that would be expected to form part of a second new community as the numbers and timing is not available at this time so we cannot yet forecast delivery in the affected DNAs. They also refer to emerging Local Plan allocations as defined as preferred and second choice sites in the December 2022 consultation because no decisions on sites have yet been made. They do not include the further sites being consulted on alongside this consultation.

Figure 2: Designated Neighbourhood Areas Housing Provision Requirement Figures Summary Table (interim figures)

DESIGNATED NEIGHBOURHOOD AREA	Emerging Local Plan Allocations	Adopted Cranbrook Plan Allocations	Neighbourhood Plan* Allocations (w ithout planning permission)	Future Neighbourhood Plan Provision	Completions 01/04/2020 to 31/03/2023	Commitments at 31/03/23	TOTAL DNA Minimum Housing Requirement Figure (OPTION 1)	Windfall allowance	TOTAL DNA Minimum Housing Requirement Figure (OPTION 2)
All Saints	0	0	0	0	2	0	2	8	10
Axminster	1,115	0	0	0	182	140	1,437	108	1,545
Axmouth	0	0	0	0	0	3	3	6	9
Aylesbeare	0	0	0	0	1	6	7	8	15
Beer	0	0	0	0	1	42	43	18	61
Bishops Clyst #	102	0	0	0	10	87	199	20	219
Broadclyst	175	90	44	0	777	1,261	2,347	73	2,420
Broadhembury	10	0	0	0	12	12	34	10	44
Budleigh Salterton	152	0	0	0	38	51	241	75	316
Chardstock	30	0	0	0	0	1	31	12	43
Clyst St. George	580	0	0	0	1	2	583	10	593
Clyst Honiton #	0	0	0	0	1	1	2	4	6
Colyton and Colyford	49	0	0	0	21	87	157	45	202
Cotleigh	0	0	0	0	0	0	0	2	2
Dalw ood	0	0	0	0	0	2	2	6	8
Dunkesw ell	43	0	0	0	4	25	72	26	98
East Budleigh w ith Bicton	0	0	0	0	2	6	8	14	22
Exmouth	730	0	0	0	401	534	1,665	472	2,137
Farringdon #	0	0	0	0	2	3	5	4	9
Feniton	42	0	0	0	14	11	67	26	93
Haw kchurch	38	0	0	0	2	3	43	8	51
Honiton	397	0	0	0	143	147	687	157	844
Kilmington	28	0	24	0	2	2	56	12	68
Luppitt	0	0	0	0	1	1	2	6	8
Lympstone	359	0	0	0	14	113	486	26	512
Membury	0	0	0	0	2	2	4	6	10
Monkton	0	0	0	0	0	0	0	2	2
Newton Popleford and Harpford	0	0	0	0	10	11	21	29	50
Otterton	23	0	0	0	15	2	40	8	48
Ottery St. Mary	416	0	5	0	101	50	572	98	670
Payhembury	0	0	0	0	7	16	23	10	33
Rockbeare	0	780	0	0	14	13	807	12	819
Seaton	217	0	0	0	48	204	469	114	583

DESIGNATED NEIGHBOURHOOD AREA	Emerging Local Plan Allocations	Adopted Cranbrook Plan Allocations	Neighbourhood Plan* Allocations (w ithout planning permission)	Future Neighbourhood Plan Provision	Completions 01/04/2020 to 31/03/2023	Commitments at 31/03/23	TOTAL DNA Minimum Housing Requirement Figure (OPTION 1)	Windfall allow ance	TOTAL DNA Minimum Housing Requirement Figure (OPTION 2)
Sidmouth (including Sidford and Sidbury)	206	0	0	0	64	196	466	204	670
Stockland	0	0	0	0	1	2	3	8	11
Uplyme	0	0	19	0	11	14	44	22	66
Upottery	0	0	0	0	0	2	2	10	12
West Hill	57	0	0	0	2	5	64	26	90
Whimble	33	500	0	0	12	14	559	22	581
Woodbury	354	0	0	0	17	36	407	39	446
Yarcombe	0	0	0	0	1	5	6	6	12
TOTAL MIN HOUSING REQUIREMENT (ALL DNAs)							11,666		13,438

Notes to be read alongside Figure 2 Summary Table

Numbers shown are not final and are all subject to change at this stage.

The table will be updated to align to the emerging Local Plan as decisions are made AND the Annual Housing Monitoring Updates, up to a set point in time when figures will be fixed for inclusion in the final Plan.

Local Plan Allocation means 'preferred' and 'second choice' sites in the December 2022 Regulation 18 draft of the emerging Local Plan.

Housing numbers by DNA are not yet included for the further new community proposed by the draft emerging Local Plan as they are not yet available (for Option 1 which has been agreed by EDDC as the preferred option for further work, the affected DNAs are Bishops Clyst, Farringdon and Clyst Honiton).

Cranbrook Plan Allocations in the adopted Development Plan Document are the 4 Expansion Areas in Policies CB2 to CB5

Neighbourhood Plan Allocation means sites allocated in a Made or 'Recommended for Referendum' Neighbourhood Plan (which has not been wholly completed or consented (committed))

Neighbourhood Plan Allocations consented or completed since 01/04/20 are included in Commitments and Completions figures.

Sites proposed for allocation in emerging Neighbourhood Plans (prior to being Recommended to Referendum) are not included in these minimum figures, and would be additional.

Dwellings completed on sites before 01/04/2020 are not included in the figures as they fall outside the Plan Period of the emerging Local Plan

Major means sites of 10 or more dwellings (gross figure)

Minor means sites of 9 or less dwellings (gross figure)

Windfall allowance means a part of the district windfall allowance apportioned to the DNA using the method set out in the Technical Report

Option 1 is the preferred option for calculating the housing requirement figure for a Designated Neighbourhood Area (based on the sum of all housing supply categories (excluding a windfall allowance)

Option 2 is the alternative option for calculating the housing requirement figure for a Designated Neighbourhood Area (based on the sum of all housing supply categories (including a windfall allowance)

Planning application reference means the 'parent' application for the developed (as referred to in Appendix 2 of the Housing Monitoring Updates published by the Council annually): [Monitoring - East Devon](#)