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Designated Neighbourhood Areas Housing Requirement (DNAHR)

Report summary:

This report follows on from an introductory report on the same topic considered at Strategic Planning Committee in March 2023, regarding the Government's requirement upon us to set a housing requirement figure within the new Local Plan, for each and every one of the Designated Neighbourhood Areas (DNAs) in the District.

It reports back on the findings from initial engagement with town/parish councils and neighbourhood plan groups that Members approved to be undertaken. In the light of that, it proposes and seeks Member approval in principle to a proposed simplified basis for undertaking the next stage of formal consultation on the method for calculating the requirement figures, focusing on two options considered to be the most appropriate and reasonable for East Devon.

It proposes that a further report be brought before Members, prior to the consultation being launched, to share the full documentation to be made available for the consultation, including supporting technical information and a breakdown of the figures for each Designated Neighbourhood Area in East Devon.

Is the proposed decision in accordance with:

Budget Yes No

Policy Framework Yes No

Recommendation:

1. That Committee note the updated information available from the early engagement with parish councils and neighbourhood plan groups to inform consultation on Designated Neighbourhood Area Housing Requirements further to the report on this matter presented to Members in March 2023.
2. That Committee agree that the preferred approach for calculating Designated Neighbourhood Area Housing Requirements for consultation purposes should be based on the housing supply forecast for the period 1 April 2020 to 31 March 2040 excluding an allowance for future windfalls.
3. That Committee agree in principle to the proposed approach to Regulation 18 stage consultation on the method selection for calculating Designated Neighbourhood Area Housing Requirements set out in the report, subject to a technical paper for the consultation including the housing requirement figures for each designated neighbourhood area being agreed by Members prior to the consultation launch.

Reason for recommendation:

To support the preparation of a compliant Local Plan that meets Government requirements and guidance related to designated neighbourhood area housing requirement, and that collects the appropriate evidence to demonstrate this. Also, to fulfil our duty to support neighbourhood planning in our area.

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Portfolio(s) (check which apply):

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

Equalities impact Low Impact

Climate change Low Impact

Risk: Medium Risk; This is a key area to be resolved for the emerging Local Plan to be compliant with national planning policy and support it being found sound at examination. It is also potentially complex and sensitive. There is a need to agree the basis for the consultation so that this can commence as programmed in the Spring. Failure to do so could impact upon plan preparation timetable.

Links to background information [National Planning Policy Framework \(2023\)](#), [Planning Practice Guidance \(Neighbourhood Planning\)](#), [emerging East Devon Local Plan \(Regulation 18 draft\)](#), [adopted East Devon Local Plan \(2013-2031\)](#), [Draft Local Plan Regulation 18 Consultation Feedback Report](#); [EDDC Neighbourhood planning webpages](#); [Commonplace Neighbourhood Plan Intentions Survey](#); [Webinar Presentations](#); [Webinar Q&A](#).

Link to [Council Plan](#)

Priorities (check which apply)

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

1. Introduction and Background

1.1. Local Planning Authorities have been required since 2019 to set a housing requirement figure in Local Plan strategic policy for each of their Designated Neighbourhood Areas (i.e. areas with an approved designation for undertaking neighbourhood planning). These figures can then be used as a basis to inform consideration of housing policies and allocations to be included in neighbourhood plans and relied on as evidence in neighbourhood plan examinations.

- 1.2. The draft Local Plan (Regulation 18 version) signalled that these figures would be included (within strategic policy 3, '*Levels of Future Housing*'), subject to consultation on the methodology for how they would be set.
- 1.3. Committee received a [report](#) on 7 March 2023 which set out the context for this work and identified a range of possible methods that could be used to derive the figures. The report highlighted a lack of clarity and guidance from Government related to the setting and application of these figures and raised a number of inherent and potentially complex and sensitive issues associated with both the principle and the choice of method. Nevertheless, it was clear that we must include and justify Designated Neighbourhood Area Housing Requirement (DNAHR) figures in the new Local Plan in order for it to be found sound at examination.
- 1.4. As part of the preparation for undertaking formal (Regulation 18) consultation on the method choice, Members approved early/advance engagement to be undertaken with town/parish councils and neighbourhood plan groups to help raise awareness and give an understanding of the concept, and help inform our thinking on a suitable approach to take.
- 1.5. This paper reports back on the findings of that engagement, together with an update on on-going research by officers into how this matter is being tackled in other areas and recommends a proposed approach to the formal consultation for Members consideration.
- 1.6. Members should note that since this matter was last discussed, there is now an additional Designated Neighbourhood Area (DNA) in the district (for West Hill parish separate to Ottery St Mary DNA), bringing the total to 41 DNAs. Also, that the publication of the updated National Planning Policy Framework in December did not introduce any changes or bring further clarification to the need to prepare the DNAHR figures. It has, however, put further emphasis on supporting community led housing and extended the period of 'protection' for made neighbourhood plans (from 2 to 5 years). This means that made neighbourhood plans retain significant weight in the consideration of applications for housing in situations where the presumption in favour of sustainable development applies, providing they contain policies and allocations to meet their identified Designated Neighbourhood Area housing requirement. Therefore, it will be important that neighbourhood plans can demonstrate the latter in order to be afforded this protection by the NPPF. This brings a somewhat sharper focus to the potential role and value of our calculations to neighbourhood planning communities.

2. Designated Neighbourhood Area Housing Requirement

- 2.1 By way of reminder and for ease of reference, key aspects of DNAHR that are important for Members to bear in mind in considering the recommendations in this report, are that:
 - a) The approach in the adopted Local Plan where no housing requirement for neighbourhood plans was explicitly stated and a blanket requirement of 'zero' was implicit for all, will not comply with the Government's introduced requirement and guidance on DNAHR for the new Local Plan.
 - b) The figures set for each DNA should reflect and support the overall spatial strategy for the new Local Plan, and taking account of this, and any relevant allocations and key characteristics/assets/constraints, establish the 'scale of housing expected to take place' in each DNA;
 - c) The housing requirement for DNAs must be part of (and not additional to) the overall district housing requirement figure for which the new Local Plan needs to make provision for (and therefore which we will need to justify robustly at examination in order for the Plan to be found sound);

- d) DNAHR figures are an expected minimum – they cannot and will not represent an upper target or maximum level of development in the DNA over the plan period.
- e) DNA Housing Requirement figures must be set within strategic policy and therefore neighbourhood plans would need to be in general conformity;
- f) Neighbourhood plans cannot plan for less housing than the strategic policy sets.
- g) Neighbourhood plan groups are encouraged by Government to plan to meet or exceed their housing requirement figure, but there remains no obligation to prepare or review a neighbourhood plan or for one to make allocations for housing;
- h) The figures should provide a basis and a degree of certainty for neighbourhood plan bodies in considering what housing policies and allocations they may wish to include/make in their own plans, and potentially lessen the burden of evidence on them (as they would not be expected to need re-testing at individual neighbourhood plan examinations unless new evidence was presented);
- i) There is no prescribed method or established 'norm' for setting DNAHR figures – instead there are a number of potential method options.

3. Approach taken in East Devon to date

- 3.1 The approach to date in the emerging new Local Plan continues the approach taken under the adopted plan, with the Local Plan taking the responsibility for doing the 'heavy lifting' and proposing allocations sufficient to provide in full for the (net) minimum district housing requirement (with a supply 'headroom' to manage risk).
- 3.2 In East Devon, we have not sought (and are currently not proposing) to rely on emerging and future new or updated neighbourhood plans to make allocations in order to meet our minimum housing requirement. The onus is therefore on us as LPA to evidence deliverability through robust technical evidence, to be rigorously tested at examination and monitored and reported on annually.
- 3.3 Sites that come forward during the plan period of the adopted plan through neighbourhood plans have been additional to the forecast supply to meet the minimum district requirement (i.e. effectively seen as a 'bonus' in supplementing supply). The adopted (and emerging) Local Plan include various provisions to allow for neighbourhood plans to make allocations in addition to the local plan to meet locally identified communities needs/priorities and preferences. For these, they need proportionate evidence and face less onerous testing at examination.
- 3.4 Under the adopted Local Plan, there has been a significant participation by communities in the neighbourhood planning (with 27 made plans currently). Of these, 6 (just over one-fifth) have chosen to make allocations for housing (for a combined total of c.160 homes), with 2 more emerging neighbourhood plans known to be advanced in work to allocate sites. The potential to place more expectation and onus on communities to identify and allocate sites to meet our minimum district housing requirement was one aspect explored through the engagement exercises. Members views on this are sought as part of the discussion on this paper.

4. Local Plan Consultation Feedback

- 4.1. Members should be aware that comments were made in the December 2022 Regulation 18 consultation relevant to DNAHR and included in the substantial feedback report brought before Members in July 2023. These included:

- Commonly raised concern about the level of housing proposed and calls for a greater say by communities on development in their areas and greater adherence to what neighbourhood plans say;
- Comment that the Local Plan allocations were undermining the community control intention of the localism agenda and pre-judging local community requirements.
- Some general support (particularly from developers / landowners) regarding the intention to include a minimum housing requirement for DNAs in strategic policy, subject to consultation on the method.

4.2. Of specific relevance to method selection;

- there was a concern raised from one parish that if allocations made through a neighbourhood plan were seen as additional windfall development this could remove the incentive for neighbourhood plans to make allocations and so they should count against the minimum housing requirement figures expected to be delivered in that area.
- Call for figures set to be realistic to help avoid speculative development in unsuitable locations.

5. Early Engagement to Inform Method Consultation

5.1. The engagement exercises to inform how we might approach setting DNAHR comprised of a webinar (held in June 2023) and a survey (autumn/winter 2023). Whilst the primary target audience has been communities with an existing DNA, both were widely promoted to include all town & parish councils as they are all potential neighbourhood planning bodies and this helps to maintain a level playing field across the district in engagement and information sharing in respect of the Local Plan.

5.2. In addition, to the webinar and survey, it should be noted that the Council's dedicated neighbourhood planning officer has continued (and is continuing) to liaise with and support individual neighbourhood plan groups in assisting with considering the relationship with the emerging Local Plan. This is an on-going work area as part of our duty to support neighbourhood planning which has also fed into the proposed approach to the consultation.

Webinar

5.3. 40 delegates joined the webinar, between them representing more than half (23 out of the 40) of our Designated Neighbourhood Areas, including the majority (7 out of 8) of those with experience in making, or actively progressing work towards, site allocations.

5.4. Officers presented an introduction to the DNAHR topic and overview of the potential options and implications (as identified in the March 2023 Committee Report). This led into an open facilitated discussion to tease out initial thoughts / appetite from communities for taking on a greater role through neighbourhood plans (than currently envisaged by EDDC in the draft LP) for allocating sites.

5.5. The discussion did not indicate any strong appetite for neighbourhood plans to take greater control of making allocations. There was some doubt voiced as to whether there would in fact be any merit in NPs making allocations, given the lead on this that the emerging Local Plan has already taken thus far, and bearing in mind the unpopularity of many of the sites/proposed levels of growth in many communities. Overall, there was much more concern about how to ensure allocations made via the Local Plan would address local community needs, including the role neighbourhood plan policies and local housing needs assessments could play.

- 5.6. There was an acute awareness expressed, including by those with experience, of the amount of work involved by communities if they wish to make site allocations, and the need for support with this process. There was also a recognition in the discussion of the wide variety of experience and situations with regard to neighbourhood plan making across different parishes/communities and the issue this would present for selecting a single method for the DNAHR for the district.
- 5.7. Critically, it became clear from the webinar that the DNAHR topic itself and the presentation and scrutinization of multiple and seemingly rather nuanced options for calculating it broken down by different aspects of housing supply, was likely to be overly complex and technical, and would need to be considerably simplified to enable meaningful engagement in the public consultation.
- 5.8. This can be summed up by the following quote captured in the notes made by a delegate involved in neighbourhood plan preparation as follows:
- 5.9. *“Mindful of the limited capacity and professional planning knowledge in NP groups, the very different circumstances in different areas where NP work exists, and the complexity of the topic, can this be kept as simple as possible and agree that the approach would need to be the same across all of the parishes for consistency and to avoid over-burdening NP groups and the NP process? Also need to be mindful that there can be enough difficulty in preparing a neighbourhood plan and getting agreement between the local planning authority and the local community about what development is appropriate locally and that this will add extra complexity and challenge, particularly in explaining and consulting on the concept of Designated Neighbourhood Area Housing Requirement figures through any public consultation....”*
- 5.10. Officers agreed the need to endeavour to keep the consultation as straightforward as possible, and to give further consideration to this and consider any further thoughts from delegates. The presentations and notes from the webinar were supplied to all who attended and all town/parish clerks.

Neighbourhood Plan Intentions Survey

- 5.11. The survey sought to provide an up-to-date picture of neighbourhood planning across east Devon (in communities with and without DNAs / neighbourhood planning experience) to help inform the on-going preparation of the Local Plan, including the approach to DNAHR¹. Building on the discussion at the webinar, it sought to further test the appetite and intention for NPs regarding make housing allocations. It also gathered data on the progress with delivery of sites already allocated in NPs.
- 5.12. There was a good response rate, with 45 surveys returned for 43 parishes. These cover the full spectrum of neighbourhood plan experience across the district, including responses from 32 out of our 41 towns/parishes who currently have a DNA, and 11 with no DNA at present.
- 5.13. Analysis of the responses revealed considerable differences based on experience of neighbourhood planning experience to date, identified interest/likelihood of pursuing new or

¹ (Note: the opportunity was taken through the survey to gather more general information and feedback from communities to help increase our understanding of their needs/aspirations, issues and support needs in respect of neighbourhood planning. This data is still being analysed and considered as to how it might shape our on-going neighbourhood planning support function and a report will be brought to a future meeting on this matter.)

updated plans in the foreseeable future, levels of development pressure experienced, and the nature/perceived impact of the strategy/ proposals in the emerging Local Plan.

5.14. Key messages from the analysis of relevance to DNAHR are:

- a) Almost all town/parish councils with a 'made' plan responding to the survey indicated they either are currently (or have intention within the next 3 years) to review their neighbourhood plans:
 - mostly related to the changing national and local plan policies, but also desire to improve effectiveness of plan policies and address areas where plans have become outdated.
 - Not all yet know if they expect to submit a revised plan as a result of reviews, as this will depend on the findings (and final content of the new Local Plan).
 - 7 (mostly already emerging plans) expect to submit a new or updated plan before the new Local Plan is adopted, with indications that a further 8 would expect to do so within 3 years but after Local Plan adoption.
 - Little indication that areas currently without a DNA would be likely to pursue neighbourhood plan preparation due largely to there being no identified imperative to do so (only one parish currently actively considering this).

- b) Of the 25 responses to whether new emerging or updated plans (to be progressed within the next 3 years) will make allocations for housing, 9 parish councils indicated this to be either likely or very likely:
 - Roughly half of these had previously made allocations in made neighbourhood plans and progress reported on delivery of those sites was mixed but generally positive.
 - 4 would be expecting to submit their Plans before the new Local Plan is adopted but noted only 2 are well advanced in this process. To note depending on timing of submission, they may still be examined under the adopted Local Plan to 2031 only.
 - As might be expected, some parishes (7no) indicated they were currently unsure as to whether their plans would seek to include allocations.
 - 10 respondents reported making housing allocations was considered unlikely (1) or very unlikely (9).

- c) In more general terms, 13 responses recorded an interest in 'securing new housing of any kind (including affordable or self-build homes)' and 15 responses of 'progressing delivering community-led development (e.g. affordable housing via a Community Land Trust (or a renewable energy scheme)'. However, these expressions of interest do not necessarily align with stated known intent at this current time around making allocations.

- d) Regarding evidence of communities feeling the need and motivation to undertake neighbourhood planning activity, including proposing site allocations, the survey indicates that this is being particularly affected by:
 - the proposals in the emerging Local Plan, including the scale of development proposed in some areas and the general uncertainty about the eventual plan content in many cases (*the latter reported as the biggest issue/barrier to neighbourhood planning, recorded as such by 68% of respondents*) and;

- the amount of local resource (especially volunteer time) needed to prepare a new or updated neighbourhood plan in itself (recorded by 55% of respondents), and considerations of this being weighed up alongside some concern/doubt about the influence/weight the neighbourhood plan is likely to have on development and in planning decisions in the plan area.
- Survey responses also pointed to other constraints on the ability/will to make allocations for housing, including a lack of suitable sites; being within the AONB (National Landscapes), capacity of road and other infrastructure. In the more rural areas, where growth is not proposed through the Local Plan there was generally less of a need identified / desire to pursue production of a neighbourhood plan, including in some cases where work had progressed to some extent in the past.
- Despite all of this several communities are continuing to pursue allocations via neighbourhood plans despite and in some cases in response to the emerging Local Plan, and to meet specific identified community needs.

6. Update on Lessons and Experience from other Local Plans

- 6.1 The previous report in March 2023 advised Committee that other Local Planning Authorities have used a range of methods to calculate housing requirements for Designated Neighbourhood Areas in Local Plans, some of which Officers would not recommend. The variation is due in part to imprecise NPPF wording and limited guidance in PPG, and in part to local circumstances specific to those areas.
- 6.2 Given the relatively recent requirement to include DNAHR in Local Plans as well as delays in local plan making in response to the uncertainty and Government consultations regarding changes to the planning system, there remain a limited number of adopted (or very advanced) plans with DNA housing requirements at this time.
- 6.3 Officers continued investigations indicate however that whilst local plan Inspectors ask questions about the methods used and the resultant figures, the level of scrutiny of DNAHR appears to be considerably less than the scrutiny given to the district requirement, with Inspectors largely accepting the various approaches.
- 6.4 Officers will continue to follow relevant Local Plans currently at examination but would suggest that providing we can robustly evidence how we can achieve / deliver on our minimum district housing requirement, we have some flexibility in how we approach DNAHR, providing it can be justified and complies with NPPF and PPG requirements.

7. Proposed Approach to the Regulation 18 Consultation on Method Options

Overall Approach

- 7.1 Based on all of the above, Officers propose to keep the consultation as simple and straightforward as possible by focussing in on methods which are considered best suited to the circumstances in East Devon; which present as clear, transparent and realistic a picture as possible of the 'expected scale of development' in each of our DNAs, including recognising development in neighbourhood plans that are made (or sufficiently advanced), whilst not placing an unrealistic expectation and burden on future neighbourhood plans to allocate sites for housing to meet the minimum district housing requirement.
- 7.2 Officers recommend that the Local Planning Authority consults on a much-reduced set of options compared to that set out in Table 1 of the March 2023 report.
- 7.3 Options are considered to be 'reasonable alternatives' in East Devon because they match all the following criteria, as set out in the March 2023 report:

- i. They are consistent with NPPF and PPG
- ii. They are simple, transparent, not misleading, and easy to understand and use for plan-making, development management and development monitoring.
- iii. They enable neighbourhood plans to encompass housing provision, including supply on deliverable housing site allocations
- iv. They support the strategic vision, objectives and spatial strategy for growth and development, and tested against sustainability objectives
- v. They can be justified by evidence and can enable progress against the DNAHR to be monitored in the future.

7.4 The options considered are as set out in the March 2023 report (table 1). No further discrete method options have been identified from the on-going investigations of officers since then although minor variations were detected.

7.5 Officers recommend 2 that are reasonable alternatives; one of which is recommended as the preferred option, the other is recommended as rejected at this time.

7.6 The two reasonable alternative options that Members are asked to consider today for use in the consultation are both 'supply based', as follows:

OPTION 1 All housing supply forecast for the period 1 April 2020 to 31 March 2040 excluding an allowance for future windfalls (recommended as the preferred option)

OPTION 2 All housing supply forecast for the period 1 April 2020 to 31 March 2040 including an allowance for future windfalls (recommended as the rejected option)

7.7 These options would include homes that have been completed, consented and allocated whether through the Local Plan or through a made neighbourhood plan or a neighbourhood plan awaiting a referendum. This approach would continue to give neighbourhood planning groups the option as to whether they make allocations for additional homes in excess of those already being supplied but there would be no requirement for them to do so. As a result, the Local Plan would continue to do the "heavy lifting" in terms of allocating land for housing and the onus would remain on EDDC to demonstrate that sites are deliverable rather than placing any responsibility for this onto neighbourhood planning groups. If we were to rely on allocations within neighbourhood plans to meet the overall housing requirement, then this would call into question the capacity and ability of neighbourhood planning groups to undertake this work and for development to be delivered as a result. From the consultation work it is felt that this could put significant and unwelcome pressure on at least some neighbourhood planning groups and is not therefore favoured.

7.8 The variable between the two reasonable alternative options is whether windfalls are included which brings its own complexities as explained later in this report.

7.9 Table 1 below is shown to aid understanding of the above points, and illustrate how DNAHR figures would be comprised and presented in simple summary terms. Please note that more detailed workings would sit behind this (as illustrated in the Annex to this report and that all figures are for illustrative purposes only). The preferred option DNAHR figures would be the total that excludes the apportioned windfall allowance. The rejected alternative option DNAHR figures would be the total that includes the apportioned windfall allowance.

TABLE 1 : FORECAST SUPPLY IN PLAN PERIOD	DNA 'X' Rural with large settlement)	DNA 'Y' (Rural with no settlement in hierarchy)	DNA 'Z' (including Town in settlement hierarchy)
Emerging LP Allocations	155	0	460
Made NP Allocations (without planning permission)	6	0	6
Completions 01/04/2020 to 31/03/2024	17	14	238
Commitments at 31/03/24	12	2	89
PREFERRED OPTION 1 SUPPLY TOTAL (excluding windfall allowance)	190	16	793
<i>Apportioned Windfall Allowance</i>	<i>25</i>	<i>5</i>	<i>210</i>
REJECTED OPTION 2 SUPPLY TOTAL (including windfall allowance)	215	21	1003

7.10 It should also be noted that when assessing supply within DNA boundaries, we will need to consider how to apportion supply between DNAs where sites with planning permissions, resolution to grant or allocations straddle the DNA boundaries. The complexity of the 2nd new community, and the fact that the work on developing the proposal is still at an early stage means that the Technical Report will not be able to include DNA-specific figures for the 2nd new community for the Spring 2024 consultation. This will be made clear in the consultation material. However, a DNA apportionment would need to be evidenced in time to justify the DNAHR figures in the Regulation 19 Plan, if Members endorse the Preferred option.

7.11 Members should also note that one consequence of using supply categories to justify the DNAHR figures means that it is unlikely that any DNAHR will have a zero figure, as there are small sites with completions and commitments across the district that are effectively 'givens' in the DNAHR justification. Nevertheless, we would still anticipate that DNAHR figures will be low for the more rural Designated Neighbourhood Areas.

Other supply-based options

7.12 Other 'supply based' options would comprise including only some of the total supply categories, each with variations for a possible windfall allowance. They include:

- Excluding the 'givens' (i.e. dwellings already built since 2020 (completions) and dwellings with planning consent (at the 2023 monitoring point that have not yet been built but are forecast to be completed by 2040). The Cranbrook Plan allocations are also 'givens'. This options leaves only the emerging local plan allocations, windfalls and possible future Neighbourhood Plan allocations in plans not yet made (and not yet at the stage of recommended for referendum).
- Local Plan allocations and commitments only
- Local Plan allocations only

- Neighbourhood Plan allocations only

- 7.13 The 'givens' are already known and cannot be influenced by future neighbourhood planning activity, unless potentially applications to vary or supersede existing permissions are made OR permissions expire. In the case of the latter, the consultation could test, and the eventual reasoned justification of the policy would need to be clear, any implications on neighbourhood plans to meet any shortfall arising.
- 7.14 These options would only be reasonable alternatives if it is clear and easily understood for neighbourhood plan making purposes that a variety of supply categories are not included. The policy can state which supply sources are included and the reasoned justification of the plan provide more explanation. However, the more categories that are omitted, the less transparent the DNAHR figure may appear to the local communities regarding what growth is 'expected'.
- 7.15 Furthermore, the supply picture within East Devon can be complex, where housing growth in some settlements is actually located in an adjoining DNA. So, the figures of these other supply-based options may not be easily understood without recourse to technical evidence and the detailed policy and justification, and therefore they would be more difficult to use for neighbourhood planning in this district.
- 7.16 Reliance on Neighbourhood Plan allocations is particularly challenging when the LPA has to evidence the achievability and deliverability of forecast supply for Local Plan purposes. Using just Neighbourhood Plan allocations is potentially a different interpretation of the Government guidance in terms of what development is expected through the neighbourhood plan process only.
- 7.17 The planning judgement is that the other supply-based options would not be reasonable alternatives. However, these options will be set out in the Technical Report and therefore available during the Spring Consultation, if participants wish to comment on them.

Other options (not supply-based)

- 7.18 Other options for justifying the DNAHR figures are based on population and/or percentage of total growth theoretically apportioned across the district without specific reference to forecast future housing supply.
- 7.19 They are a top-down approach that is more about mathematical apportionment, and does not take account of any specific physical, environmental or infrastructure constraints to future growth in a DNA.
- 7.20 These are inherently more difficult to justify and to monitor. They can easily depart from the spatial strategy which reflects more specific circumstances and detailed evidence to justify the supply forecasts. These options are not considered to be reasonable alternatives for the circumstances of East Devon. However, those options will be set out in the Technical Report and therefore available during the Spring Consultation, if participants wish to comment on them. They will also be able to identify other alternative options themselves and put these forward for our consideration.

CONSULTATION OPTIONS

7.21 The focus is therefore recommended to be on a comprehensive supply-side method to calculate the DNAHR figures. It could be based on all supply categories that gives as complete a picture as possible for which robust evidence exists or can reasonably be robustly evidenced at the Local Plan examination (anticipated to take place during 2025). This is the approach accepted in the Central Lincolnshire Local Plan (adopted) and Mole Valley District (Main Modifications published – but yet to be consulted on).

7.22 Alternatively all supply excluding windfalls could provide a sound basis as used in the adopted Babergh and Mid Suffolk Joint Local Plan.

Recommended Preferred Option – Reasonable Alternative

7.23 Officers recommend that the preferred option would be to include all supply categories except an allowance for windfalls.

7.24 The advantages of omitting projected windfall supply (on non-garden land sites of 20 or less dwellings) from the DNA requirement figures are that it removes risk because it:

- Avoids the difficulties of apportioning a basic windfall projection rate to the DNAs;
- Avoids the problems associated with the evidence work to justify this;
- Removes the potential for assertions of ‘spurious accuracy’, particularly in the smaller DNAs where windfall numbers are low, and;
- Is potentially simpler and may be easier to understand.

7.25 However, if the windfall supply is excluded, there is a risk that the DNA housing requirement for the plan period is seen as incomplete and therefore potentially misleading about the expected scale of development.

Proposed Reasonable Alternative - Rejected

7.26 It is important to consider the alternative option of including windfalls as a reasonable alternative. Based on the following assessment of advantages and disadvantages, Officers consider that the main reasonable alternative to the preferred approach is to add an apportioned windfall allowance to the other supply categories forecast for delivery in the DNA in the plan period, that are in the preferred option.

7.27 As noted in the March 2023 report, windfalls are inherently difficult to forecast at small levels of geography, but it can be done, and their inclusion would give a more complete picture. They are part of the complete supply picture. The Local Plan depends on an allowance for projected small site windfall delivery as part of forecast supply so that supply meets the district housing requirement and provides some headroom. Windfalls will continue to occur and NPPF requires the local plan to provide policy so that windfalls can come forward in accordance with the spatial strategy and planning policies.

7.28 There are risks with forecasting and counting windfalls:-

- The numbers, locations, mix and timing are not predictable, as actual future windfalls are unknown at this time.
- The LPA forecasts small windfall allowance across the plan period – but only at district level currently. Justifying a windfall supply forecast at the DNA level for the plan period can be tricky and would require a method to apportion the basic district windfall projection (currently 138/year) between the DNAs and the other parishes in East Devon. The simplest way would be to use past completions in the DNA as a

proportion of windfalls in the district. The resultant percentage is then applied to the district basic windfall projection rate to give a DNA projection rate. We then discount relevant windfall commitments in the DNA to avoid double-counting.

- The difficulty of accurately forecasting windfall allowance at DNA level and the evidence to justify the allowance and the related DNAHR is likely to be tested at LP examination
- Other ways to apportion the basic windfall projection would be more complex and could be challenged.
- There is a risk that windfalls may not continue to come forward at historic rates, which could be influenced by various factors, including the availability and delivery of allocated housing sites.
- Notwithstanding that NPPF/PPG make clear that DNA housing requirements are minimums, there is a risk that communities may want to use the total DNA windfall projections to seek to prevent additional speculative windfall development.
- Including a windfall allowance in the DNAHR may also be seen as unnecessary, as these will happen, and there could be supply category overlaps, from the uncertainty over whether future Neighbourhood Plan allocations (not yet identified) might otherwise come forward as these types of windfalls.

Consultation Material

- 7.29 It is proposed that the consultation includes a straightforward non-technical summary explanation of DNAHR including why we need to include it in the Local Plan and our proposed preferred option for doing so, alongside the reasonable alternatives, supported by:
- i. Summary table giving figures for each DNA to give an indication of what this means for their areas, and;
 - ii. Technical Report which would include and explore in more detail all options identified (including rejected options) and set this in the context of NPPF and PPGs, the recent experience of other Local Plans including Inspectors' conclusions, and evidence currently available about supply categories. This will also detail how the district windfall allowance could be apportioned to Designated Neighbourhood Areas.
- 7.30 To illustrate what the table for each DNA might look like, an illustrative example of how Officers propose that the data for a fictitious example is appended for Members consideration (See Annex 1). If the template is approved for use, it is recommended that the template is used for each of the 41 DNAs and populated with each DNA's figures as they stand at the 2023 Monitoring Point and based on the Local Plan allocations as included in the December 2022 Regulation 18 consultation.
- 7.31 Presenting the data in this way, alongside the consultation questions, should assist all consultees to consider and comment on variations based on their own consideration of how the housing supply categories apply to their area/interest.
- 7.32 It is however critically important for Members to note - and for the consultation to make very clear - that the figures presented will all be subject to change and should not be read as the final numbers. This is because the data currently available is from the 2023 monitoring point for the annual Housing Monitoring Update and the Local Plan allocation sites as at December 2022 Regulation 18 consultation. It is not proposed to include the figures from

any new sites being consulted on as the assessment work for those is still underway and to do so would delay the start of this consultation and potentially impact the Local Plan timetable. In addition, although it will be referenced, no figures are yet available for the new community by affected Designated Neighbourhood Area because the master planning work is not sufficiently advanced.

- 7.33 The DNAHR figures for inclusion in the final Publication Version (Regulation 19) (due to be published later this year) will differ from the consultation DNAHR figures, and they can only be finalised when:
- The Regulation 19 Local Plan site allocations (& site capacities) are confirmed for inclusion in the plan;
 - Broader locations and phasing of housing development at the new community is available from the masterplanning work;
 - Completions and commitments (& windfalls allowance) data are recalculated based on 2024 Monitoring Point data; and
 - Any allocation sites in neighbourhood plans made or examined since are reconsidered.

8. Next Steps

- 8.1 If Members approve the proposed approach set out above to the consultation on method selection for the calculation of DNAHR, the full draft material for that consultation, including technical supporting paper and the detailed breakdown of the figures for each DNA, will be brought back to Committee before the consultation is launched.
- 8.2 It is proposed that the consultation on the method be open for 6 weeks under Regulation 18, alongside the other forthcoming Regulation 18 consultations on other Local Plan matters scheduled to take place during March/April 2024. It is intended that a further webinar be held at the start of the consultation to help support our town/parish councils and neighbourhood planning groups with considering the implications of the DNAHR proposals and their responses to both this and the other Regulation 18 consultations, as well as discuss progress with the Local Plan more generally.
- 8.3 The results of the consultation will be analysed and reported on to members at the earliest opportunity after the consultation has closed, with a final recommendation on the method to be used.

Financial implications:

There are no financial implications.

Legal implications:

There are no legal implications other than as set out in the report.