1. Introduction

This paper has been prepared by PER Consulting Ltd. on behalf of the Heart of the South West Joint Committee to examine the current position in terms of housing and planning delivery across the area. The analysis builds on conversations with each Local Authority together with specific desk research and examination of local monitoring reports.

2. Local Plan Status

The whole region benefits from complete coverage of adopted Local Plans with a number of new plans emerging which reflect more recent government guidance.

- Most up to date Plans –
  Plymouth & SW Devon – Adoption expected Dec 2018
  Sedgemoor – Final Mods Consultation expect Adoption expected early 2019
  North Devon & Torridge – Final Modifications Consultation – adopt 2019
- Emerging Strategy - Greater Exeter Strategic Plan – Issues 2017
  South Somerset Issues Consultation Jan 18 & Preferred Options expected early 2019
- Most Dated Plan - Taunton Deane Adopted 2012 pre-dates the NPPF
- Torbay - Site allocations devolved to Neighbourhood Plans
  No allocations proposed in Paignton will be problematic in future
- Mendip - Part 2 allocations submission expected in Autumn 2018
  Full Review of Plan expected to start in 2019

3. Growth Ambitions

- All areas have confirmed a positive, pro-growth ambition. Increasingly seeing stronger integration between Planning & Economic Development Teams encouraging both Housing and Economic Growth in local authority areas. Although occasionally the wider policy ambition doesn't always filter through to local planning committees in determining local applications (even if compliant with Local Plans).
- Taunton Deane plan provides for the highest level of projected growth in the region - 35% growth in housing stock over the plan period 2008-2029 with a step-change in annual delivery programmed from 2016 on.
- GESP and Sedgemoor's latest draft plan both propose around 27% housing growth.
- Most other areas target c20% growth.
- West Somerset provides for 16% growth over the period 2012-2032.
- Plymouth & SW Devon plan for 15% increase in housing 2014-2034; albeit against a larger stock of existing housing. Land supply also identified to exceed the plan target.
- Torbay has a 14% housing growth target over the period 2012-2030.

4. Delivery Against Plan Targets

- Housing Delivery across HotSW is currently around 91% of annualised targets.

Table 1: Housing Completions

	Average Annual Completions		
	Plan Target	Latest Actuals	% difference
Plymouth & SW Devon	1335	1345	101%
Somerset Districts	2451	2373	97%
Greater Exeter Strategic Plan Area	2510	2384	95%
Torbay (initially 12/17)	400	356	89%
N Devon & Torridge	861	586	68%
Total HotSW	**7751**	**7044**	**91%**

Note: Figures refer to varying timescales across each area

- Housing completion figures **exclude** student housing.
- Within GESP – Teignbridge has achieved 10% **above** annual target.
- Mid Devon is achieving 83%, East Devon 77% and Exeter, 75% of annual targets. Although Exeter would increase to 10% over-delivery if student housing included.
- Similarly, including student housing, Plymouth would increase to 10% above annual target.
- Within Somerset – Sedgemoor and Mendip delivering above targets (+13% and +6% respectively) with Taunton Deane achieving 97% delivery against a stepped target figure.
- Areas currently below target are South Somerset and West Somerset, both around 86% of current plan targets.
- NPPF 2018 establishes the **Housing Delivery Test (HDT) target of 95%** of planned provision on a rolling three-year average basis to be published annually from November 2018.
- LA's that fail the HDT will need to prepare Housing Action Plans for each site. If below 85% delivery, then a 20% buffer needs to be applied to the 5-year housing land supply calculations. From 2020, failure to deliver 75% of planned housing target will mean planning applications must be determined in line with NPPF rather than specific local policies (presumption in favour of sustainable development Para 11 of NPPT 2018). This can impact on design quality and integration with existing local communities.
- Although the above analysis is not wholly consistent with the HDT method it highlights some areas for potential concern going forward.

5. Future Housing Need – Standard Methodology

- NPPF 2018 confirms the Standard Methodology for assessing local housing need involving:
  - ➢ Baseline need using national household growth projections (revised forecasts expected Sept 2018).
  - ➢ Adjustment accounting for local affordability (ratio of house prices/earnings) – household growth increased 0.25% for each 1% increase in affordability ratio above 4.
  - ➢ Uplift capped at 40% if local policies reviewed in last five years.
- MHCLG estimates of impact using 2017 affordability ratios – show **increased housing need** in most areas putting further pressure on housing delivery.
- Population & Household Projections due out in Sept 2018 and expected to be lower than previous forecasts. Indications, however, that Government will seek to adjust the Standard Method to maintain national housing targets.
- Plymouth & SW Devon appears to be broadly consistent with expected need from standard methodology if assessed at the plan-wide area. Greater Exeter Plan will begin to set new targets in line with latest method, but meanwhile individual LA's will need to monitor existing needs carefully.

- Both Taunton Deane and North Devon & Torridge appear to have lower housing needs than current plan targets. It is understood the HDT will apply to the Standard Needs figure rather than any increased planning target.

6. Five Year Housing Land Supply

- Most authorities across the HotSW can demonstrate a Five-Year Housing Land Supply against current housing requirements.
- The main areas of concern are:

  Exeter 2.3 Years with 20% buffer and excluding Student Housing (although they can show more than five years if include purpose-built student housing)

  Mid Devon 4 Years with a 20% buffer due to past under-delivery

  Torbay 4.2 Years with only a 5% buffer but may escape the need for a 20% buffer.

  South Somerset has 4.3 Years supply with a 20% buffer against the current adopted Plan.

- Failure to maintain a Five-Year Housing Land Supply undermines an LPA's position at planning appeals with determination based primarily on Para 11 of the NPPF 2018 "in favour of sustainable development".
- The 20% buffer is required where there has been consistent under-delivery. Combined with the need to catch up on delivery in the five-year period compounds the difficulty of achieving an effective five-year land supply.

7. Planning Performance – Major Applications

- Government regulations have been established to monitor both the speed and quality of planning decisions taken by Local Planning Authorities (LPA). The current performance threshold is for 60% of all major planning applications and 70% of all non-major applications to be determined with the statutory time or an extended period where agreed with the applicant; monitored over a two-year period.
- The current statutory time period is 8 weeks for minor and 13 weeks for major planning applications. Major planning applications are defined as 10+ residential units or 1,000 m^2 or more of commercial development.
- In terms of the "quality" of planning decisions, this is based on the proportion of decisions that are subsequently over-turned at appeal; with a target threshold of 10% of applications being over turned.
- LPA's failing on either target may be "designated" by Government as "under-performing" with applicants being permitted to apply directly to the Planning Inspectorate (on behalf of the Secretary of State) to determine applications in the category of designation.
- Designated authorities are required to prepare an action plan for improvement with performance being reviewed annually to decide whether or not to lift the designation. No Councils in the South West have as yet been "designated" under the regulations.
- Table 2 overleaf, summarises the latest available planning performance data for the HotSW LPA's over the two-year period to end of March 2018 in terms of the speed of determining major planning applications.

Table 2: Speed of Major Planning Decisions

24 months to end March 2018	Number of Major Decisions	Ratio per 1,000 head of Popn	% within 13 Weeks	% within other agreed timetable	% overall	
Plymouth	105	0.40	37.1%	62.9%	100.0%	Top Quartile
Sedgemoor	95	0.78	52.6%	47.4%	100.0%	
Mendip	115	1.01	38.3%	57.4%	95.7%	
Torbay	41	0.30	17.1%	78.0%	95.1%	
South Hams	61	0.72	11.5%	81.9%	93.4%	Second Quartile
Taunton Deane	68	0.58	45.6%	47.0%	92.6%	
Exmoor NP	12	1.13	50.0%	41.7%	91.7%	
West Devon	24	0.43	16.7%	75.0%	91.7%	
Mid Devon	53	0.66	39.6%	47.2%	86.8%	Third Quartile
North Devon	91	0.95	23.1%	62.6%	85.7%	
Dartmoor NP	6	0.19	16.7%	66.6%	83.3%	
West Somerset	10	0.29	13.7%	65.6%	79.5%	Bottom Quartile
Teignbridge	73	0.56	13.7%	65.8%	79.5%	
South Somerset	149	0.89	32.9%	46.3%	79.2%	
Torridge	70	1.03	24.3%	47.1%	71.4%	
East Devon	152	1.07	21.7%	49.4%	71.1%	
Exeter	78	0.61	21.8%	44.9%	66.7%	
England			**34.1%**	**53.2%**	**87.3%**	
Gov Target					**60%**	

Source: MHCLG Table P151

- Both Plymouth and Sedgemoor achieved 100% of applications determined within either the statutory or otherwise agreed timescales.
- Notably, over 50% of Sedgemoor's were determined within the statutory 13-week period and the Council has overseen the National Strategic Infrastructure Project consent process for Hinkley.
- Mendip and Torbay also performed strongly and sit in the Top Quartile across England in terms of the speed of planning decisions taken.
- When benchmarked against the size of the local population, Mendip, together with other rural authorities Torridge, East Devon and Exmoor NP received a higher proportion of major applications than might otherwise be expected. (>1 per 1,000 population)
- The term "major' does however embrace anything over 10 residential units with very different challenges involved in determining what might be considered "strategic scale" housing developments in some other growth areas.
- None of the HotSW LPA's fall below the Government target of 60% determination; although Exeter could be viewed at risk of running closest to the threshold at 66.7%.
- More than half (9 out of 17) of the LPA's in the region come below the overall average across England of 87.3% determination with the statutory or otherwise agreed period.
- Table 3 overleaf, summarises the latest available planning performance data for the HotSW LPA's over the two-year period to end of March 2017 in terms of the quality of determining major planning applications, as suggested by the number of decisions over-turned at appeal.
- There were no major planning appeals in Exmoor or Exeter in the two-year period to March 2017 and only 4 appeals in Sedgemoor and 2 in Dartmoor - none of which were over-turned.

- There are 6 LPA's in the region where around 5-6% of decisions have been over-turned at appeal; including Torbay, West Somerset, North Devon, Torridge, Mendip and South Hams.
- Just over 9% of decisions were overturned in South Somerset and 14% in West Devon which exceeded the Government target of 10% for consideration for special designation.
- Although not possible to comment on the specifics within the cases included in the government monitoring data, recent research conducted by planning consultants, Litchfields, found that decisions taken against officer advice were 60% more likely to be overturned at appeal.

Table 3: Quality of Major Planning Decisions

24 months to end March 2017	Number of Major Schemes	Total Major Appeals	% taken to appeal	Decisions over-turned	% overturned at appeal
Exmoor NP	8	0	0%	0	0.0%
Exeter	84	0	0%	0	0.0%
Dartmoor NP	9	2	22%	0	0.0%
Sedgemoor	92	4	4%	0	0.0%
East Devon	185	14	8%	3	1.6%
Taunton Deane	89	5	6%	2	2.2%
Teignbridge	80	7	9%	3	3.8%
Mid Devon	46	5	11%	2	4.3%
Plymouth	114	7	6%	5	4.4%
Torbay	42	4	10%	2	4.8%
West Somerset	21	3	14%	1	4.8%
North Devon	93	8	9%	5	5.4%
Torridge	55	9	16%	3	5.5%
Mendip	123	8	7%	7	5.7%
South Hams	67	6	9%	4	6.0%
South Somerset	161	24	15%	15	9.3%
West Devon	21	6	29%	3	14.3%
England				**34.1%**	**2.5%**
Gov Target					**10.0%**

Source: MHCLG Table P152 (Experimental Statistics)

- Although the numbers may be low, some 29% of all major applications in West Devon were taken to appeal; half of which were found in favour of the applicant.
- Around 14-16% of all major applications were taken to appeal in South Somerset, Torridge and West Somerset.
- Between 9 and 11% of major schemes were appealed in Teignbridge, South Hams, Torbay and Mid Devon.
- Although only 8 (7%) major applications in Mendip were taken to appeal, 7 of them were found in favour of the applicant (88% of the total appeals against the LPA decision).
- The appeal process is of course both costly and distracting for LPA's taking planning and other resources away from other duties. Many appeals can be lost on the basis of a lack of Five-Year Housing land supply (as indicated earlier) highlighting the importance of maintaining a rigorous assessment and close monitoring of the local situation.

- Some of the suggestions from the Lichfield's research, where there may be different opinions between elected members and officers include providing a "cooling-off period" to reflect further or obtain additional independent advice on the issues as well as the importance of bespoke training for planning committee members.

8. PLANNING RESOURCES

- All LPA's commented that planning resource capacity has been reduced significantly in recent years.
- Even so, very few can claim to be fully staffed against the identified and budgeted complement. Most have hard to fill vacancies, including senior roles/team leaders and rely increasingly on temporary agency staff. Particular skill areas proving hard to recruit include specialist Transport Planners and Legal staff; both failing to compete with demands from the private sector.
- Those LPA's appearing to be best resourced include, Teignbridge, Plymouth, Torridge and Devon County Council; although Torridge has only recently got back to full staff complement.
- Devon County Council has developed a good record of junior recruits and in-house training and encouraging flexibility in staff deployment avoiding isolation in specialist silos. The recent delay in agreeing the Planning Apprenticeship scheme for England was particular cause for concern going forward.
- Somerset County Council on the other hand is seriously under-resourced and has notified District Councils they will be unable to provide an appropriate level of service. As a result, the District Councils are needing to employ specialist consultants to advise on highway matters.
- Taunton Deane and West Somerset are in the process of merging to form a new Council (elections to take place in May 2019). As a result, all functions are undergoing transformative change with staff being reconsidered for new posts. South Somerset is also undergoing an organisation and staffing transformation process which is expected to be resolved by Autumn 2018. Although the intention is for both councils to operate "business as usual" the scale of change inevitably leads to short-term disruption and uncertainty for staff; with the potential risk of further staff losses.
- There are variable levels of in-house access to specialist skills such as ecology, landscape, urban design, heritage, noise assessments, drainage, contamination and transport; depending on historic recruitment and staff experience. All LPAs rely on external consultancy support on viability assessments.
- Finalising S106 agreements can prove challenging with often competing priorities on legal staff time and complexity of number of parties involved.

9. POLITICAL ENGAGEMENT

- All authorities appear to have strong local political engagement with support for underlying housing and economic growth ambitions. Indeed, this is ably demonstrated in Plymouth with the long-term growth agenda transcending political leadership change. Many of the rural areas, however, continue to face challenges from anti-development groups; which appears to be especially strong in the Torbay area.
- South Somerset is the only LPA to operate on an Area Committee basis, with four groups covering North, South East and West. Whilst this fosters strong local decision making across the council it can also increase the challenge of consistency in planning decisions with further pressure on staff to maintain local member training. Fresh debates can also arise on already adopted development sites creating uncertainty on planning approvals.

- All LPA's have established processes for delegated decisions with varying thresholds before applications are referred to planning committees. Plymouth appears to have the highest level of delegation with some 98% of applications determined by senior officers.

- Sedgemoor is understood to determine 88% of applications through officer delegation whilst still achieving 100% timely decisions in line with Plymouth. This highlights perhaps that delegation alone is not necessarily an indicator of planning delivery and effective performance but confirms the significant political ownership of the growth agenda locally.

10. KEY ISSUES & CHALLENGES

Some of the key issues and challenges to planning and housing delivery identified through discussions include the following:

- The planning process has been under constant review over the past 10 years. Whilst government ambition has generally been to "speed things up", the planning process continues to be loaded with added responsibilities from time to time. The critical planning challenge of creating quality "places" and "sustainable communities" is often pressurised over short-term expediency and volume delivery.

- On-going pressure to deliver housing numbers could further jeopardise the ability of LPA's to manage the balance between making "quality" decisions.

- Major residential developers tend to proceed at their own pace; although often keen to secure the "in-principle" outline planning consent can sometimes slow things down in final S106 negotiations – as the formal consent process can trigger land payments under option agreements.

- Local/Regional developers, more typically, pursue development sites more swiftly to completion to maintain a supply of operational sites under development.

- Some residential development applicants might also seek to minimise initial technical information – partly with a view to reduce costs and/or with a view to over-turn decisions at appeal (especially where LPA at risk through lack of five-year land supply).

- Meanwhile, there are also challenges for LPA's in maintaining momentum post-decision and completing timely discharge of conditions and other agreements. In Somerset, there are particular concerns about achieving Highway Agreements in context of resource constraints.

- Some sites can proceed through several iterations and changes resulting in duplication of efforts by LPAs following initial determination and delaying progress to development delivery. For example, site promoters may seek initial outline consent which is then revisited once housebuilder acquires an interest. Or a developer agrees to main principles to gain consent only to open up negotiations again on-site mix/viability grounds putting LPA in more difficult position to conclude and progress development.

- Proposals for mixed-use development with housing intended to enable local employment land and infrastructure often lead to delays and subsequent constraints in delivery.

- Viability arguments on development sites place further pressure on LPAs – often resulting in "re-inventing the wheel" across the region and different decisions arising in areas of similar market context. There could be better co-ordination of this area of specialist expertise across housing market areas.

- S106 delays often arise especially where several parties involved with different legal advisors. Legal and technical capacity are of concern in many areas and there is the challenge of managing different internal priorities.
- Increasingly difficult to meet local affordable housing needs – nearly all LPAs report strong negotiations to reduce local plan targets on individual housing sites.
- New regulations under the Standard Method for assessing housing numbers look likely to put further pressure on many LPAs to find more housing sites – especially in already sensitive rural/environmental areas.
- The new Housing Delivery Test will put the onus on LPAs to find solutions – whilst being penalised for non-delivery by developers. This could be considered a "no-win" situation with LPAs facing compounded pressure to show a five-year land supply. But where developers might by-pass local decision making on future applications.
- Meanwhile, there may be inconsistencies between government and local data records. Whilst planning resources are under pressure, particular attention may need to be given to maintaining timely and effective local monitoring records.

11. OPPORTUNITIES

Reflecting on the research and discussions with LPA's across the region, some early thoughts on potential opportunities to help improve housing delivery in the region are set out below:

Site Delivery Plans

Further consideration should be given to establishing clearer housing site delivery plans for Local Plan allocations – even where a developer is already on board. Some LPAs are already doing this in the region and many will already understand the key stages required to move forward. Whilst this will be a requirement of the Government's Housing Delivery Test as a result of local under-performance, it should be seen as a positive "good-practice" to assist with turning local plan allocations to active implementation strategies.

Pro-Active Planning Delivery

Many LPAs have adopted a positive, pro-growth approach to planning delivery. Whilst particular attention has been given in some areas to supporting economic and employment growth a similar approach could be adopted for larger housing development sites – with the LPA playing a more pro-active approach to finding solutions arising out of the Site Delivery Plans above.

Strategic Sites (Major Majors Planning Team)

Where large scale urban extensions and/or new settlements are proposed particular attention needs to be given to the different planning skills and dedicated resources required to assist determination and delivery. Opportunities could exist in future for sharing of resources and/or specialist skills across the region.

Housing Enablers/Housing Companies

Further attention is needed to delivering local affordable housing needs. Some authorities are already proactive in this and are widening their role to deliver some market housing as well creating future income capacity. There is also a distinctive role for rural housing enablers who can work closely with local communities to identify individual development sites to support community requirements.

Planning Performance Agreements

Greater use could be made of PPA's with LPA's working in partnership with major developers on strategic sites.

Forward Funding – Infrastructure

One of the major constraints to timely development is the front-loading of site investigation, mitigation and infrastructure delivery. The Housing Infrastructure Fund is seeking to tackle some of these challenges with two schemes unfolding in the region for Taunton/Bridgwater and South West Exeter. Considerable lessons can be learnt from these schemes and the smaller Marginal Viability Fund schemes to consider a potential rolling-fund to assist with the cash-flow management of major housing developments.

Concerns have already been raised over the complexity of the Business Case process in reaching agreement with Homes England and Government and the staff time involved. A more streamlined process is required to be truly effective in improving housing delivery.

Simplified Planning Zones

Developers also highlight the challenge of up-front planning costs against the uncertainty of securing consent. In part, the government proposal for "Permission in-Principle" arising out of Local Plan allocations is seeking to address some of these concerns; although this can put more onus on the LPA to complete further investigative work as part of the Local Plan process.

As part of the Site Delivery Plans, consideration could also be given to opportunities for public funding to assist in completing the technical evaluation of development sites on a forward-fund basis to overcome some these concerns. Opportunities for Housing Led Local Development Orders (LDOs) could also be brought forward in non-sensitive locations as a pro-active planning delivery tool. The potential for LDO consents and/or adoption of Masterplan SPD's for Garden Village proposals may also be of benefit.

12. KEY ASKS OF GOVERNMENT

This review provides a simple snap-shot of current delivery and reflects on some emerging good practice and opportunities for local improvement with potential for LPA's to collaborate and work together in some areas as set out above.

Viability appraisals – Homes England could perhaps assist with skills and resources to provide a stronger and consistent approach to viability appraisals across the region to help LPA's defend local viability challenges and secure more affordable housing delivery in the region.

Infrastructure Capacity Planning – Further support and funding is needed to assist in developing a more comprehensive and up to date understanding of regional needs especially in terms of transport and other infrastructure capacity with improved modelling and delivery advice.

Specialist Skills Pooling – There is potential for the Combined Authority to champion a positive development management culture helping to pool specialist resources across multi-agencies and authorities across the region.

Forward Funding Support – If the Combined Authority champions voluntary development of Housing Action Plans across the region these could be underpinned by further access to forward funding support to resolve identified site-specific barriers to unlock local housing delivery – thereby giving the HAP's some real value. A more efficient funding approval process is needed, however, given the labour-intensive experience of the current round of HIF projects being processed.