

**Meeting: Cabinet**

**Date: 18 February 2021**

**Wards Affected: All**

**Report Title: Local Plan Housing Need**

**When does the decision need to be implemented? ASAP**

**Cabinet Member Contact Details:** Mike Morey, Cabinet Member for Infrastructure, Environment and Culture, [mike.morey@torbay.gov.uk](mailto:mike.morey@torbay.gov.uk)

**Director/Assistant Director Contact Details:** David Edmondson, Assistant Director Planning, Housing and Climate Emergency, [david.edmondson@torbay.gov.uk](mailto:david.edmondson@torbay.gov.uk)

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## **1. Purpose of Report**

- 1.1 Having made the decision to acknowledge that the Torbay Local Plan strategic housing policies are considered out of date, the next step is to decide on the level of Local Housing Need that should be planned for in the updated Torbay Local Plan.
- 1.2 This report discusses the options for need and recommends an approach to setting it.
- 1.3 The Local Plan requires this figure as a basis to work from. Need is not, and must be kept distinct from, capacity.

## **2. Background**

We want Torbay and its residents to thrive.

We want Torbay to be a place where we have turned the tide on poverty and tackled inequalities; where our children and older people will have high aspirations and where there are quality jobs, good pay and affordable housing for our residents.

We want Torbay to be the premier resort in the UK, with a vibrant arts and cultural offer for our residents and visitors to enjoy; where our built and natural environment is celebrated and where we play our part in addressing the climate change emergency.

- 2.1 Government Policy is to significantly boost national housing supply.
- 2.2 Local Housing Need is defined by the Government as “The number of homes identified as being needed through the application of the standard method set out in national planning guidance (or, in the context of preparing strategic policies only,

this may be calculated using a justified alternative approach as provided for in paragraph 60 of this Framework).”

- 2.3 The Framework referred to is the National Planning Policy Framework February 2019. To determine the minimum number of homes needed in an area, strategic policies should be informed by a local housing need assessment, conducted using the standard method set out in national guidance. Exceptional circumstances may justify an alternative approach, which should also reflect current and future demographic trends and market signals (NPPF paragraph 60).
- 2.4 Where the standard methodology is not used, LPAs will be scrutinised more closely at examination, and will need to demonstrate exceptional circumstances. An alternative approach is likely to add significant time, cost and risk. Such an approach will need a robust and sound case to be made from the outset.
- 2.5 There is no requirement to consult at this stage. Officers are aware of some views which promote a lower need figure, but equally mindful of the Council’s own corporate policies on housing and push for increased affordable housing provision. Officers consider it necessary, as part of building the exceptional circumstance case fully and transparently, to consult if a calculation other than the standard method is supported – regardless of what figure that calculation returns.
- 2.6 It is clear from the National Planning Policy Framework and other Government Guidance that the Local Authority is expected to adopt the standard method.
- 2.7 The rationale for this approach is clear, in that it applies a level of consistency to the calculation across the country. However, as with any standard algorithm there are questions about how it might favour or disadvantage certain areas.
- 2.8 Once the need figure is established, the work turns to consider capacity and in so doing a review of the constraints in the area. This work will consider the land availability for future supply. The NPPF sets out that the Council can consider, Special Areas of Conservation (x2), AONB, Local Green Spaces, heritage assets, flood risk, being a critical drainage area, irreplaceable habitats, and others when considering capacity. There are genuine significant constraints in Torbay, but these must not be considered when determining need.
- 2.9 On 16th December 2020 Government reaffirmed their commitment to the standard method for need.  
“An updated method will now be introduced to help councils to enable the delivery of 300,000 homes a year by the mid-2020s, while prioritising brownfield sites and urban areas.” <https://www.gov.uk/government/news/plan-to-regenerate-england-s-cities-with-new-homes>
- 2.10 Having undertaken a consultation earlier in the year on an alternative approach they have reassessed the position and applied a different algorithm. The result of which is that Torbay’s standard need is equal to what it was previously and has not increased as it would have done so under the consulted method.
- 2.11 Housing Secretary Rt Hon Robert Jenrick MP said:  
“This government wants to build more homes as a matter of social justice, for intergenerational fairness and to create jobs for working people. We are reforming our planning system to ensure it is simpler and more certain...”

- 2.12 Part of making the process simpler and more certain is the standard method. In order to justify an alternative approach a robust and clear, evidenced based argument must be made.
- 2.13 The Local Plan Working Party considered this matter with a proposal from officers to consult on three options. These were as per options 1-3 below. They made the following recommendation:  
That the need options paper be reported to Cabinet. The report to incorporate an additional '1a' Option which considers a calculation between Option 1 and Option 2.
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### **3. Recommendation(s) / Proposed Decision**

- (i) That cabinet recognises, that the standard methodology is the Government's expected approach to calculate housing need.
- (ii) That a call for evidence for any appropriate alternative methods of calculating housing need in Torbay be run in parallel to assessment work and consultation on housing land capacity.
- (iii) That a Local Development Scheme be updated and published by the Assistant Director of Planning, Housing and Climate Emergency (in consultation with the Cabinet Member for Infrastructure, Environment and Culture), to reflect the anticipated programme for updating the Local Plan following this decision.

#### **Appendices**

Appendix 1: Technical Notes

#### **Background Documents**

Local Plan

National Planning Policy Framework

# Supporting Information

## 1. Introduction

- 1.1 As part of the legally required five year review of the Torbay Local Plan 2012-30, Cabinet voted on 17th November 2020 “to assess whether the local plan’s housing figure should updated in line with the most recent standard methodology housing figure. It would require an update to Local Plan Policies SS1, SS12 and SS13. There may be a consequential impact on other policies dealing with housing supply, particularly Policy SS2 and neighbourhood area policies (SDT1, SDP1 and SDB1)”.
- 1.2 Local Housing Need is defined by the Government as: “The number of homes identified as being needed through the application of the standard method set out in national planning guidance (or, in the context of preparing strategic policies only, this may be calculated using a justified alternative approach as provided for in paragraph 60 of this Framework).” The Framework referred to is the National Planning Policy Framework February 2019.
- 1.3 Government Policy is to significantly boost housing supply. To determine the minimum number of homes needed in an area, strategic policies should be informed by a local housing need assessment, conducted using the standard method set out in national guidance. Exceptional circumstances may justify an alternative approach, which should also reflect current and future demographic trends and market signals (NPPF paragraph 60). Where the standard methodology is not used, LPAs will be scrutinised more closely at examination, and will need to demonstrate exceptional circumstances.
- 1.4 Local Housing Need is not determined by the capacity of an area to accommodate need and need cannot be constrained. The level of housing need cannot be limited by an area’s constraints (such as landscape or ecology) and such constraints are not an exceptional circumstance. It may be that an area cannot meet its housing need due to such constraints, however this does not mean that the need does not exist. If a Local Authority is unable to meet its level of housing need, it is required to ask neighbouring areas to accommodate unmet need.

## 2. Options under consideration

- 2.1 The Torbay Local Plan 2012-30 has an overall requirement of 8,900 dwellings, with a stepped trajectory (set out in Policy SS13) of:
  - 400 dwellings per year 2012/13-2016/17
  - 495 dwellings per year 2017/18-2021/22
  - 555 dwellings per year 2022/23-2029/30
- 2.2 In the 8 years of the plan period 2012-20 there have been 2,907 net new dwellings completed, against a requirement of 3,485, making a shortfall of 578 dwellings to date. The average number of completions was 363 a year.
- 2.3 Adopting the Government’s standard methodology figure would mean that the housing need figures would be 586 dwellings a year (plus a buffer as required).

## **Option 1 - That Torbay Council should accept the Government's standard housing figure.**

2.4 The Standard Local Housing Need Methodology is a moveable feast and may change, but at December 2020 it set a minimum housing need figure of 586 dwellings a year in Torbay. Government Policy in the NPPF expects Local Plans to treat this as a minimum housing need figure.

### 2.5 Pros

- This figure will be the easiest (and least expensive) to defend when the Local Plan update is examined. Because it follows the Government's methodology it would be very difficult for an objector to successfully challenge.
- The figure is only slightly higher than the Adopted Local Plan figure for 2022-30. The additional +30 dwellings a year could be accommodated with minimal updates to the Local Plan (essentially land for about 300 additional dwellings would need to be identified). This is caveated though by the need to plan for a full 15 year period. It may be possible if the update is considered sufficiently minor to continue largely within the confines of the existing plan framework
- The five year supply requirement would fall slightly compared to using the existing Local Plan requirement plus backlog. (Because a backlog (578 dwellings or 116 per year) does not have to be added to the standard methodology figure)
- This option would provide a reasonable opportunity to provide affordable housing and meet employment aspirations.

### 2.6 Cons

- Whilst need cannot be constrained, there is a likelihood that this level of housing could not be accommodated in Torbay (assuming a 15 year post adoption time period) for environmental reasons, which would require Torbay to request neighbouring authorities to take some of its housing. (N.B. This is not reason for arguing that the need should be reduced)
- This level of need is higher than has historically been achieved and may not be deliverable. This would put the Council in danger of not being able to maintain a five year supply of housing land. This could make Torbay vulnerable to speculative housing developments.
- Realistically, some of the need would be for workers in the Greater Exeter area, which would continue high commuting rates out of Torbay although such travel behaviours may change following the pandemic.

## **Option 2 - That the level of housing need should be below the Government's standard figure.**

2.7 This option would argue that the level of housing need in Torbay should be below the Government's standard methodology figure. It would need to be very robustly argued and clearly demonstrate an exceptional circumstance. A suggested figure is circa 400 dwellings per year. This is based on the 2018 based household projections long term (10 year) migration trend.

### 2.8 Pros

- This level of need may be supported by some socio-economic data such as house price evidence, high numbers of vacant dwellings.
- There has not been an increase in jobs in Torbay since the early 2000s

- Torbay's population growth is entirely driven by inwards migration, and different migration rate assumptions make a very significant difference in the housing need figure.
- Whilst environmental constraints cannot be used to reduce need; a lower need figure would place the least strain on the environment.
- It would require the least updating of the current Local and Neighbourhood Plans.

## 2.9 Cons

- This approach will be the most time consuming, difficult and expensive to justify through Examination. It will need to be the most robustly defended and there is a strong likelihood that it would not be found sound. Whilst other councils have justified higher need levels, none is thought to have successfully justified a level of need below the Standard Methodology.
- This option would provide the least opportunity for affordable housing.
- This option is likely to require a downwards adjustment in the Local Plan's jobs target/employment land provision.
- This option would earn less Community Infrastructure Levy and other developer contributions.
- The approach would likely result in increasing top-heavy age structure as there would be fewer options for young people and families.

## **Option 3 - That the housing need figure should be above the Government's standard housing figure**

2.10 The Standard Local Housing Need Methodology is intended to set a minimum and there may be instances where exceeding it is found to be sound. A figure of around 700 dwellings a year is suggested based on the principal 2018 based Household Projections.

## 2.11 Pros

- Although the higher figure would need to be justified when the Local Plan is examined, Government policy seeks to boost housing numbers, and this option is in accordance with that objective.
- This level of growth is likely to provide the greatest boost to the economy. Flexible working practices post-Covid are likely to mean there is much more scope for remote working, even where a person's registered place of employment is elsewhere.
- The usual justification for exceeding the minimum housing need figure is to provide an economic boost, both directly through construction and indirectly by providing opportunities for more working age population.
- There would be significantly more opportunities to provide affordable housing and for developer contributions such as Community Infrastructure Levy.
- It would emphasise Torbay's role and vision as a principal urban area in South Devon.

## 2.12 Cons

- This option would place the most pressure on the environment (and may be unachievable).
- The arguments for this level of growth are difficult to justify if need is then passed to neighbouring areas
- Based on jobs statistics and population/economic projections, there is unlikely to be justification for boosting housing numbers above the standard methodology in order to meet the demand for labour. So there is likely to be outwards commuting to

Greater Exeter (although greater remote working may reduce people's need to travel to their place of work).

- Torbay has never built this number of homes over a prolonged period, which suggests that this level of need may be exaggerated, the market (or need) for that number does not exist, and that the figure may be undeliverable – decreasing prospects of a manageable housing land supply position.

#### **Option 4 – A calculation in between Option 2 and Option 1**

2.13 As proposed by the Local Plan Working Party, to review appropriate household projections and appropriate migration rates.

### **3. Financial Opportunities and Implications**

3.1 Supporting the Standard Methodology will have no additional financial implications.

3.2 Supporting an option for a lower need figure will require robust evidence and arguments against adoption of that method that will incur additional costs. There is also the potential need to challenge that would incur further cost.

3.3 Supporting an option for a higher need figure would also need robust evidence and arguments though these may be more likely to be supported by the planning inspectorate and as such the need for challenge would be lower.

### **4. Legal Implications**

4.1 Government expectation, as set out in the NPPF and reiterated in ministerial announcements, is to boost housing supply and to do they have adopted a standard methodology for all areas of the country. Not following this standard method will require robust evidence and arguments.

### **5. Engagement and Consultation**

5.1 The options have been discussed at the Local Plan Working Party and Neighbourhood Planning Group.

5.2 The options presented to the Local Plan Working Party assumed a consultation that is not featured in the same way within the recommendations of this report. However, the Working Party also sought the inclusion of a further option, that being between the lower option and the standard method.

5.3 The neighbourhood Planning Group supported a lower need figure but also indicated that further consultation was not required.

5.4 Following consideration of these views, and discussion with the Senior Leadership Team, the report has set out the recommendation of support for the standard method to calculate need, but with a call for evidence in respect of any appropriate alternative calculations to run alongside continued work on the Local Plan update.

### **6. Purchasing or Hiring of Goods and/or Services**

6.1 A decision supporting the recommendation would not require procurement.

6.2 A decision to support an alternative need calculation or figure, would require procurement of services to support the necessary robust evidence base.

## **7. Tackling Climate Change**

7.1 Setting a level of housing need indirectly impacts on tackling climate change.

7.2 Following the establishment of need, the implications for supporting a carbon neutral community will be greater as work is undertaken on capacity and potential siting of developments.

## **8. Associated Risks**

8.1 There are significant risks, mostly concerning time and cost, associated with supporting alternative need calculations. This is especially true where there is no established evidence base.



## Equality Impacts

9.	Identify the potential positive and negative impacts on specific groups			
		Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
	Older or younger people	Meeting an established housing need will positively support this group.		
	People with caring Responsibilities	Meeting an established housing need will positively support this group.		
	People with a disability	Meeting an established housing need will positively support this group.		
	Women or men	Meeting an established housing need will positively support this group.		
	People who are black or from a minority ethnic background (BME) <i>(Please note Gypsies / Roma are within this community)</i>	Meeting an established housing need will positively support this group.		
	Religion or belief (including lack of belief)	Meeting an established housing need will positively support this group.		
	People who are lesbian, gay or bisexual	Meeting an established housing need will positively support this group.		
	People who are transgendered	Meeting an established housing need will positively support this group.		
	People who are in a marriage or civil partnership	Meeting an established housing need will positively support this group.		

	Women who are pregnant / on maternity leave	Meeting an established housing need will positively support this group.		
	Socio-economic impacts (Including impact on child poverty issues and deprivation)	Meeting an established housing need will positively support socio-economic issues.		
	Public Health impacts (How will your proposal impact on the general health of the population of Torbay)	Meeting an established housing need will positively support the general health of the population of Torbay.		
<b>10..</b>	<b>Cumulative Council Impact</b> (proposed changes elsewhere which might worsen the impacts identified above)	Meeting an established housing need will positively support other council departments concerned with meeting housing needs, particularly in relation to affordable housing and supporting an increased independent living approach.		
<b>11.</b>	<b>Cumulative Community Impacts</b> (proposed changes within the wider community (inc the public sector) which might worsen the impacts identified above)			

## ***Appendix 1 Technical Notes***

### The Legal Requirement to Review the Local Plan

Regulation 10A of the Local Planning Regulations 2012 and NPPF: Paragraph 33: "Policies in local plans and spatial development strategies should be reviewed to assess whether they need updating at least once every five years, and should then be updated as necessary<sup>18</sup>. Reviews should be completed no later than five years from the adoption date of a plan, and should take into account

changing circumstances affecting the area, or any relevant changes in national policy. Relevant strategic policies will need updating at least once every five years if their applicable local housing need figure has changed significantly; and they are likely to require earlier review if local housing need is expected to change significantly in the near future”.

#### National Planning Policy Framework, and Planning Practice Guidance

National Planning Policy Framework, “NPPF” February 2019. P68. The NPPF sets out government policy on Planning. Although not the law, it is a material consideration in plan making and decision taking. It sets out “tests of soundness” that the Local Plan will be tested against.

The NPPF also requires Local Plans to be reviewed at least every five years and indicates that they will need changing if the housing need figure has changed (paragraph 33). The Presumption in favour of sustainable development at paragraph 11(a-b) applies to Plan making. Local Plans are examined by a Planning Inspector who will consider them against a test of soundness, which includes as a minimum seeking to meet the areas objectively assessed needs (Paragraph 35). The NPPF requires housing need to be assessed using the standard method in national guidance unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals (paragraph 60). .

The NPPF is supported by online Planning Practice Guidance “PPG” which sets out more detailed methodology for calculating housing need (see below).

MHCLG published “Planning For the Future”, in February 2020. This reiterates the Government’s intention of boosting housing numbers with a target of 300,000 homes per year nationally. It also indicates that the standard methodology is likely to be reviewed (with an intention of boosting housing supply).

#### Planning Practice Guidance on using a different method to Calculate Housing Need

Advice in the online Planning Practice Guidance sets out:

##### **If authorities use a different method how will this be tested at examination?**

Where data availability does not allow the standard method to be used, consideration will be given to whether it provides the basis for a plan that is positively prepared, taking into account the information available on household formation and affordability.

Where a strategic policy-making authority can show that an alternative approach identifies a need higher than using the standard method, and that it adequately reflects current and future demographic trends and market signals, the approach can be considered sound as it will have exceeded the minimum starting point.

Where an alternative approach results in a lower housing need figure than that identified using the standard method, the strategic policy-making authority will need to demonstrate, using robust evidence, that the figure is based on realistic assumptions of demographic growth and that there are exceptional local circumstances that justify deviating from the standard method. This will be tested at examination.

Any method which relies on using the 2016-based household projections will not be considered to be following the standard method as set out in paragraph 60 of the National Planning Policy Framework. As explained above, it is not considered that these projections provide an appropriate basis for use in the standard method.

Paragraph: 015 Reference ID: 2a-015-20190220

Revision date: 20 02 2019

#### Need cannot be constrained by environmental Factors

The landmark Court of Appeal Decision in this regard was: *St Albans City and District Council v (1) Hunston Properties Limited and (2) Secretary of State for Communities and Local Government* [2013] EWCA Civ 1610.

If Torbay cannot meet its need due to legitimate constraints, it will need to ask its neighbours to accommodate some of its unmet need through the Duty to Cooperate/Statements of Common Ground. Neighbouring authorities have their own constraints and pressures and will require clear evidence that Torbay cannot meet its needs.

Torbay has significant environmental constraints including the South Hams SAC (primarily greater horseshoe bats and grassland), Marine SAC (sea caves and reefs), cirl buntings, South Devon Area of Outstanding Natural Beauty and local landscape designations, Critical Drainage Area and flood risk/coastal change management areas, a significant historic environment, (including 24 conservation areas, over 1000 listed buildings (6 grade i and 30 grade ii\*), 6 listed parks and gardens and 13 scheduled ancient monuments). These may provide a legitimate reason why Torbay is unable to accommodate its need- but do not in themselves reduce the need.

Torbay's Housing Completions Against its requirement 2012-20  
 The 2020 monitoring data is as follows:

Torbay Council 5yr Requirement and Completions 2012-20								
Year	1	2	3	4	5	6	7	8
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
<b>Local Plan Target</b>	400	400	400	400	400	495	495	495
<b>Cumulative Target</b>	400	800	1200	1600	2000	2495	2990	3485
<b>Completions</b>	249	446	349	408	326	410	531	188
<b>Cumulative Completions</b>	249	695	1044	1452	1778	2188	2719	2907
<b>Cumulative Undersupply</b>	151	105	156	148	222	307	271	578

#### The Standard Local Housing Need Methodology

The standard methodology Local Housing Need figure is calculated as follows: The current methodology is detailed in the online Planning Practice Guidance Part 2a "Housing and economic needs assessment". It takes the 2014 based household projections for the next decade as a baseline and adds an upwards adjustment based on affordability as measured by work based median affordability ratios.

$$\text{Adjustment factor} = \left( \frac{\text{Local affordability ratio} - 4}{4} \right) \times 0.25 + 1$$

The standard methodology Local Housing Need figure changes, particularly in response to affordability ratios. But in Torbay the 2020 figure is **586 dwellings per year**. This is an increase in the Local Plan average growth rate of 495 dwellings per year. Over a 20 year Plan period it would equate to 11,720 dwellings.

The Calculation is as follows: Household Projections (2014 based) 2020 = 62,940, 2030= 67,631 i.e. a growth of 4,691 households over 10 years. This gives a **baseline figure of 469 dwellings per year**.

**Adjustment factor.** The latest published (2019) median affordability ratio for Torbay is 7.99 (that is median house prices were 7.99 times median work-based earnings). This gives an adjustment factor of 1.25  $(7.99-4)/4 \times 0.25 + 1 = 1.249$ . The baseline of 469 multiplied by the adjustment factor of 1.25 indicates a figure of 586 dwellings per year. This is the minimum Local Housing Need figure.

Option 2 is based on this standard method approach.

#### 2018 Based Sub National Household Projections

The PPG, at the time of writing directs LPAs to assess need using the 2014 based household projections, which were published by DCLG (as it then was) in 2016.

The ONS published the 2018 based Household Projections on 29 June 2020. In a written ministerial statement, updated guidance, and response to the Planning White Paper in December 2020, Government has reaffirmed its commitment to the standard method which continues with the 2014 figures.

The three recent (2014, 2016 and 2018 based) Household Projections project very different housing needs rate for Torbay, as set out below. Whilst the principal 2018 forecasts is higher than the 2014 and 2016 projections for Torbay (but not nationally), this is based on very short term (2 year) migration data. When 10 years of migration data is used, the 2018 based Household projections fall substantially.

2018, 2016 and 2014 Based Household Projections for Torbay							
	2012	2018	2021	2025	2030	2039	2040
<b>2014 Based</b>	59,410	62,010	63,410	65,310	67,630	71,280	
<b>2016 Based</b>	59,041	61,280	62,460	64,230	66,410	69,950	70,330

<b>2018 Based (principal- 2 year migration)</b>	59,040	61,500	63,130	65,400	68,150	72,530	72,990
<b>2018 Based (10 year migration)</b>	59,040	61,500	62,540	64,020	65,800	68,640	68,940

Note that “Households” does not directly equate to housing need, particularly because the standard methodology requires a buffer for affordability (see above).

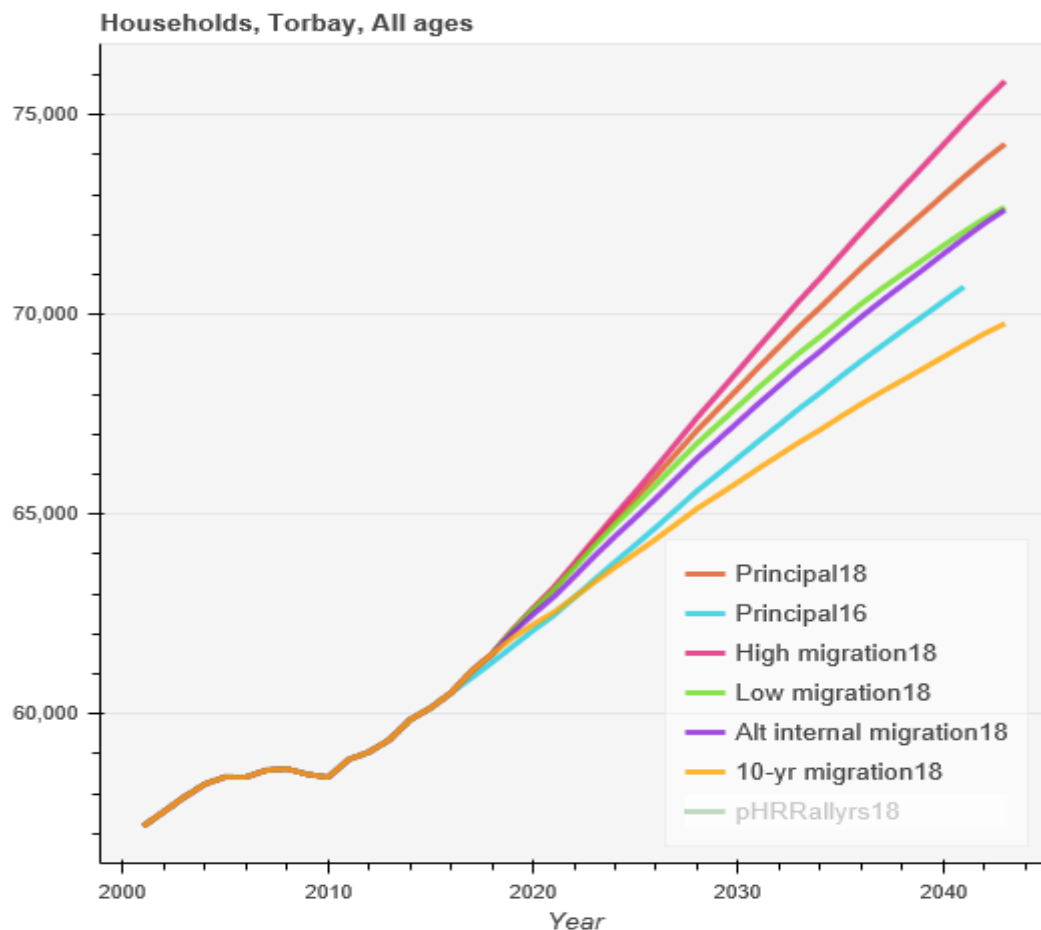
<b>Torbay Household growth projected 2012-30 by Different Projection</b>		
	Change 2018-30	Per annum
<b>2014 based</b>	5,620	468
<b>2016 based</b>	5,130	428
<b>2018 (2 year migration)</b>	6,650	554
<b>2018 (10 year migration)</b>	4,300	358

Details of Household projections (and the Population Projections which they draw from) are available on ONS’s website below. The website also contains an analysis tool where the implications of different assumptions can be charted.

<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/bulletins/householdprojectionsforengland/2018based>

<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/datasets/householdprojectionsforenglanddetaileddataformodellingandanalysis>

The graph below, taken from the ONS analysis tool demonstrates the different impact of migration assumptions. It also shows that the most recent objective figure (the 2011 Census) is far lower than subsequent projections.



**Option 1** takes the 10 year migration projected household rise from the 2018 based HH projections (324 new households per year (2020-30) x unaffordability multiplier of 1.25 = 400 dwellings per year. This is likely to be the lowest figure that could be derived from the online Household Projections, and would require further testing should this be the preferred option.

#### Jobs and homes.

ONS jobs density figures show that the number of jobs in Torbay have not risen since 2001 and fell from 59,000 in 2012 to 57,000 in 2018. However ONS annual Population survey data show that the number of economically active people living in Torbay in employment

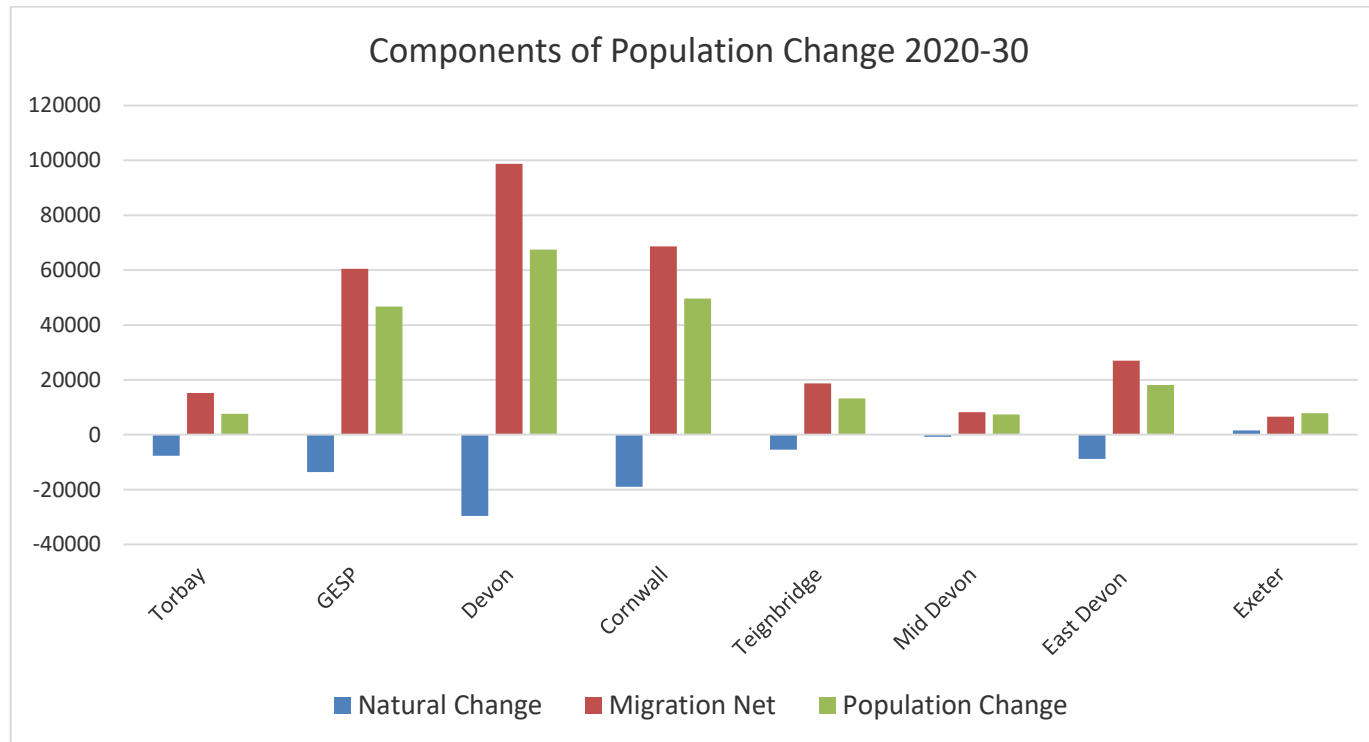


has risen from 56,400 in 2012 to 60,700 on 2019. Again with year to year fluctuations. This strongly suggests increased commuting to the Greater Exeter area (where there has been significant job growth), <https://www.nomisweb.co.uk/>.

The Torbay Local Plan 2012-30 seeks to create 5,000-5,500 new jobs between 2012-30 (policies SS1, SS4 and SS5. Note that there are not full time equivalent jobs). There is clearly a shortfall against this target, which will need to be reviewed. However the standard Local Housing Need figure is a minimum and does not consider job numbers, or require a link between jobs and homes. This is a significant difference between assessment of Objectively Assessed Need in the 2012 NPPF and Local Housing Need in the Standard Methodology.

However, an assessment of whether housing number are sufficient to meet economic aspirations is a consideration that may lead to an increase in the Local Housing Need figure.

The most recent (2018 based) sub national population projections for Torbay were published earlier in 2020. These are the basis of the Household Projections and like the Household Projections they are highly sensitive to migration assumptions given that Torbay's population increase is entirely driven by inwards migration (as is Devon and Cornwall as a whole).



[https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections.](https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections)

The 2018 based population projections suggest that the main population in Torbay growth to 2030 is in the 65+ age range, who are less likely to be economically active.

Age	Change 2018-30 (Persons)
<b>0 to 18</b>	-435
<b>19 to 65</b>	1,039
<b>66+</b>	8,737

<b>Total</b>	9340
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A comprehensive assessment of the implication of this for labour supply and thereby derived demand for housing would need to assess activity rates in more detail, as there is evidence that many older people remain economically active for longer. [https://www.gov.uk/government/publications/changing-working-patterns-of-older-people-and-implications-for-transport?utm\\_source=01c476f7-0e91-40fa-9f78-cdce00038664&utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_content=daily](https://www.gov.uk/government/publications/changing-working-patterns-of-older-people-and-implications-for-transport?utm_source=01c476f7-0e91-40fa-9f78-cdce00038664&utm_medium=email&utm_campaign=govuk-notifications&utm_content=daily)

Torbay's economic activity rate is 78.1% which is lower than the regional and national rates (81% and 78.9%). Increasing activity to the SW average by 2031 would only result in the need for 842 FTE jobs. Any increase above this would mean that housing need is likely to increase above the standard methodology figure.

#### Market Signals

An assessment of market signals is contained in the Housing Delivery Test Action Plan, and attention is also drawn to the Neighbourhood Forums' recent representations. These may be seen at: <https://www.torbay.gov.uk/council/policies/planning-policies/evidence-base-and-monitoring/>

#### Planning for the Future and Changes to the Current Planning System

The Government published proposals in summer 2020 to make major changes to the planning system in England, set out in the "Planning for the Future" White Paper. Changes that could be introduced more speedily were set out in an accompanying document "Changes to the Current Planning System". A key element of this paper was a proposed shake up of how the standard methodology is calculated. It sets out a more complicated formula based on household projections, or a set increase in the size of existing dwelling stock (whichever is greater) and changes in affordability over a ten year period. Torbay's local housing need using this revised standard methodology would rise to 635 dwellings per year. As a comparison, the neighbouring authorities would more than double - Teignbridge to 1,532 dwellings per year, and South Hams to 769 dwellings per year. This may affect their ability to accommodate any of Torbay's housing need figures.

Following significant objections to the revised standard methodology, the Government has indicated that it will be reviewed; and at the time of writing (December 2020) no indication has been given when the further revised standard method will be published. The Government has, however, repeatedly urged local authorities to press ahead with updating their local plans.

#### Neighbourhood Plans

Torbay has bay wide coverage of Neighbourhood Plans, which were all "made" in June 2019

The PPG states that:

“Where a neighbourhood plan has been brought into force, the local planning authority should take its policies and proposals into account when preparing the local plan. Local plan policies should not duplicate those in the neighbourhood plan, and do not need to supersede them unless changed circumstances justify this. It is important for local plans to make appropriate reference to neighbourhood plan policies and proposals, and similarly for neighbourhood plans to acknowledge local plan policies that they relate to.  
Paragraph: 006 Reference ID: 61-006-20190723”

The Neighbourhood Plan policies were assessed by Independent examinations and by Full Council (in November 2019 and June 2019) to be in general conformity with the Local Plan. Where there are non-strategic differences the Neighbourhood Plan takes precedence over the Local Plan (NPPF 30).