

Torbay Local Plan Examination– Initial findings.

1. At the conclusion of the first three days of hearings on 18 – 20 November 2014 I indicated that I would provide the Council with a summary of my preliminary findings regarding the objectively assessed need for housing in the area and general strategy being proposed by the Council in the Plan. The intention is to allow the Council to take into account my initial findings when it progresses the various matters that it is considering as a result of the hearing discussions. It should be noted that these interim findings are not final and are subject to review following receipt of the additional material that the Council has agreed to supply and any relevant representations relating to the additional material supplied by the Council.
2. Dealing first with the strategy, the Plan makes it abundantly clear that this is a Plan for growth. The intention is to achieve what the Council describes as a “step change” in the local economy and to link this with an appropriate level of growth in the supply of housing. Having said that, the Council considers that there is an environmental limit on the amount of housing that can be provided and the Plan puts this limit at 9,300 dwellings. Consultants advising the Council concluded that if the economic strategy is successful there will be a need for some 12,300 new homes over the plan period. A number of those making representations argue that there is an inconsistency between the housing proposed and the housing need that would arise if the economic strategy is successful. These groups argue that the economic strategy will be put at risk if the housing supply is restricted to a level below what is needed on the basis of the predicted job growth. They consider that the inconsistency should be resolved by increasing the level of housing provided for in the plan.
3. Others, notably the Neighbourhood Forums, argue that while they support the economic recovery strategy, there is a danger that more homes will be built than the area needs or can be justified on the basis of job creation. These people want what they describe as a “jobs led” strategy in which housing will follow job creation. The Council does not support a jobs led strategy – it wants a “tandem approach” and points to a recent permission for a mixed use scheme as an example of the sort of approach that it favours. The Council agrees that the job creation anticipated in the Council’s formal Economic Strategy (6000 gross new jobs between 2013 and 2018) is somewhat aspirational, but it claims that the strategy is broadly on track even though there is no evidence of net new job creation at present.

4. Clearly the ideal is to have a coordinated link between job creation and house building to provide for unmet housing need arising from job creation. Realistically however it is difficult, if not impossible, to get a completely coordinated link. In an area like Torbay, where economic performance since 2008 has been poor, there is a danger that firms will be reluctant to move to the area or expand in the area if they fear that housing to support job creation will not be provided in a timely fashion to meet their needs.
5. The housing development industry is not particularly nimble and it often takes time for the industry to respond to need, particularly where it has still to engage with the planning system to obtain planning permission for development. Consequently I consider that it is unrealistic to rely on a jobs led approach in an area where the local economy has been struggling and where the strategy is to strongly encourage local employers to expand or new employers to move to the area. I appreciate that there is a danger that homes may be provided without a corresponding increase in employment. However given the strong emphasis in the plan on economic recovery and the Government policy which requires councils to do everything they can to support the economy (National Planning Policy Framework NPPF paragraph 19) I consider that the danger of housing supply outstripping job creation is outweighed by the advantage of support for the Council's economic strategy.
6. Reliance on Neighbourhood Plans to deal with the spatial distribution of development in the medium and long term is a critical part of the strategy proposed by the Council. This is an acceptable approach provided that the Plan then adequately deals with the first 5 years of the plan period and contains a clear strategic framework for the Neighbourhood Plans to work within. Such a framework will need to quantify the scale and timing of the development proposed for the medium and long term.
7. At present the housing position in relation to the first 5 years of the plan is not clear enough as regards deliverable housing sites. There is a need for the Council to review the sites considered suitable for housing development in the next 5 years in accordance with paragraph 47 of the NPPF and to produce a definitive list of its 5 year housing land sites. This is a critical consideration that must be fully addressed if the plan is to be found sound.
8. Secondly, in relation to Neighbourhood Plans there is a need for the Council to make it clear in a formal policy that the Council will

undertake the necessary development plan work should the Neighbourhood Planning process not successfully deliver the strategy in the Local Plan. At the hearings the Council confirmed that, if necessary, it would do so by undertaking site allocation development plan documents. This commitment needs to be formally included as a strategic policy in the Plan together with an indication of the timing of such work to ensure that Torbay is not left with a policy vacuum beyond year 5 of the plan period. The need for such a policy is reinforced by the present situation where there is a fundamental lack of agreement between the Council and some of the local groups who will be responsible for preparing neighbourhood plans about the scale and timing of housing provision.

9. Turning to the question of the scale of housing required it is important to appreciate the national planning context because a critical test of soundness is consistency with national planning policy. The NPPF requires every effort to be made to meet the housing, business and other development needs of an area. Specifically there is a need to boost significantly the supply of housing. Some argue that Torbay is unique because of the characteristics of the population and that the national priority for increasing the supply of housing is less relevant in the Torbay area than elsewhere. However many areas have local characteristics. The national housing supply policy is a generic one and read as a whole there is nothing in the NPPF that justifies setting it aside or giving it less weight within an area such as Torbay.
10. Demographic projections are the starting point for establishing the full objectively assessed need (FOAN) for housing development in an area. Evidence prepared by consultants instructed by the Council concluded that based on demographic evidence there is a need for between 8,900 and 11,200 dwellings in Torbay over the plan period. The Plan states that based on the 2011 interim household projections (April 2013) extrapolated to 2031, there will be a need for 8,800 new homes in Torbay over the 20 years from 2012 to 2032.
11. A number of those making representations say that these figures are far too high, arguing that national population and household forecasts have consistently been too high, mostly because recent net in-migration has been much lower and incorrect household size inputs have been used in the official calculations for Torbay. Based mainly on a continuation of recent trends these groups say that the demographic need is for 150 – 200 homes per year rather than the 400 – 500 per year proposed in the Plan. However the Council is aiming to reverse recent economic trends and, if successful, this strategy is likely to produce migration trends that are significantly

different to recent trends. The consultants advising the Council noted that migration in Torbay is highly volatile and that the recent decline in migration levels was heavily influenced by poor economic performance. During the years when the Torbay economy was doing well (1998 to 2008) some 3000 net new jobs were created while in roughly the same period - 1997 to 2007 - net in-migration averaged 1570 per year. This is very considerably higher than in the recent past when net in-migration has fallen below the long-term average of just under 660. Hence I do not consider that migration projections based on recent trends are appropriate in the context of the Council's economic aspirations and I do not support assessments of housing need that are significantly lower than the Council's figures.

12. The Council's consultants, Peter Brett Associates, considered various employment scenarios, including two based on work done for the Council by other consultants. The anticipated additional jobs up to 2032 ranged between 2,000 and 17,000. The lowest forecast is based on a "do nothing" approach and the highest on regional trends. Peter Brett Associates regards the highest forecast as exceptionally optimistic and the lowest as unreliable given the Council's proactive approach to job creation and the benefits likely to flow from the construction of the Devon Link Road. I agree. Peter Brett Associates suggests a growth figure of around 5,340 jobs assuming economic growth resumes in 2016 as a consequence of the Council's strategy.
13. The housing consequences of the various job growth projections is put by Peter Brett Associates at 8,480 new homes with the lowest job projection, 25,653 new homes with the highest and slightly under 12,300 with their projection of 5,430 additional jobs. Based on the evidence before me to date I regard the figure of 5,430 jobs/12,300 homes as the most reliable figure for the FOAN in the area.
14. The Peter Brett Associates work is seen by the Council as updating their Strategic Housing Market Assessment (SHMA). A 2007 Exeter and Torbay Market Area Partnership study concluded that there was a need for slightly less than 820 new homes per annum in Torbay. The housing market area work was updated in 2011 when it was concluded that there had been little change to the housing need position. The original SHMA work was based on high migration levels between 2001 and 2006. High migration levels in Torbay are linked to economic recovery and notwithstanding the Council's ambitious Economic Strategy there is no evidence of significant net job creation yet. That is of course not to say that job growth will not occur in the near future as Peter Brett Associates have forecast, but it does mean that the scale of housing growth suggested in the SHMA work is not justified at

present and that the Peter Brett Associates forecast of jobs may be optimistic if the economic strategy is not wholly successful.

15. It is necessary to also consider policies that could reduce the final housing requirement figure. The Council's view is that there are environmental considerations, largely related to the undoubted quality of the Torbay landscape, that restrict the amount of housing development that is acceptable. Taking environmental considerations into account, the Council considers that the Torbay area can accommodate some 9,300 additional dwellings. A number of those making representations regard this as far too high a figure given the quality of the local environment and issues such as flooding and traffic congestion.
16. I note that in the past, when the Council was considering how to accommodate 15,000 additional dwellings as proposed in the emerging regional strategy, the 2008 Strategic Housing Land Availability Assessment (SHLAA) identified potential land for 16,140 dwellings. I accept the point made at the hearings by the Council that this figure does not adequately take into account environmental considerations. More recent work (2013) by consultants advising the Council updated the SHLAAA and concluded, having taken more account of environmental considerations, that there is sufficient potential housing land to accommodate 11,600 additional dwellings. The Council believe that this assessment is also too high.
17. The 2008 and 2013 SHLAA figures suggest that the figure of 9,300 promoted by the Council may not reflect a reasonable balance between environmental, social and economic considerations. When pressed the Council produced evidence of additional land that they consider may be suitable for housing, albeit with undesirable environmental consequences and in some instances doubts about delivery issues. The Council describes these as "excluded sites" that should only be included in the plan if I conclude that there is a need for more housing land than the Council is proposing in the Plan. The excluded sites could, according to the Council, accommodate some 2,452 dwellings. On the other hand the Council is currently engaged in master planning exercises for the 3 neighbourhood planning areas which may result in some reduction in the amount of land considered suitable for housing.
18. Taking into account the potential gains and losses my view is that the environmental capacity of the area to accommodate additional development is greater than 9,300 but less than 12,300. Inevitably there is a degree of imprecision about any capacity figure because of

the wide range of judgements involved including the extent to which mitigation measures may be effective and acceptable. There is also the possibility that the relative weight given to various considerations may change if circumstances change. My conclusions about the capacity of the area to accommodate development should not be seen as immutable and hence inhibit the ability of the future reviews of the plan to either raise or lower the housing growth figure.

19. Drawing these threads together, because of the Council's economic strategy, the Plan should allow for more growth than the demographic modelling suggests (8,800 dwellings) but not allow for a quantum of housing growth that would lead to significant environmental harm. It is by no means certain that the Council's economic strategy will be wholly successful and the extent of net job creation cannot at this stage be predicted with any confidence. I consider that the prudent approach is plan for 10,000 dwellings over the 20 year plan period. This figure is the top of the growth range detailed in the Plan and would allow for slightly higher housing growth than the long-term Torbay average of 450 dwellings per annum and quite significantly higher than the average over the last 6 years of just under 360 dwellings per annum. The scale of housing development allowed for would therefore reflect to a reasonable degree support for the Council's economic growth strategy and meet the Government's aim of boosting the supply of housing.
20. There are policies in part 5 of the Plan that are intended to provide the strategic framework for the Neighbourhood Plans from year 6 onwards. These policies need to be reviewed by the Council in the light of my conclusion about the scale of development over the next 20 years and the master planning being done at present. The review will need to consider both the quantum of development allocated to the various Neighbourhood Plan areas and the timing of development. A clear housing trajectory and delivery strategy should then be articulated in the Plan in a much clearer way than is currently the case. The trajectory and strategy should fully take into account the Council's economic ambitions and the anticipated timing of net new job creation. On the basis of current evidence it seems likely that the housing delivery trajectory should reflect a trend of increasing in-migration as the Council's economic strategy gains momentum.
21. The Council has quite rightly stressed that it will monitor the situation carefully and will revise the Plan as and when necessary. Monitoring of plans is always important but especially so in Torbay where there is a high degree of volatility and uncertainty about critical factors such as job creation and migration trends. The development plan system

provides for a considerable degree of flexibility to allow for uncertainties and changing circumstances. The Council is currently thinking in terms of 5 yearly reviews of the plan. Given the importance of the "tandem" approach to jobs/homes and the reliance that the Council is placing on Neighbourhood Plans it is important that the Council adopts a flexible and highly responsive approach which will allow for reviews whenever necessary. This type of approach may give some comfort to those who fear that the Council's "tandem" approach to homes/jobs will not be successful.

Keith Holland
Inspector
15 December 2014

From: Young, Robert
Sent: 15 December 2014 15:04
To: Turner, Steve
Subject: Inspector's interim findings

Steve

Attached is a document with the Inspector's interim findings following the examination hearings.

The Inspector has also asked me to forward the following message for the Council -

"Here is a note of my interim findings for the Council. They will need to decide when this is publicised. I also need to know about how they intend proceeding with consulting on the Mayor's decision to go ahead with a referendum. I think this is a critical matter that I will need to consider in the light of the council's revised approach and any representations received in the light of the decision. This matter relates to the question of delivery – a crucial soundness consideration.
Keith Holland"

Bob

Regards, Robert Young

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