

TORBAY LOCAL PLAN

A landscape for success

The Plan for Torbay – 2012 to 2032 and beyond

SUBMISSION PLAN

Technical Paper - Growth Strategy and capacity for change.

Torbay Council - July 2014

Torbay Local Plan –Regulation 22 Submission: Growth Topic Paper and Assessment of Housing Requirement.

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Technical Paper - Growth Strategy, jobs homes and capacity and Assessment of Housing Requirement

INTRODUCTION

This Topic Paper sets out Torbay Council's rationale for the growth strategy set out in the Torbay Local Plan- A landscape for success- The Plan for Torbay 2012-2032 and beyond ("The Local Plan" hereafter). In particular it presents the evidence of the area's housing needs as required by the NPPF (especially at paragraphs 47 and 159), alongside the Bay's capacity to accommodate change.

The Council contends that the Local Plan:

- is able to meet in full the objectively assessed needs for housing, business and other development needs, and
- that it sets out a positively prepared, justified and effective strategy that accords with the NPPF and NPPG.

However the Local Plan's growth strategy has been challenged by the development industry (who argue it is too low) and Paignton Neighbourhood Forum (and others) who argue that the Plan exceeds objectively assessed need to an unsustainable degree. In this context, this Paper provides a detailed justification of the Council's case on objectively assessed need.

The Local Plan is far from a trend based, reactive strategy. Not only does the Plan meet Torbay's housing needs (over the next 15 years), it provides a positive framework for regeneration and, as importantly, seeks to enhance the Bay's significant environmental qualities.

The Plan period for the Plan is 2012-32, although it sets out a longer term trajectory. It should be noted that this is longer than the 15 years time scale referred to in paragraph 157(2) of the NPPF and 10 years minimum supply of developable sites or broad locations in paragraph 47(3) of the NPPF.

Whilst it would, in theory, be possible to concertina the suitable land identified in the Strategic Housing Land Availability Assessment (SHLAA see below) into a shorter time frame, in practice

history tells us this is far less likely to deliver a strategy of sustainable development. Nor would this be likely to be deliverable, at least within the first 5 years of the Plan, due to market demand acting as a natural brake upon the pace of development. However, if the demand for and pace of development picks up then the Council, in partnership with other organisations, is able to ensure - through annual and positive 5 year reviews – that land supply continues to meet market demand. The Plan commits to five year reviews to re-assess objectively assessed need and growth on a cross boundary basis.

The NPPF and Objectively Assessed Need

The NPPF indicates that “*Every effort should be made objectively to identify and then meet the housing, business and other development needs of an area, and respond positively to wider opportunities for growth*” (para 17(point 3). Paragraphs 47, 159 and 161 of the NPPF are also relevant. However, the NPPF also sets out a range of environmental and other considerations that may prevent objectively assessed need being met. Some factors relevant to Torbay, such as AONB and sites protected under the Birds and Habitats Directives, override the presumption in favour of sustainable development. However, if a Local Plan is unable to meet its objectively assessed needs, there is an expectation to meet these in neighbouring areas as part of the Duty to Cooperate (NPPF Paragraph 179 and 182(1) refers).

The NPPG also provides guidance on assessing needs, and the Local Government Association/Planning Advisory Service have published advice entitled “Ten key principles for owning your Housing number- finding your objectively assessed needs”(April 2013). This paper draws on advice from both these documents.

Torbay Local Plan’s Position

The Local Plan proposes to provide 8,000-10,000 new homes, and 5000-6,000 jobs (including 17 ha of employment land over the Plan period (**Policy SS1** refers). This is a positive, policy led approach based upon the highest level of growth which the Council believes is sustainable and can be accommodated within Torbay’s environmental and infrastructural carrying capacity.

Torbay’s environment sits at the heart of the new Local Plan. This is not only because of its quality and sensitivity to change, but also because it is a key driver of the Bay’s economy and

has huge social value (e.g. to health). There is an exceptionally good evidence base to support this position¹.

It will be noted that a number of bodies have expressed concerns about the level of growth, which is not surprising given the Bay's sensitivity to change. In particular, Natural England has objected on the basis of potential harm to the South Hams Special Area of Conservation (greater horseshoe bats), although it supported previous iterations of the Plan. The Council has been working with Natural England to demonstrate how the growth strategy was arrived at and to ensure adequate safeguards are in place - for example 'dark' bat corridors. These matters are set out more fully in two Council documents, namely "**Production of the New Torbay Local Plan and the Approach to Site Allocation**" and the **Response and Modifications to Local Plan (As of 17/07/14) in Response to Natural England and Habitats Regulations Assessment Site Appraisal Report 2014 (Kestrel Wildlife)**, which were prepared for Natural England

Similarly, the Council has put forward a number of suggested minor editorial modifications which seek, subject to the Inspector's support for them, to address the concerns of English Heritage and the Environment Agency about the sustainability of the growth strategy.

The Council believes that its growth strategy is sound and deliverable. The sensitivity over sites covered by the Birds and Habitats Directive, AONB and other constraints does demonstrate a real need to carefully balance competing needs.

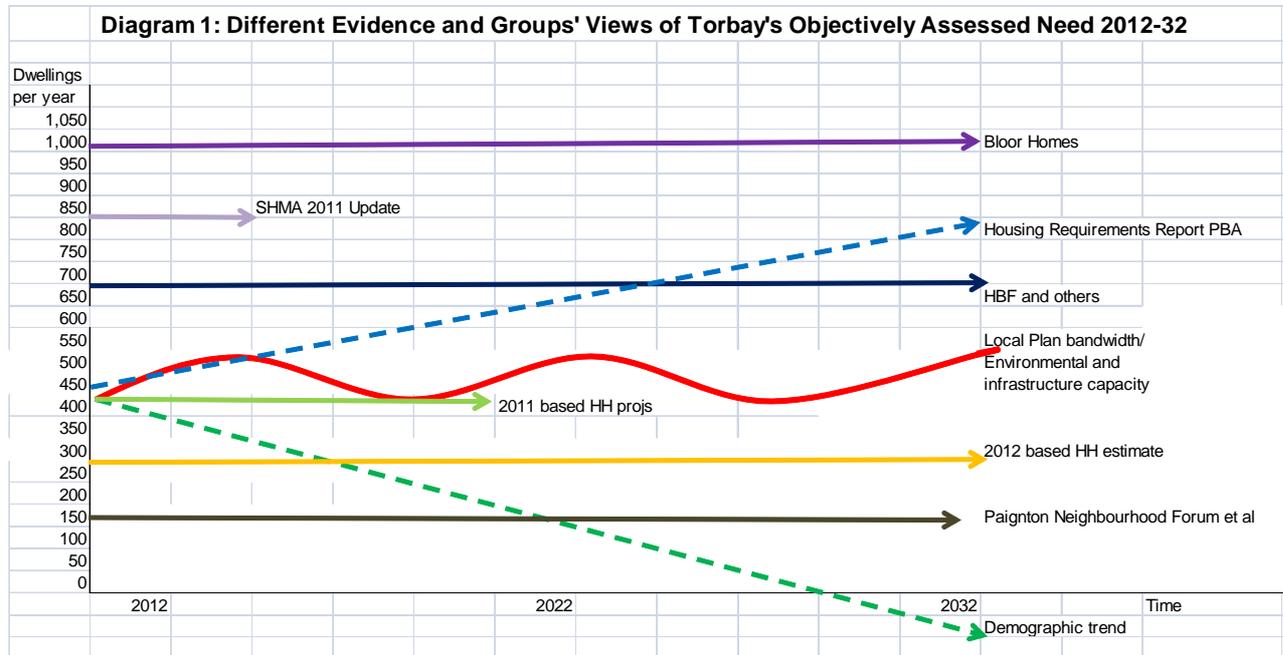
EVIDENCE OF NEED/DEMAND

Assessing Need Objectively.

A range of different growth rates have been suggested by representations and various evidence base documents. These are shown in Diagram 1. It would not be "objective" to follow any one

¹ Studies and information indicating environments include– The Nature of Torbay: Torbay Biodiversity and Geodiversity Action Plan, Greater Horseshoe Bat Consultation Zone Planning Guidance and more recent assessments by Kestrel Wildlife Ltd; Torbay Landscape Character Assessment; Brixham Urban Fringe Study and Green Infrastructure Delivery Plan, as well as information from Natural England and other partners. These are cited in full in the Schedule of Submission Documents.

measure slavishly and the Local Plan seeks to come to a balanced assessment of its needs based on a range of evidence.



The Council assess that the Local Plan is able to meet objectively assessed needs, based on the most recent Census derived population and household projections. The Local Plan target (8,000-10,000 homes) is significantly above the demographically implied rate of provision (i.e. the rate that would be derived simply from population/household projections). A case can be made to exceed this target in order to achieve economic regeneration and meet social needs (including affordable housing). However, environmental and infrastructure constraints impose an upper limit to sustainable growth.

The Inspector should note that objective assessment of Torbay's need is one of the major issues raised by the representations to the Local Plan. As could be expected, the development industry argues for a higher rate of growth whilst those objecting to the Local Plan argue for a lower one.

In order to come to an objective assessment, the Council submits that an Inspector will need to consider the various evidence in the balance, with particular regard to migration, household size, economic performance and local need. Specific evidence referred to is:

- Demographic data (2011 Census and household and population projections.)

- Exeter and Torbay Strategic Housing Market Assessment 2007 and 2011 Torbay Update (SHMA)
- Torbay Housing Requirement Report (PBA-2013)- an update of the SHMA
- House price signals and affordability ratios, and other market data.
- Torbay Housing waiting list data.

Whilst this Topic Paper focuses mainly on housing evidence, a range of other development needs, such as employment, retail, recreation and green infrastructure are directly related to housing numbers. The Local Plan seeks to meet all these matters through a sustainable development strategy that provides a range of uses in mixed use developments, with a focus on town centre regeneration. This is particularly the case with areas which are subject to Masterplanning (see below). With regard to wider economic needs, the following evidence base documents are relevant:

- Torbay Employment Land Review (PBA2013)
- Torbay Economic Strategy 2013-18 and Evidence Base (TDA 2013)
- Torbay Retail Study Update (GVA 2013)

2011Based Interim Household Projections (DCLG 2013)

The NPPG indicates that *“Household projections provided by the Department for Communities and Local Government should provide the starting point for estimating overall housing need”*.

The most recent DCLG Household Projections for Torbay are the Interim 2011 based, published April 2013. These indicate a growth of 4,406 households between 2011-21, equal to 441 dwellings a year. Details are set out in Table 1.

Table 1 2011 Based Interim Household Projections . DCLG (April 2013)		
Year	Households	Change
2011	59,104	-
2012	59,529	425
2013	59,951	422
2014	60,382	431
2015	60,824	442
2016	61,281	457
2017	61,727	446
2018	62,168	441
2019	62,616	448
2020	63,064	448
2021	63,510	446
Change 2011-21		4,406

The 2011 Based Household Projections are more up to date than the 2008 based Household Projections, released in 2010. Nevertheless they are interim and it is not robust to extrapolate them beyond 2021. The 2011 Based Interim Household Projections do not fully take the 2011 Census into account. They are expected to be replaced in September 2014 by Household Projections based on the 2012 ONS Sub National Population Projections.

As an interim measure, until post census Household Projections are released, significant weight must be given to the most recent (2012 based, published May 2014) sub national population projections.

2011 Census 2012 ONS Sub National Population Projections.

The March 2011 Census indicated that Torbay's population was 130,959; an increase of just under 1% from the 2001 Census (129,702). There were 59,010 households at March 2011, an increase of 1592 since 2001. 2.4% of the population were non-household population.

Household size fell slightly from 2.2 to 2.17 people per household; although the 1991 figure was also 2.17, indicating a stable household size over 20 years.

At the time of writing, the 2012 based ONS Sub National Population Projections are the most recent demographic data. These have the advantage over previous data of taking into account the 2011 Census. These are set out in Table 2 below. They project that Torbay's population will increase by about 11,000 people over the period 2012-32. This is driven by domestic immigration (16,500 net immigrants) with a falling local population (-5,600). The population movement pattern is strongly an outwards (from Torbay) migration of 18-34 year olds and inwards migration of retirees.

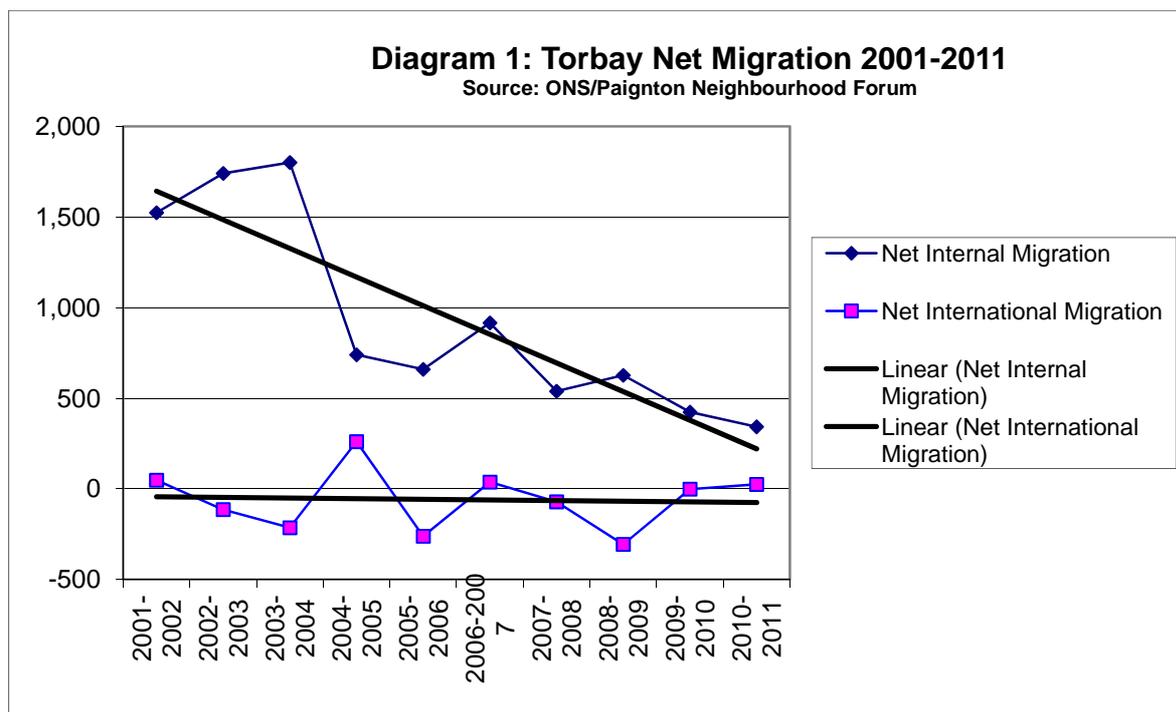
Mid Yr to Mid Yr	Births	Deaths	Natural Change	All Migration Net	Population	Net Change
2012					131,500	
2013	1,400	1,700	-300	600	131,800	300
2014	1,400	1,600	-200	600	132,200	400
2015	1,400	1,600	-200	600	132,700	500
2016	1,400	1,600	-200	700	133,200	500
2017	1,400	1,600	-200	700	133,700	500
2018	1,400	1,600	-200	700	134,200	500
2019	1,400	1,600	-200	700	134,800	600
2020	1,400	1,600	-200	800	135,400	600
2021	1,400	1,600	-200	800	136,000	600
2022	1,400	1,600	-200	800	136,600	600
2023	1,400	1,600	-200	900	137,300	700
2024	1,400	1,600	-300	900	137,900	600
2025	1,400	1,600	-300	900	138,500	600
2026	1,400	1,700	-300	900	139,100	600
2027	1,400	1,700	-300	900	139,600	500
2028	1,400	1,700	-400	1,000	140,200	600
2029	1,300	1,700	-400	1,000	140,800	600
2030	1,300	1,800	-400	1,000	141,400	600
2031	1,300	1,800	-400	1,000	142,000	600
2032	1,300	1,800	-500	1,000	142,500	500
2033	1,400	1,800	-500	1,000	143,100	600
2034	1,400	1,900	-500	1,000	143,600	500
2035	1,400	1,900	-500	1,000	144,100	500
2036	1,400	1,900	-500	1,100	144,600	500
2037	1,400	2,000	-600	1,100	145,100	500

It is noted that ONS population projections have been revised downwards since 2004, as shown at Table 3. This demographic picture cannot be characterised as a recession-based figure, as the drop in population predates the global economic downturn of 2008. It is speculated that the closure of Nortel (formerly located in West Paignton) in 2001 with the loss of over 5,000 jobs is a significant factor reinforcing this trend and accounts for the low population increase in the 2011 Census.

	2011	2016	2021	2026	2031
2012 Based (2014)	131.2	133.2	136	139.1	142
2011 Based (2012) interim	131.2	134.9	138.8	-	-
2010 based (2012)	133.7	135.4	137.7	140.2	142.7
2008 based (2010)	136.8	140.2	145.1	150.2	155.2
2006 based (2008)	140.1	145.2	152.1	158.9	165.2
2004 based (2006)	143.7	149.3	156.2	165.5	-

Migration Assumptions

ONS' assumptions about inward migration in the 2012 based projections are not trend based extrapolations. This is a vital point. Data on migration levels do not always correspond, but they all clearly show a downward trend from about 2004 in Torbay. This is shown in Diagram 1. Further information can be provided on this if required. Migration is also discussed at section 2.6 of the PBA Housing Requirements Report (PBA 2013- see below). The short term 5 year trend is 400 per year per year, although the recession may well have influenced this. PBA suggest that a long term net migration rate of 658 persons per year may be assumed (Housing Requirements Report, paragraph 2.6.5).



The ONS 2012 based Household Projections assume that migration exceeds trend based rates, and that by 2028 immigration reaches pre-2000 levels (see table 2 above). This is a clear reversal of the migration trend based data. One explanation may be that the projections factor in a significant return to economic success in Torbay to pre-2001 levels of employment.

The Council believes that Torbay's prospects will improve and is planning positively for such success. This success will bring a concomitant increase in inwards migration. But it is important to note that ONS' 2012 based projections are consistent with such a renaissance, and are not trend based projections.

Translating ONS Population Projections into Households

DCLG are expected to publish 2012 based household projections in September 2014. In the interim, the Council believes that significant weight should be given to analysis derived from the 2012 based population projections, since these are post-census figures and considerably more up to date than older data.

Deriving household numbers from the overall population depends upon non-household population, household sizes (headship rates), and economic factors.

Torbay's non household population rate is around 2.33% (see Housing Requirements Report 2013). Whilst Torbay has an ageing population, the Local Plan, and bodies such as Supporting People, NHS and Director of Public Health all have strategies which seek to help people live in their own home for longer (See paragraphs 6.4.1.42 et seq of the Local Plan). On this basis it is considered to be reasonable assumption for modelling purposes that the proportion of non-household population will stay relatively constant over the Plan period.

Household size is likely to be the second main driver of household numbers after domestic immigration. The 2011 Census indicates no change in household size from the 1991 Census, at 2.17 persons, and a very small change from 2.2 persons at 2001. It is noted that the recession may have suppressed household formation and therefore kept household size high, but this does not account for the lack of change since 1991.

The Local Plan seeks to rebalance the housing market in favour of family housing (rather than a very high proportion of small apartments that characterized the early Twenty Zeros- see below). On this basis it seems unlikely that household sizes will fall as fast as anticipated in the early years of the Century.

The Housing Requirements Report (PBA 2013) suggests a fall to 2.07 persons by 2032, which the Council considers to be at the upper limits of any likely fall. However, this is a policy induced figure (e.g. to assume that household formation rates increase in response to improved prosperity). A trend based projection would have to assume no change, or at most a 0.03% per decade fall in average household size.

Different scenarios for household projections are summarised in Table 4. They suggest an upper household requirement of 8,050 (402 per year). This takes the ONS migration assumptions at face value and assumes a significant household size reduction. As noted above, this cannot be characterized as a trend based projection, but is a policy modified scenario. It has an element of meeting a backlog of need and economic recovery factored into the assumptions used. The Excel spreadsheets behind these models are available if required.

The 2012 base population projections, assuming no fall in household size (i.e. the 20 year trend), indicates a household growth of 5,090 over 20 years (254 per year), as set out in Scenario 2 in Table 4. Taking a 5 year trend of 400 immigrants per year, and no fall in

household size would indicate a growth of 945 households (47 a year). This is not set out below, as it would not reflect a positive approach.

Table 4 Household Projection Scenarios based on 2012 based ONS Population Projections (May 20114).					
Scenario	Data	Additional Households (to nearest 10)			
		2017	2022	2027	2032
1) Policy Modified Scenario.	2012 based Population Projections. Household size fall to 2.07 by 3032	1,550	3,760	5,740	8,050
2) 20 year Trend	2012 based Population Projections. No Household size fall	990	2,300	3,650	5,090

Allowance for Empty Homes and Second Homes

It is sometimes argued that allowance for vacant homes should be made when translating households to new home requirements, although this is not an NPPF requirement. The Council's favoured approach is to add short term vacancies to the household figure, since these represent a "market churn" factor; and to delete long term (6+ month) empties, since these represent a wasted resource that could be used to meet the housing requirement. The Council and Torbay Development Agency has an active programme to bring around 150 vacant homes a year back into use. Between October 2012-2013, a total of 471 empty homes were brought back into occupation, although this represents a net figure of 98 dwellings due to new ones becoming vacant. At January 2013 there were 1,086 short term (less than 6 months) and 1,010 long term (longer than 6 months) empties. Therefore short and long term empties largely cancel each other out.

There were 1603 second homes listed at 2013, which is about 2.6% of the housing stock (of 62,000 dwellings). Again, there is no requirement in the guidance that these should be added to household figures. However, doing so would represent an additional 2.6% requirement, i.e. an additional 132 dwellings based on a 20 year trend figure (5090 x 0.026) and 209 dwellings based on the policy influenced figure above (8050 x 0.026).

Historic Completions

Whilst housing completions are clearly a “supply side” phenomenon, the NPPG indicates that Local Plans should consider past under or over delivery of housing, and seek to meet any shortfall within 5 years (as per the “Sedgefield method”). As Table 5 shows, housing completions in Torbay dropped post 2009 due to the economic downturn; however completions in this century average 450 per year. This exceeded the Torbay Local Plan (395 dwellings a year) and Devon Structure Plan Requirements (290 dwellings a year), and were nearly 3 times more than population and household growth indicated by the Census. On this basis there is no historic undersupply.

Year	New Homes built	Proportion on brownfield sites	Proportion of housing as 1 and 2 bed apartments	Number of affordable homes provided*
2013/14	355+	TBC	TBC	TBC
2012/13	256	72%	65%	37
2011/12	268	82%	40%	35
2010/11	402	85%	59%	127
2009/10	322	89%	71%	117
2008/9	450	89%	66%	119
2007/8	809	91%	68%	149
2006/7	743	92%	57%	144
2005/6	418	81%	56%	135
2004/5	402	82%	60%	47
2003/4	511	79%	63%	75
2002/3	476	60%	42%	60
2001/2	553	56%	26%	91
2000/1	447	63%	N/A	64

Source: Torbay Annual Housing Monitors and Housing Strategy Strategic Appendix (HSSA) Returns. (*Includes off the shelf purchases).

On this basis the Council assess that the 2012 based Population Projections indicate between 5,150 - 8,200 additional households between 2012-32.

However, whilst there is no undersupply in quantity terms, it is noted that has been a significant emphasis upon small apartments in the composition of housing supply, derived in part from conversions of existing buildings. This has contributed to an oversupply of bottom end of the market apartments and may have worsened deprivation in the built up area (see “market signals” below).

Exeter and Torbay Strategic Housing Market Assessment (SHMA) ORS 2007 and 2011 Refresh.

The Exeter and Torbay SHMA was prepared in 2007 on a cross boundary basis to consider housing requirements in the sub-region.

Torbay is identified as being within a separate housing market area (which encompasses a very small part of Kingskerwell, within Teignbridge District). In reaching this view, ORS assessed travel to work and migration patterns on the basis of Census Output Areas. 72% of movers were identified as staying within the Torbay sub-market. 83% of employees were identified as living in Torbay and 79% of Torbay residents worked within Torbay (see Figure 5, p16 of the 2007 SHMA main report). As set out in the Council’s Submitted Duty to Cooperate Statement, the self containment of Torbay as a discrete Housing Market Area is agreed by Torbay and the neighbouring planning authorities. It is proposed to reassess this position as part of the Local Plan five year review. In particular this will need to consider migration trends as they unfold over the next five years.

A SHMA update for Torbay was produced in 2011. Although this was during the credit crunch, it is based largely on 2009 based data, before the depths of the recession were fully comprehended. The SHMA identifies a need for around 820 dwellings a year in Torbay as set out in Table 6 below.

Table 6: Torbay SHMA Update 2011		
Summary of 5-Year Housing Requirements for Torbay by Housing Type:	Net Housing Requirement	Percentage
Market Housing	1,583	38.6%
Intermediate Housing	349	8.5%
Social Housing	2,171	52.9%
Total	4,103	100%
Source: ORS Housing Market Model, Exeter & Torbay Sub-regional Housing Requirement Assessment Torbay Update 2011.		

By size, most need is for 1 and 2 bedroom dwellings; although a third of demand for market housing is for 4+ bedroom housing (see Figure 14 of the SHMA Update).

It will be noted that the SHMA Update is based on 2009 migration data, and ORS note the volatility of inwards migration to Torbay. They modelled a 10% drop in migration, which reduced the 5 yearly requirement to 672 dwellings a year (see Figure 15 of the 2011 Update).

Housing Requirements Report (Peter Brett Associates 2013)

The Council commissioned Peter Brett Associates to carry out the Housing Requirement Report (2013) in conjunction with the Strategic Housing Land Availability Assessment and Employment Land Review (q.v.). The purpose of this suite of documents was to provide an updated analysis of requirements and Torbay's ability to meet them. In particular the Housing Requirement Report provides economic forecasting and considers the relationship between jobs and homes. This relationship has been raised by a number of representations; and in response to these the Local Plan focuses strongly on economic recovery, without resorting to mechanistic and unrealistic phasing of jobs to homes. This is considered appropriate as very recent evidence (see <http://www.lindenhomes.co.uk/responsibility> on Cranbrook in Exeter) suggests that around 85% - 95% of new homes buyers already live locally and are, as such, likely to have a job locally.

The Housing Requirements Report considers the demographic drivers of growth at some length and suggests a demographic requirement of between 8,700-11,600 dwellings (see paragraph 2.7.4). As noted above, this predates the release of 2012 based Population Projections.

The Housing Requirements Report considers Torbay's scope for economic growth based on various data sources (Oxford Economics, SW Observatory, Experian, ABI/BRES). The "trend based" scenario (using Oxford economics projections) is for around 2,000 new jobs to arise between 2011-30. This would generate a need for about 8,480 new homes in total in Torbay by 2032.

PBA consider that successful economic interventions, the effect of economic recovery and the South Devon Link Road could achieve 5,400 new jobs by 2032 (not full time equivalents), which is viewed by PBA as an upper figure, but the most robust scenario. This level of economic growth would generate a requirement for 12,280 new homes by 2032.

The report recommends a housing trajectory of 450 dwellings per year between 2012-17, with higher growth rates thereafter (see paragraph 4.4.5 of the overview document entitled "Torbay Local Plan Evidence Study 2013).

Market signals (house price inflation).

The NPPG indicates that consideration of market signals should influence planning decisions about growth levels. At May 2014 (the most recent Land Registry release), average house prices in Torbay were £147,334. This is a 2% increase on May 2013 and virtually static in real terms (i.e. after inflation is taken into account). Average prices for flats were £105,854 and terraced houses £126,811. House price increases were roughly equal across property types. Both house prices and the rate of house price inflation were significantly below the national and local averages as set out in Table 7 below.

Table 7 House Prices –May 2014 (Land Registry)		
Area	Average House price	Yearly increase May 2013-May 2014
Torbay	£147,334	2%
Devon	£195,688	4.1%
Cornwall	£184,545	3.6%

South West	£180,265	4.7%
South East	£226,334	8.4%
London	£439,719	18.5%
England and Wales	£161,252	6.7%

Official measures of lower quartile house prices to lower quartile earnings (the “affordability ratio”) indicates Torbay to be less unaffordable than neighbouring areas with a ratio of 7.56 in 2013 (down from a peak of 9.2 in 2008). In Devon the ratio is 8.92. Torbay remains slightly less affordable than the national average due to low wage rates in the area. Affordability ratios are set out at Table 8.

Table 8: Ratio of Lower Quartile house prices to Lower Quartile Earnings 2007 and 2013		
	2007	2013
Torbay	9.95	7.56
South Hams	11.03	10.46
Teignbridge	9.88	9.02
Devon	9.89	8.62
England	7.25	6.45
Source: DCLG 2013 (HM Land Registry/Annual Survey of House Prices and Earnings)		

Rental levels in Torbay are slightly lower than the average in neighbouring towns (apart from Teignmouth) and significantly below rental levels in Exeter, as set out in Table 9

Table 9: Rental Levels (£ per week) in Torbay and Neighbouring Towns				
Town/Area	1 bedroom	2 bedrooms	3 Bedrooms	4 bedrooms
Torquay	£108	£144	£184	£238
Paignton	£114	£144	£185	£236
Brixham	£113	£141	£175	£240
Newton Abbot	£117	£147	£195	£254

Teignmouth	£109	£139	£184	£229
Exeter	£127	£174	£209	£308
Totnes	£129	£174	£223	£299
Source Zoopla, July 2014.				

Torbay has a significant private rented sector at 21.4% of households compared to the regional and national figure of around 15%, according to the 2011 Census, as set out in Table 10 below. The highest proportion in the South West of private sector tenants claim housing benefits, which reflects in part high levels of deprivation in Torbay (and a significant stock of bottom of the market accommodation) and in part the low proportion of affordable housing (see paragraph 2.2.4 of the Local Plan).

Table 10 The Private Rented Sector			
Area	All private rented households	Housing Benefit recipients in the private rented sector	%
Torbay UA	13,696	9,776	71.4%
Teignbridge	8,358	4,109	49.2%
South Hams	5,259	1,831	34.8%
Exeter	10,336	3,141	30.4%
Plymouth UA	22,026	10,104	45.9
England and Wales	3,900,178	1,584,342	39.7
Source: DWP, Census: GMB			

As noted above, there is concern that a historic focus on small flats, coupled with a poor wider economic profile has added to urban problems in Torbay. The Private Sector Stock Conditions Survey (2011) found a higher than national average rate of non-decent accommodation. One quarter of private sector stock was found to have a “category 1 hazard (which the Council has a duty to address). One quarter suffered poor thermal efficiency. 41% of vulnerable households live in non-decent accommodation. The study estimated that it would cost over £100 million to bring all of Torbay’s homes up to a decent standard.

Whilst not evidence of quantitative need, this points to a policy need to regenerate urban areas and provide housing as part of mixed communities (see paragraph 6.4.1.10 of the Local Plan).

Housing Register

Torbay's Housing Register was reviewed in October 2013. This indicated that after the review there are 1028 people remaining on the Housing Register with an identified need. An additional 682 people remained on the Housing Register within Band E "no identified need".

Market Delivery

Therefore, market signals indicate that whilst there is a need for housing in Torbay, there is no evidence of the market overheating due to constrained supply. Indeed, we believe Torbay provides an excellent range and choice of sites, many of which have planning permission and are ready to go. It is more likely that lower than national house price inflation is a symptom of limited effective demand for housing, particularly since the economic crisis of 2008.

In setting its 5 year supply figure and longer term trajectory, the Council has assumed that about 30 dwellings per year are deliverable, per site per house builder. This is based on discussions with developers and the SHLAA 2013 refresh (section 2.8). A capacity to sell new homes seems to have been a limiting factor affecting the rate at which Torbay's stock of developable sites can be delivered. The Housing Requirement Report (see above) recommends that Torbay builds 450 dwellings a year between 2012-17. It assesses that this represents the likely market capacity at 2013.

Summary of Objectively Assessed Housing Need

In conclusion, Torbay is able to meet its demographically implied housing target. There is a case to exceed this to address social and economic requirements. However, as set out elsewhere in this Paper, the Council consider that a rate of growth above 400-500 dwelling a year would not be sustainable in environmental terms and would encounter infrastructure constraints.

Demand and Supply of Commercial Floorspace

The Torbay Employment Land Review (PBA 2013) is a companion paper to the Housing Requirements Report and SHLAA. Taking PBA's assessment of growth potential as a starting point it breaks these down into sectors and assesses the spatial implications (Table 3.3 and 3.4 of the ELR).

A requirement for 65,000 sq m of new employment floor space is identified as being required by 2032, equal to about 17ha of employment land, although a significant proportion may be provided as regeneration of existing areas. Over half of the requirement is for non-B employment land uses (36,200 sqm or 9.5ha), with a requirement for around 28,600 sq m (7ha) office space and 2,150 sq m (rounded up to 1 ha) of industrial space.

The 17ha does not include space requirements for healthcare or education. Both sectors are expected to expand, with 2,200 new jobs in healthcare and 600 in education by 2032. Whilst many of these jobs will be "spaceless" (i.e. arise within existing space), the Masterplans (see below) are also considering the location of new schools.

The Employment Land Review assessed the key future growth areas in the emerging local plan and identified a potential allocation within the Local Plan of 42 ha of employment, in addition to existing floorspace and town centres. Whilst this indicates an oversupply of employment space, the Review notes the need to provide sufficient choice and make allowance for market churn. It also makes allowance for mixed use developments to come forward, comprising enabling uses as well as employment.

Table 11. Potential Employment Land over the Plan Period (Employment Land Review, PBA 2013)			
Site	Size (ha)	Employment Proportions	Employment Land Potential (ha)
Sites with Planning Permission			
White Rock	8.8	100%	8.8
Edginswell Business Park	2.8	100%	2.8
Masterplanning			
Bookhams	4.1	25%	1.0

Edginswell extension	37.4	25%	9.4
Oxen Cove & Freshwater Cove	1.3	100%	1.3
Claylands	6.8	100%	6.8
Barton Landfill	16.3	50%	8.2
Yalberton (Jackson Land)	7.4	50%	3.7

It is noted that the **Torbay Economic Strategy 2013-2018** (July 2013) seeks to create just over 6,000 full time equivalent jobs by 2018. This is an aspirational figure and includes regeneration of existing areas (a schedule of sites and projects is set out from page 21 of the Economic Strategy, and a justification in terms of the Bay's low GVA, wage levels etc is set out in the Evidence base to the Economic Strategy). On this basis there is no planning conflict between the ELR and Economic Strategy. However the Council recognises that if Torbay is successful in creating the level of employment identified in the Strategy, there is likely to be a significant increase in the housing requirement. This will be assessed as part of the Five Year Review of the Local Plan.

Capacity for Retail Floorspace

The Torbay Retail Update (GVA 2013) assessed the floorspace capacity within Torbay. It supports a town centre first policy - especially for Torquay town centre. GVA recommend that the Council should undertake proactive masterplanning of town centres to overcome site assembly etc issues and help town centres maintain their market share. A mix of leisure, eating and retail uses should be considered, not just retail.

There is limited capacity for retail development outside Torquay, as set out in Table 11 below:

Table 12 Torbay Retail Update 2011: Summary of Floorspace Capacity Identified.					
Convenience (food) Floorspace Capacity Forecasts 2013-31 (sqm net)					
	2013	2016	2021	2026	2031
Torquay	158	338	1,034	1,846	2,701
Paignton	-2,474	-2919	-2,248	-1516	-734
Brixham	-1,798	-280	-132	35	205
Torbay	-4,114	-2,852	-1,346	374	2,182
Comparison (non food) Floorspace Capacity Forecasts 2013-31 (sqm net)					
	2013	2016	2021	2026	2031
Torquay	-235	-740	1,770	6,201	11,063
Paignton	-2,316	-2,019	-1,408	-435	644
Brixham	-1,220	-61	70	339	621
Torbay	-3,064	-2,404	700	6,124	12,068
Bulky Comparison (non food) Floorspace Capacity Forecasts 2013-31 (sqm net)					
	2013	2016	2021	2026	2031
Torbay	0	273	1,564	3,832	6,310

EVIDENCE OF SUPPLY/CAPACITY

Strategic Housing Land Availability Assessment (SHLAA) Update (2013)

An initial SHLAA was prepared in 2008, in the context of the emerging Regional Spatial Strategy. This sought to identify land for 15,000 new dwellings to meet the then extant requirement of the Secretary of State's Proposed Changes to the RSS. As well as identifying urban capacity (believed at 2008 to be around 6,700 dwellings between 2006-26), the SHLAA considered options for achieving the RSS required housing numbers. As part of this it assessed 16 broad greenfield locations for their suitability for growth. The 2008 SHLAA assessed that up to 16,140 dwellings could be achieved by 2026, including 5,475 on greenfield urban extensions.

The 2008 SHLAA predated the economic downturn and it is unlikely that the level of apartment development anticipated could be achieved in normal market circumstances, or without harm to the historic environment. In addition as set out below, the level of greenfield growth would not be achievable without harm to protected habitats and species.

The SHLAA was refreshed in 2013, by Peter Brett Associates. The purpose of this update was to respond to changed circumstances in terms of the revocation of RSS and market circumstances.

The 2013 SHLAA Update still focused on the identification of urban/brownfield sites. It identified around 6,000 dwelling capacity on sites with planning permission or suitable urban locations (See table 6.1 section 6). It then considered additional sources of housing land to bridge the gap between the 6,000 dwelling urban capacity and objectively assessed need. Avenues considered included the redevelopment of holiday camps, reuse of hotels, increasing density on former Mayor's Vision sites, developing council owned car parks, and broad greenfield locations. In particular the 2013 Update zoomed in on specific sites within the broad locations identified in the 2008 SHLAA, in order to provide a less generalized and more realistic assessment of likely housing capacity.

The SHLAA update identified a total housing capacity of around 11,600 dwellings in Torbay between 2012-32, as indicated in Table 13. (Depending on the base dates taken for sites with planning permission, some versions of this Table report 11,550 achievable dwellings).

Table 13 Torbay SHLAA Update 2013: Sources of Housing Land	
Sites with planning permission	2,615
Developable urban sites	2,652
Sites with some policy constraints (mainly tourism)	906
Windfalls (5 or fewer)	2,210
Car parks	600
Greenfield broad locations	2,658
	11,640

The SHLAA (Chapter 8) advises that windfalls may reasonably be expected to arise at around 130 dwellings per year. It defines windfalls as sites of 5 or fewer new dwellings. This is below the 10 year trend of 139 windfall dwellings per year. At January 2013 there was planning permission for 218 unimplemented dwellings and 88 under construction dwellings on sites of 5 or fewer net new dwellings. Appendix G “Rejected Sites” of the SHLAA lists 106 urban sites (mainly of 5 or fewer dwellings) which could be suitable for development in principle, but are not being currently promoted for development and therefore counted in the SHLAA, but may arise as windfalls. Appendix H of the SHLAA lists a further 108 sites that are considered suitable for housing but are below the 6 dwelling threshold. These provide compelling evidence of a stock of windfall sites will continue to provide a reliable source of housing supply.

Translating the SHLAA into Local Plan Policy

The SHLAA Update was considered by Torbay planners and Members in preparing the strategic delivery policies in the Proposed Submission Version of the Local Plan. Several sites were considered to have significant suitability constraints. These included South West of White Rock, Goodrington and Galmpton, which were not carried forward into the Local Plan because of potential impacts on open countryside, AONB and biodiversity. Similarly land at Copythorne Road and Mathill Road, Brixham was not carried through to the Local Plan because of impact on the AONB. Nutbush Lane, Torquay and Sandringham Gardens, Paignton were not pursued because of more localised (but still significant) issues about loss of greenspace.

The Council considers that this revised assessment of the SHLAA takes Torbay's capacity to be around 9,240 dwellings over 20 years (as per table 4.3 of the proposed Submission Version of the Local Plan). Whilst other sites may come forward, the 9,240 dwelling is a best-guess of the total capacity for development that can be achieved within the environmental capacity of the area. Detailed Masterplanning of Edginswell Valley and Collaton St Mary is currently underway and will indicate in more detail whether the yields identified in the SHLAA are achievable and what biodiversity measures are required which could affect overall numbers.

A number of representations and evidence base documents point to there being environmental limits to Torbay's capacity to accommodate development. These include the Landscape Character Assessment (Enderby Associates 2010), South Devon AONB Management Plan, Brixham Urban Fringe Study, and South Devon and Dorset Shoreline Management Plan. In particular concern has been raised by Natural England's representations about the impact of development on the South Hams SAC. As a consequence, additional Habitats Regulations work has been undertaken to identify measures that will ensure that the Local Plan is deliverable.

The report "**Response and Modifications to Local Plan (As of 17/07/14) in Response to Natural England and Habitats Regulations Assessment Site Appraisal Report 2014 (Kestrel Wildlife)**" recommends a number of modifications to the Local Plan (particularly to Policies SS8 and NC1) to address concerns about the South Hams SAC. In particular a network of darkened hedgerows with roosts, should be provided to maintain bat corridors. Whilst the Council considers that the Local Plan's growth strategy is deliverable within the HRA report's parameters, it does provide evidence that the capacity for growth is no greater than promoted.

Infrastructure Capacity

The Council has assessed infrastructure needed to deliver development in a number of documents, including the 2008 SHLAA (Volume 2, section 11), **Torbay Infrastructure Delivery Study (Roger Tym and Partners/Baker Associates 2012)**. Whilst there is a funding gap in providing "desirable" infrastructure, no "show stoppers" to delivering a growth rate of 8,000-10,000 dwellings with accompanying employment etc were identified in these studies. **Policy SS7** and **Part 7** of the Local Plan sets out a framework for the use of developer contributions towards infrastructure.

However, two major infrastructure pinch points are considered to be a potential constraint in Torbay. The road capacity of the A380 “Western Corridor” (the main north south route around the west of Torbay) has been the subject of separate modelling (**Torbay SATURN model Update, Parsons Brinckerhoff**, February 2010). This tested 10,000 and 15,000 dwelling scenarios, based on the then draft Core Strategy. It found that whilst 10,000 dwellings could in general be accommodated with online improvements, a 15,000 dwelling scenario would lead to congestion that could not be eliminated from the road network. **Local Plan Policy SS6** sets out strategic transport improvements needed to deliver the growth strategy.

The second key constraint is likely to be capacity of Torbay’s sewer system. As set out in the Explanation to Policy **W5 “Waste water disposal”**, there is a modern waste water treatment works at Brokenbury, Churston, but the sewers leading to it are aged and there are a large number of shared waste and storm water connections throughout the system.

It is noted that South West Water have not objected to the Local Plan and discussions with them indicate that they do not consider that there are limits to development before 2021, based on Local Plan levels of growth. However, it is noted that objections have been raised on the basis of sewer capacity, by the Collaton Defence League, Paignton Neighbourhood Forum and others.

In order to address concerns and carry out longer term assessment of sewer capacity than possible under South West Water’s Asset Management Plans, the Council commissioned AECOM to carry out **Hydraulic Modelling of Sewer Capacity** (expected July 2014). This confirms that 8,000-10,000 dwellings can be delivered in Torbay, but will require new development to have separate foul and storm drainage (i.e. no new shared sewer connections) as well as water efficiency measures. These requirements are needed to address “urban creep” (i.e. effects of extensions, hard standings etc), and climate change. **Policy ER2** of the Local Plan seeks to achieve water efficiency measures.

Local Plan Growth Strategy

On the basis of the above evidence, full Council on the 15th May 2013 resolved that the Local Plan should promote a range of between 8,000-10,000 new homes and 5,000-6,000 new jobs, between 2012-32. This was informed by comments made on the Draft Local Plan as well as the

emerging findings from the evidence base quoted above. The 9,200 dwelling capacity identified in the Council's assessment of the SHLAA is within the "bandwidth" of the Local Plan target, although as explained above, it is impractical to set out an exact figure.

This level of growth is significantly above the demographically implied provision, because of the need for affordable housing and economic regeneration. It remains, however, a policy led requirement based on the level of growth that the Council believes can be accommodated within the environmental and infrastructure carrying capacity.

Policy SS1 "Growth Strategy for a Prosperous Torbay" sets out the overall growth strategy for Torbay. This is amplified in other parts of the Local Plan, particularly the Strategic Delivery ("SD...") policies. Picture 1.1 (P2) of the Submission Local Plan sets this out diagrammatically. A more detailed trajectory of where and when development is expected to arise can be provided if required. Torbay has three Neighbourhood Forums charged with Bay wide Neighbourhood Plan coverage (see separate Submission Document on Neighbourhood Plan preparation), and some medium term sites will be brought forward by Neighbourhood Plans (see below).

The bulk of growth within the first five years is expected to come from sites with planning permission (noted at Appendix D of the Local Plan). Several of these will provide mixed use developments comprising employment, local retail and recreation as well as housing.

Policy SS12 undertakes to maintain a rolling five year supply of deliverable sites (reflecting paragraph 47 of the NPPF). Historic completions are noted at Table 5 above. Torbay Council updates its 5 year supply on an annual basis. The 5 year supply position at April 2013 indicates a total of 2,797 deliverable dwellings. An updated position can be provided for the Examination if required. The five year supply at April 2013 arose from 62 sites of 6 or more dwellings. Of these 42 are major developments of 10+ dwellings and 16 are sites of 30+ units. These have planning permission, except for the Great Parks sites. The Great Parks sites are considered to be partly deliverable because they are housing sites in the Adopted Local Plan, are the subject of recent Masterplanning (2013) and there is active developer interest.

In years 6-10 of the Plan period (i.e. post 2017) development is expected to come mainly from outstanding committed sites as well as sites identified in Neighbourhood Plans (sites are shown

in Appendix D and for information on the Policies Map). Because of likely build out rates (of about 30 dwellings per site per builder a year), some of the committed sites are likely to extend beyond year 5 of the Plan, for example Scotts Meadow and Hollicombe (Torquay). In addition, land at Yalberton and Devonshire Park (both Paignton) are likely to be developed in the year 6-11 period.

The Local Plan identifies a number of **Strategic Delivery Areas** [see Policy SS1 and Key Diagram (P27)]. These are the focus for delivery of strategic development (red areas) or have specific tourism/environmental considerations (green areas). These are amplified by area specific Strategic Delivery Policies (SDT, SDT, SDB), which also sets out the anticipated timescale. In particular these have a strong emphasis on town centre regeneration (**SDT2, SDT2, SDB2**) which complement a town centres first approach set out in Policies **TC1-5**; and policies to modernize the tourism offer in **Policies TO1 and TO2**.

Policy **SS1** and **SS2 “Future Growth Areas”** proposes four Future Growth Areas (all within “red” Strategic Delivery Areas) at Edginswell, Torquay; Collaton St Mary and Brixham Road, Paignton; and Wall Park Brixham. Masterplans have been prepared to inform development at Edginswell and Collaton St Mary as well as Paignton and Brixham town centres. These are expected to provide mixed use developments providing a range of housing, recreation, employment and biodiversity mitigation measures.

It is expected that Future Growth Areas will form part of the medium-term (i.e. post 5 year) supply of development land. A number of sites have strong developer interest (for example, Collaton St Mary and Wall Park). The identified area at Edginswell is highly accessible from the South Devon Link Road (due to be completed in September 2015) and there is landowner support for development of the area.

On this basis earlier delivery will be supported where infrastructure and environmental matters can be overcome. **Policy SS7 “Infrastructure, Phasing and Delivery of Development”** sets out a requirement for the necessary infrastructure to be delivered to support development. As set out in the Council’s response to Natural England’s representation, there are significant environmental constraints relating to the South Hams SAC, curlew buntings and other species. In

addition there is a need for comprehensive planning of highways and sewerage, which will affect the phasing of development (see section above on infrastructure capacity).

It is noted that some objections (notably Paignton Neighbourhood Forum) have advocated a more robust jobs before homes phasing approach. The Council fully agrees with the need for economic regeneration. Policies **SS4 and SS5** in particular seek to promote economic growth and identify employment areas, building on the evidence of the Employment Land Review. However it does not consider that a rigid jobs first phasing approach is likely to conform to the NPPF. Therefore the phasing approach in the Local Plan is based on the provision of appropriate (physical, social and environmental) infrastructure needed to render development sustainable.

However, as part of the Local Plan 5 year review, the Council will consider a range of factors that affect whether the Local Plan strategy remains appropriate (see paragraph 7.5.14 of the Local Plan, subject to a suggested updating to reflect the NPPG). One consideration is whether progress is being made towards creating a more balanced economy and improving Torbay's employment density.

Environmental Policies

As noted above, Torbay has a range of internationally important biodiversity and geodiversity features, as well as important landscape designations. Policy **SS8 “Natural Environment”** requires development to protect and enhance the natural environment. This is amplified by other policies in the Local Plan, particularly **C1 “Countryside area”, C2 “The coastal landscape”, C3 “Coastal change management”, C4 “Trees, hedgerows and natural landscape features”** and **NC1 Biodiversity and geodiversity**.

Ensuring that delivering the Local Plan growth strategy does not harm the integrity of the South Hams SAC is a key feature of Natural England's concern about the Local Plan and Habitats Regulations Assessment. Whilst the Proposed Submission Local Plan protects the SAC (see Policy NC1 and paragraph 6.3.2.1, and Strategic Delivery Policies), a number of proposed modifications are being suggested to the Inspector to assuage concerns about greater horseshoe bats. In particular these strengthen the requirement for darkened corridors of

hedgerows. The Local Plan also sets out protection for other species such as ciril buntings, and mitigation of the impacts of increased developments on important habitats.

Viability of Delivery Issues

The Council recognise that several policies within the Local Plan are likely to affect viability. In particular **H2 “Affordable housing”**, sustainable communities (**Policies SC1-5**) and environmental sustainability policies (**ES1-2**) have been identified as having an impact on viability in the development industry’s representations.

The Local Plan has been subject to several viability assessments. Most recently the **Torbay Local Plan Viability Testing- Economic Viability Report (PBA 2014)** carried out a traffic light assessment of all Local Plan Policies. A number of Policies identified as having a possible impact on viability were revised prior to publication in the Proposed Submission Version of the Local Plan. In particular, these policies note that requirements which could impact on viability will be sought proportionately to the scale of proposal. The Local Plan notes that S106 Obligations will be negotiated where viability issues arise (see paragraphs 4.3.34 and 7.4.8-12 generally, and 6.4.1.14-15 with regard to affordable housing).

Policy H2 sets out a sliding scale of affordable housing requirements, seeking to minimise the impact on smaller sites and brownfield sites. It will be noted from the SHMA evidence cited above that the need for development in Torbay is substantially for affordable housing rather than a demographically implied requirement.

On this basis the Council believes that the Local Plan is deliverable.

Five Year Review

The Council believes that the Local Plan Strategy is positively prepared, justified, effective and consistent with national policy. It seeks to provide as high a level of growth as possible consistent with environmental and infrastructure constraints.

However, it is recognised that growth issues are the major matter raised by representations on the Local Plan. The Local Plan will be reviewed on a five year basis to consider whether the growth strategy remains appropriate (see paragraphs 1.1.3, 1.1.5 and Section 7.5 of the Local Plan). The Council has suggested a number of suggested editorial changes to the submitted

Local Plan to clarify that growth levels may go down as well as upwards should this be appropriate.

Given the land identified in the Local Plan, a constraint on land supply will not arise before the first five year review and almost certainly not before the third review (i.e. supply is expected to last 15 years). On this basis there is no need to look beyond Torbay's boundary to meet its needs in the short to medium term.

The Local Plan review will be on a cross boundary basis (paragraph 1.1.16 refers) and will consider whether it remains appropriate to continue to consider Torbay as a separate housing market area, the function of different areas within the sub-region and whether there are more sustainable locations within neighbouring areas.

As noted, such a consideration will only arise in the latter stages of the Plan period. If it does, it will show that Torbay has bucked the trend, and the Local Plan has set an effective "Landscape for Success".