

# Housing Topic Paper

EXMOOR NATIONAL PARK LOCAL PLAN 2011 – 2031  
FOR SUBMISSION – MAY 2016

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## Executive Summary

1. This housing topic paper provides evidence and explanation to underpin the housing strategy of the emerging Exmoor National Park Local Plan.
2. Section 1 of the paper summarises the role of the Topic Paper.
3. Section 2 includes information on the context of the National Park including:
  - the statutory purposes and duty of National Parks, and a summary of national policy and guidance on housing and National Parks. National Parks are not suitable locations for unrestricted housing and general housing targets are not provided for them.
  - past approaches to housing provision; and
  - evidence on constraints to housing development including the landscape sensitivity assessment and the capacity of greenfield sites in settlements for housing.
4. Section 3 sets out analysis of the local need for affordable housing including in relation to Exmoor's population and local housing market. The National Park has an ageing population and high external demand, predominantly from people in older age groups. There is a disparity between local incomes and house prices/rents creating an 'affordability gap' and a consequent need for local need affordable housing. Whereas newly built market housing has generally been bought by people from outside the National Park, including from distant housing market areas, new local needs housing has tended to be lived in by families and working age people in younger age groups.
5. Section 4 of the paper draws on the Northern Peninsula Strategic Housing Market Area Assessment (NP SHMA) and subsequent updates which should be read together as a collection of documents to provide evidence on the Northern Peninsula HMA (NP HMA) as a whole. This includes the jointly commissioned NP SHMA review of the implications of the 2012 household projections, published in December 2015 by the constituent local planning authorities. It has enabled the objective assessment of housing need across the Housing Market Area (HMA).
6. The review provides projected future housing requirements disaggregated for the four local planning authorities (Appendix 1) and for the National Park and the constituent housing authority areas within it 2011-2031 (Appendix 2). Additionally, a review of the 2012 household projections, specifically for Exmoor National Park (ENP), assesses the proportion of the National Park's affordable housing need (61.22%) against the unadjusted total household projection of 552 dwellings (and the 150 and 402 dwellings for the two housing authority areas of North Devon and West Somerset in the National Park).
7. The housing figures have been assessed, taking account of national policy and guidance, to provide confidence in the approach for the National Park and across the Northern Peninsula HMA. The 2012 household projections have been taken as the starting point for calculations. This topic paper explains how the total OAHN has been calculated and provides evidence on the

disaggregation of the affordable and market housing components of it (in Table 4.3). Table 4.4 of this paper (replicated below) summarises the OAHN for the National Park.

**Table 4.4 Exmoor National Park Objectively Assessed Housing Need (OAHN) 2011-31**

The total OAHN for Exmoor National Park is **718 dwellings** 2011-2031 of which:

- **196** are for North Devon in the National Park (127 affordable and 69 market dwellings)
- **522** are for West Somerset in the National Park (336 affordable and 186 market dwellings)

8. Section 4 also sets out evidence and analysis of future housing supply and includes a summary of housing delivery and the Strategic Housing Land Availability Assessment (SHLAA).
9. The Topic Paper outlines the position on duty to cooperate as regards housing. It reflects agreement that the 196 dwellings arising in the North Devon housing authority area of the National Park will be included in the North Devon and Torridge Local Plan housing provision figure (and met in the North Devon area outside the National Park). Duty to Co-operate discussions with West Somerset Council as they relate to housing are summarised. The National Park Authority's request for 186 market dwellings to be accounted for in the emerging West Somerset Local Plan was not able to be accommodated.
10. Section 5 of the paper explains the positive strategy for the delivery of housing in Exmoor National Park including:
  - the approach to the future delivery of affordable housing with 336 units of local need affordable housing 2011-31 to be included as an estimate of need in the emerging Exmoor National Park Local Plan;
  - a summary of the approach to providing for other housing to address the needs of the National Park's communities including for Exmoor workers and for an ageing population;
  - evidence on the successful delivery of affordable housing since 2005/06;
  - updated housing viability evidence that the policies in the Local Plan are deliverable. However, unless there are changes to public subsidy or other forms of funding for affordable housing, many if not most affordable housing schemes (excluding self/custom build) will need a substantial element of Principal Residence housing to ensure viability;
  - through a needs led rural exceptions approach, how affordable housing need will be assessed in the National Park over the plan period; and
  - the range of initiatives being pursued by the National Park Authority in partnership with others, to help with the delivery of needed local affordable housing given national changes affecting how affordable housing is funded and delivered.

# 1 Introduction and Role of Housing Topic Paper

- 1.1 This housing topic paper provides additional evidence and explanation to underpin the housing strategy in the Submission Draft of the Exmoor National Park Local Plan. It sets out:
- a) context on the National Park designation in relation to the housing strategy in section 2 of this topic paper and the need for affordable housing in section 3;
  - b) in section 4, the objectively assessed housing need (OAHN) for Exmoor National Park, and for the two constituent housing authority areas within it, including for affordable housing; evidence on past housing delivery; future housing supply, and a summary of duty to co-operate in relation to housing.
  - c) the approach being taken in setting out a positive strategy for the implementation and delivery of housing in Exmoor National Park (ENP) building on the successful delivery of local need affordable housing to date and initiatives to help with its future delivery.

## 2 The Exmoor National Park Context

### 2.1 National Park Statutory Purposes and Duty

- 2.1.1 The statutory purposes of National Parks are set out under the National Parks and Access to the Countryside Act 1949, as amended by the Environment Act 1995, and are:
- to conserve and enhance the natural beauty, wildlife and cultural heritage (of the National Parks); and
  - to promote opportunities for the understanding and enjoyment of the special qualities (of the National Parks) by the public.
- 2.1.2 The National Park Authority's primary responsibility is to deliver the statutory purposes. In pursuing National Park purposes, National Park Authorities have a duty to *"seek to foster the economic and social well-being of local communities within the National Park and shall for that purpose co-operate with local authorities and public bodies whose functions include the promotion of economic or social development within the area of the National Park"*. Within the Parks, conserving and enhancing the landscape, biodiversity, cultural heritage, dark skies and natural resources, and promoting public understanding and enjoyment of these should lie at the very heart of developing a strong economy and sustaining thriving local communities.<sup>1</sup>
- 2.1.3 Section 62 of the Environment Act also requires all relevant authorities to *"have regard to the statutory purposes in exercising or performing any functions in the National Park and; if it appears that there is a conflict between those purposes, to attach greater weight to the purpose of conserving and*

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<sup>1</sup> DEFRA (2010) English National Parks and the Broads UK Government Vision and Circular, London: DEFRA.

*enhancing the natural beauty, wildlife and cultural heritage of the area”, known as the ‘Sandford Principle’.*

## 2.2 National Policy

2.2.1 The NPPF states that local planning authorities should *‘use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in this Framework.*<sup>2</sup> Paragraph 14 also states that Local Plans should meet objectively assessed needs unless:

- Any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in the Framework taken as a whole; or
- Specific policies in the Framework indicate development should be restricted. Footnote 9 of paragraph 14 sets out examples which include within National Parks.

2.2.2 National guidance is that meeting objectively assessed housing need is not the only factor to be considered. It provides clarification that the National Planning Policy Framework should be read as a whole and that need alone is not the only factor to be considered when drawing up a Local Plan. Local planning authorities should, through their Local Plans, meet objectively assessed needs unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in the Framework taken as a whole, or specific policies in the Framework indicate development should be restricted. Such policies include those relating to sites protected under the Birds and Habitats Directives, and/or designated as sites of special scientific interest (SSSIs), local green space, areas of outstanding natural beauty (AONBs), heritage coast or within a national park or the Broads; designated heritage assets; and locations at risk of flooding or coastal erosion.<sup>3</sup>

2.2.3 The Guidance also addresses whether local planning authorities have to meet in full housing needs identified in needs assessments; assessing need is just the first stage in developing a Local Plan. Once need has been assessed, a strategic housing land availability assessment should be prepared to establish realistic assumptions about the availability, suitability and the likely economic viability of land to meet the identified need for housing over the plan period, and in so doing take account of any constraints such as green belt, which indicate that development should be restricted and which may restrain the ability of an authority to meet its need.<sup>4</sup>

2.2.4 The PPG acknowledges that housing supply and affordability are issues in rural areas, recognising the role of housing in supporting the broader sustainability

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<sup>2</sup> DCLG (2012) National Planning Policy Framework, London: DCLG, Para. 47.

<sup>3</sup> DCLG (2014) Do housing and economic needs override constraints on the use of land, such as Green Belt? Paragraph: 044 Reference ID: 3-044-20141006 [Online]. Underlining in text has been added.

<sup>4</sup> DCLG (2014) Do local planning authorities have to meet in full housing needs identified in needs assessments? Paragraph: 045 Reference ID: 3-045-20141006 [Online].

of rural settlements to ensure the viable use of local services and facilities to maintain thriving communities.<sup>5</sup>

2.2.5 The NPPF-sets out twelve core principles: planning should take account of the different roles and character of different areas, recognising the intrinsic character and beauty of the countryside and supporting thriving rural communities within it.<sup>6</sup>

2.2.6 The NPPF recognises the special circumstances in delivering housing within National Parks, which are given *“the highest status of protection in relation to landscape and scenic beauty...[and] great weight should be given to conserving them and to the conservation of wildlife and cultural heritage which are important considerations in National Parks”*.<sup>7</sup> The purposes of National Parks and duties of relevant bodies set out in the Environment Act 1995 (sections 61 and 62) carry great weight and in themselves provide the context for interpreting policy.

2.2.7 The NPPF refers to the Vision and Circular for the English National Parks and the Broads (2010) which sets out policy guidance specifically for the English National Parks for all those whose decisions or actions might affect them.<sup>8</sup> *“The Government recognises that the Parks are not suitable locations for unrestricted housing and does not therefore provide general housing targets for them. The expectation is that new housing will be focused on meeting affordable housing requirements, supporting local employment opportunities and key services”*. National Park Authorities are expected to *“include policies that pro-actively respond to local housing needs”* in their Local Plans, and to prioritise affordable housing for local needs.<sup>9</sup> The Circular notes the importance of affordable housing in rural areas, including for the sustainability of National Parks and their communities recognising that high external demand for housing in National Parks has driven up house prices and that this, combined with relatively low wages means that much of the stock is now beyond the reach of many local households. This can affect the social and economic diversity of rural communities and may undermine social support networks and the viability of rural businesses, which are key components of sustainable rural communities. The Circular recognises that National Park Authorities have an important role to play as planning authorities in the

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<sup>5</sup> DCLG (2014) Planning Practice Guidance: How should local authorities support sustainable rural communities? Paragraph 001, Reference ID: 50-001-20140306) [Online], Available: <http://planningguidance.planningportal.gov.uk/blog/guidance/rural-housing/how-should-local-authorities-support-sustainable-rural-communities/>

<sup>6</sup> Department of Communities and Local Government (March 2012) National Planning Policy Framework, London: CLG, paragraph 17.

<sup>7</sup> Department of Communities and Local Government (March 2012) National Planning Policy Framework, London: CLG, paragraph 115.

<sup>8</sup> DCLG (2012) National Planning Policy Framework, London: CLG, Footnote 25 of paragraph 115.

<sup>9</sup> DEFRA (2010) English National Parks and the Broads UK Government Vision and Circular 2010, London: DEFRA, para 78.

delivery of affordable housing, though they are neither housing authorities nor housing providers.<sup>10</sup>

- 2.2.8 National guidance for the delivery of housing in rural areas is that local planning authorities should respond to local circumstances and plan for housing development to reflect local needs, particularly for affordable housing, including through exception sites where appropriate.<sup>11</sup> It acknowledges that housing supply and affordability are issues in rural areas, recognising the role of housing in supporting the broader sustainability of rural settlements to ensure the viable use of local services and facilities to maintain thriving communities.<sup>12</sup>
- 2.2.9 The NPPF also states that public bodies have a duty to co-operate on planning issues that cross administrative boundaries, particularly those which relate to the strategic priorities. Joint working should enable local planning authorities to work together to meet development requirements which cannot wholly be met within their own areas – for instance because of a lack of physical capacity or because to do so would cause significant harm to the principles and policies of the NPPF.<sup>13</sup>

## 2.3 Past Approaches to Housing Provision

- 2.3.1 It has consistently been recognised that National Parks are not suitable locations for unrestricted housing development. Previous strategic plans focused on the need for affordable housing in rural areas to meet the needs of local communities only.<sup>14</sup> Prior to the adoption of the 1997 Exmoor National Park Local Plan, rates of new house building/conversions within the National Park consistently exceeded Structure Plan housing provision figures but had very little impact in helping provide housing to satisfy local needs and house prices continued to rise.<sup>15</sup>
- 2.3.2 The strategic approach to housing in the Joint Structure Plan and subsequently the draft South West Regional Spatial Strategy (RSS) was therefore to help meet local needs for housing in the National Park.<sup>16</sup> The draft RSS provided for an estimated provision against local needs only and did not set housing targets for the Exmoor National Park enshrining a needs led approach to only provide

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<sup>10</sup> DEFRA (2010) English National Parks and the Broads UK Government Vision and Circular 2010, London: DEFRA, para 76.

<sup>11</sup> CLG (2012) National Planning Policy Framework, London: CLG, Para 54.

<sup>12</sup> DCLG (2014) Planning Practice Guidance: How should local authorities support sustainable rural communities? Paragraph: 001 Reference ID: 50-001-20140306 Revision date: 06 03 2014

<sup>13</sup> CLG (2012) National Planning Policy Framework, London: CLG, paras 178-179.

<sup>14</sup> GOSW (2001) Regional Planning Guidance for the South West: RPG10, paras. 7.9 to 7.16 and Policy HO3.

<sup>15</sup> Exmoor National Park Authority (2005) Exmoor National Park Local Plan 2001-11, Dulverton: ENPA. Para. 4.6, Table 4.1.

<sup>16</sup> Somerset County Council and Exmoor National Park Authority (2000) Somerset and Exmoor National Park Joint Structure Plan Review 1991-2011, Somerset County Council and Exmoor National Park Authority Policy 33: Provision for Housing.

South West Regional Assembly (2006) Draft Regional Spatial Strategy for the South West 2006-26, Policy SD4, para. 3.5.3, Development Policy C, para. 4.5.3 and Table 4.1.

housing where need was demonstrated and where it did not otherwise conflict with Park purposes.<sup>17</sup>

- 2.3.3 The approach in previous Park-wide Local Plans had been to encourage affordable housing.<sup>18</sup> The 1997 Local Plan restricted open market new build housing within villages to redevelopment sites. This was a response to the high level of open market in-fill housing built during the previous 5-20 years that had tended to erode the character of Exmoor's villages. Within the context of restraint necessary in a National Park, the 2005 Plan provided a clear focus that, exceptionally, new affordable housing to meet local need and delivered through a needs led 'exceptions' approach would be considered to ensure that the needs of local communities were prioritised.<sup>19</sup> An important principle underpinning the approach was that the level of housing development should be compatible with the conservation and enhancement of Exmoor making maximum use of existing accommodation and buildings to reduce the need for greenfield development.
- 2.3.4 This focused approach resulted in the number of new affordable homes completed in the National Park outstripping the number of open market homes for the first time in 2011/12 and showing that the policies were having the intended effect.<sup>20</sup>

## 2.4 Exmoor National Park

- 2.4.1 Exmoor was designated as a National Park in 1954.<sup>21</sup> Approximately two thirds lies within West Somerset and one third in North Devon. It has a resident population of 10,273 people; a fall of 600 between 2001 and 2011.<sup>22</sup> Approximately three-quarters of the population are within the West Somerset area of the National Park, and a quarter within North Devon. A total of 42 parishes are within (or partly within) the National Park with most of the population living in small dispersed settlements.
- 2.4.2 Exmoor National Park is one of the few upland areas in southern England. It provides a unique landscape of moorland, woodland, valleys, farmland and coast. Its remoteness, topography and climate have helped to maintain a large extent of well preserved, semi-natural upland landscapes and undeveloped coastline.

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<sup>17</sup> South West Regional Assembly (2006) Draft Regional Spatial Strategy for the South West 2006-26, Taunton: SWRA, para. 4.5.3 and Table 4.1.

<sup>18</sup> Exmoor National Park Authority (1997) Exmoor National Park Local Plan 1991-2001, Dulverton: ENPA.

<sup>19</sup> Exmoor National Park Authority (2005) Exmoor National Park Local Plan 2001-11, Chapter 4 pp 64-83.

<sup>20</sup> Exmoor National Park Authority (2012) Annual Monitoring Report 2011-2012, chart 6.2 and para. 6.31.

<sup>21</sup> H.M. Government; National Parks and Access to the Countryside Act 1949: Exmoor National Park (Designation) Order 1954 (HLG 92/176); H.M.S.O. 1956

<sup>22</sup> Office for National Statistics (2013) - 2011 Census, Key Statistics for National Parks in England and Wales (webpage).

## CONSTRAINTS TO HOUSING DEVELOPMENT

- 2.4.3 Physical constraints such as topography, flood risk, heritage assets, wildlife site designations, heritage coast as well as the sensitivity of Exmoor's landscape affect the capacity of Exmoor's settlements to absorb more housing development.
- 2.4.4 The topography and geology of Exmoor significantly influence flood risk. Many of the National Park's watercourses flow through steep confined valleys, and after rainfall, river and stream levels and the speed of water flow rise rapidly. Most settlements on Exmoor are located in the bottom of valleys and are therefore often at risk of flooding. This is a key constraint for new development and has been assessed through the Strategic Flood Risk Assessment, Sustainability Appraisal and Strategic Housing Land Availability Assessment.
- 2.4.5 Exmoor's settlements, sites and features are of rich cultural and historic interest. The National Park's built environment consists of a range of dispersed farmsteads, hamlets and villages as well as the slightly larger settlements of Dulverton, Lynton and Lynmouth and Porlock (all of which have a parish population of less than 1,500 people). There is a high number of listed buildings. The quality of preservation of archaeological sites and historic features and the diverse nature of the historic resource within the National Park gives it special significance. However, these resources are also fragile, vulnerable to insensitive change and, ultimately irreplaceable.
- 2.4.6 Exmoor has many important rare species and habitats. Around 28% of the National Park is designated as internationally or nationally important i.e. as Special Areas of Conservation and/or Sites of Special Scientific Interest. Additional areas are identified as locally important for wildlife or are Section 3 land.
- 2.4.7 An assessment of the landscape sensitivity of the National Park settlements to housing development demonstrates the limited capacity for new housing on greenfield sites within the National Park without detriment to landscape character.<sup>23</sup>
- 2.4.8 In the context that land within a National Park is recognised as being nationally important, greenfield land in and around existing named settlements was assessed in terms of its landscape sensitivity to new build housing. It found that the total capacity of all named settlements over the longer term (beyond the period of the Local Plan) was 326 units. Although there may be additional opportunities in some settlements (over and above sites on greenfield land) including through the appropriate reuse or redevelopment of existing buildings, the study provides a guide to the overall limit to future housing development in the National Park and shows that suitable housing land is a finite resource. The finite existing stock of accommodation, buildings and previously developed land/buildings is

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<sup>23</sup> Bryan, P (2013) Exmoor National Park Landscape Sensitivity Study, Dulverton: ENPA [updated in 2015 to include Porlock Weir].

therefore an important component of future supply, to minimise the level of greenfield housing development within the National Park and ensure that, in the longer term beyond the plan period, there will still be some suitable housing sites in settlements to help meet the needs of National Park communities.

### 3 The Local Need for Affordable Housing

3.1 This section of the paper sets out evidence on Exmoor's population, housing market, and affordable housing need and explains why, despite partnership working and a clear planning focus to prioritise the delivery of new local need affordable homes, there remains a need for affordable housing in the National Park.

#### POPULATION AND THE LOCAL HOUSING MARKET

3.2 The National Park is characterised by an ageing population with a higher than average proportion in older age groups and a below average proportion in all age groups under 45.

3.3 Table 3.1 below sets out the proportion of each age group in the National Park and compares it to the average for the South West region and England as a whole.<sup>24</sup> Analysis of Exmoor's population shows that there is a:

- a) high proportion aged 65 or above (29%). This is almost the same as West Somerset District as a whole, which has the highest average age in England.<sup>25</sup> The number in this age group indicates that the National Park will continue to have a well above average older population.
- b) high proportion aged 45 to 64 (35%).<sup>26</sup>
- c) very high proportion, therefore, of over 45s (64%) - the average for England is 42%.
- d) low proportion aged 25-44 (16%) compared to a national average of 28%.<sup>27</sup>
- e) low proportion of children and young people aged 24 and under (20%) compared to an average of 31%.
- f) higher than average proportion of households with one person, and particularly two people; and a high proportion of over 65s living alone (around 20%). The number of households with dependent children is lower than average.<sup>28</sup>

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<sup>24</sup> Housing Vision (2014) Strategic Housing Market Assessment Update: Exmoor National Park in West Somerset, Table 2.1 and Housing Vision (March 2015) SHMA Assessment Update, Exmoor National Park, Table 2.1.

<sup>25</sup> Housing Vision (2014) Strategic Housing Market Assessment Update: Exmoor National Park in West Somerset, after Table 2.1.

<sup>26</sup> Housing Vision (March 2015) SHMA Assessment Update, Exmoor National Park, Table 2.1

<sup>27</sup> Ibid.

<sup>28</sup> Housing Vision (2014) Strategic Housing Market Assessment Update: Exmoor National Park in West Somerset Table 2.2 and key findings after Table 2.2.

**TABLE 3.1 Population structure in Exmoor National Park**

Age Bands	West Somerset in ENP		North Devon in ENP		Exmoor National Park		South West	England
	No	%	No	%	No	%	%	%
Age 0 to 15	958	12.3	340	13.1	1,297	12.5	17.6	18.9
Age 16 to 17	163	2.1	51	2.0	214	2.1	2.4	2.5
Age 18 to 24	452	5.8	144	5.5	596	5.7	8.9	9.4
Age 25 to 44	1,162	14.9	468	18.1	1,630	15.7	24.6	27.5
Age 45 to 64	2,705	34.7	916	35.3	3,621	34.8	26.9	25.4
Age 65 plus	2,360	30.3	675	26.0	3,035	29.2	19.6	16.3
<b>All Categories: Age Structure</b>	<b>7,800</b>	<b>100.0</b>	<b>2,594</b>	<b>100.0</b>	<b>10,393</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

- 3.4 Evidence shows the extent to which people move from other parts of the UK including the South East, London, East Anglia and the Midlands<sup>29</sup> and from people who work in neighbouring areas and who can afford to buy a house on Exmoor and commute out to work.<sup>30</sup> Exmoor's housing market continues to be under considerable pressure from external demand as the high quality environment of the National Park makes it an attractive place for people to move to – particularly to retire to or own a second home. Between 2008 and 2011, the age group moving in greatest numbers to the National Park were aged 45 to 64 while the 16 to 44 age group were leaving the area.<sup>31</sup>
- 3.5 This looks set to continue as internal migration (people moving into the area from other parts of the UK) is the most significant component of projected population change for Exmoor National Park: with a net increase of population overall as a result of people moving into the area contrasting with a net loss due to natural change.<sup>32</sup> Up to 2035, it is predicted that the proportion of people aged over 65 and the number of single households will increase, including as retired people continue to become more aged.<sup>33</sup> The age imbalance is therefore likely to become more acute.

<sup>29</sup> Housing Vision (2014) Strategic Housing Market Assessment Update: Exmoor National Park in West Somerset, Table 2.23 and Exmoor National Park Authority (2000) Residential Occupancy Survey.

<sup>30</sup> Housing Vision (2008) Northern Peninsula SHMA and Housing Vision (2014) Strategic Housing Market Assessment Update: Exmoor National Park in West Somerset, Table 2.31.

<sup>31</sup> Housing Vision, (2014) Strategic Housing Market Assessment Update: Exmoor National Park in West Somerset, para 2.81.

<sup>32</sup> Housing Vision (March 2015) Exmoor National Park SHMA Update, Tables 4.3 to 4.6.

<sup>33</sup> Housing Vision (2014) Strategic Housing Market Assessment Update: Exmoor National Park in West Somerset, paras 2.70 and 2.75,

## EXMOOR'S HOUSING STOCK

- 3.6 Analysis of the existing housing stock shows that there is a predominance of larger, detached homes (47%). Nearly 90% of the total stock are houses (of which almost half are detached). There are fewer more modest (and more affordable) one and two bedroom dwellings, terraces and flats (27%).<sup>34</sup>
- 3.7 A high proportion (19%) of all housing is second/holiday or empty homes.<sup>35</sup> This adds pressure to the limited housing stock and further exacerbates affordability issues and the ability (or otherwise) to meet the housing needs of local communities.
- 3.8 Analysis of housing granted and built between 1992 and 2000 (before the 2005 adopted Local Plan) shows that the Exmoor's housing market has been subject to longstanding external demand. Most dwellings permitted and built in this period were larger, generally three bedroom houses. They were lived in by people moving to the area - almost 90% of households moved from outside the National Park. 30% were retired households (a further 9% included retired people) and 23% were being used as either holiday or second homes. Excluding the second/holiday homes, only 11% of new housing was occupied by people previously living in the National Park.<sup>36</sup>
- 3.9 66% of Exmoor's housing is owned - nearly half outright. 31% is rented - of which 16% is in the private rented sector much of it for holiday letting purposes, 14% is social rented and less than 1% is shared ownership (a below average proportion). 3.2% of housing is rent free.<sup>37</sup>
- 3.10 The 'Right to Buy' of Council properties, introduced in 1981, had a significant impact on Exmoor's affordable housing stock.<sup>38</sup> A focussed effort has been required to deliver new local needs affordable housing in the National Park.
- 3.11 As a designated 'rural area', all Housing Association (HA) properties built in the National Park after April 1996 were excluded from 'Right-to-Buy'. However, national changes have enabled HAs to sell affordable homes on the open market to help fund new affordable housing. In most cases this has been former council housing sold, once the existing tenants move, to fund new schemes outside the National Park. It has not applied to local need affordable homes subject to a local needs tie. Further sales through 'Right to Buy' will result in the loss of existing affordable homes and a reduction in affordable housing available to those in housing need. Suitable housing sites on Exmoor are few and finite and the delivery of new schemes is complex. It is therefore

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<sup>34</sup> Housing Vision (March 2015) Strategic Housing Market Assessment Update: Exmoor National Park, Dulverton: ENPA Table 3.1.

<sup>35</sup> Office for National Statistics (2013) 2011 Census: Key Statistics for National Parks in England and Wales, Percentage of households with no usual residents: <http://www.ons.gov.uk/ons/rel/census/2011-census/key-statistics-for-national-parks-in-england-and-wales/index.html>

<sup>36</sup> Exmoor National Park Authority (2000) Residential Occupancy Survey, Dulverton: Exmoor National Park Authority.

<sup>37</sup> Housing Vision (March 2015) Strategic Housing Market Assessment Update: Table 3.2 and key findings below Table 3.2.

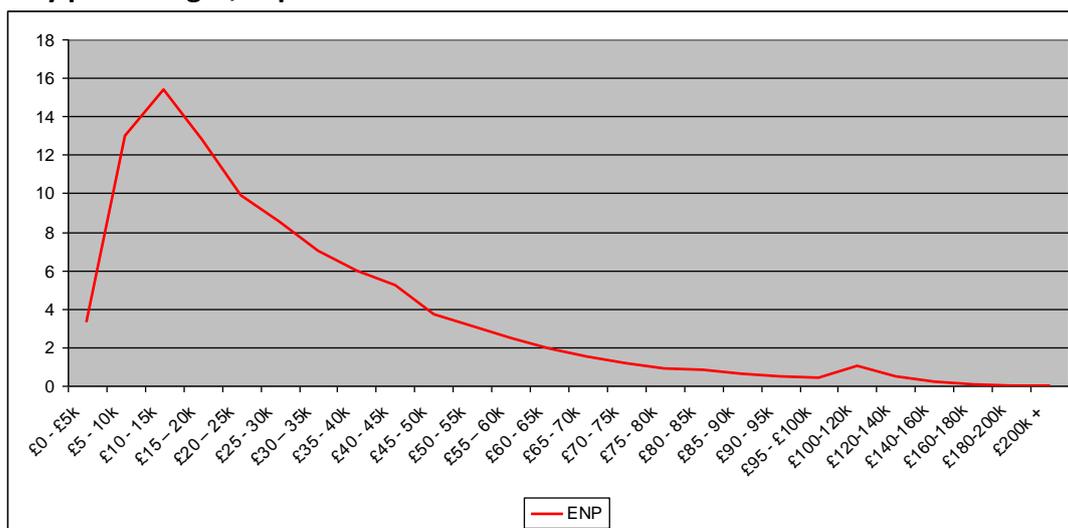
<sup>38</sup> Figures supplied by Magna West Somerset and North Devon Homes Housing Associations to whom West Somerset and North Devon local authority housing stock was transferred.

essential to retain the National Park’s affordable housing stock for the longer term.

### LOCAL INCOMES ON EXMOOR

- 3.12 There is a high proportion (over a quarter) of self-employed people<sup>39</sup> reflecting the nature of the economy which is dominated by small-scale businesses particularly in the tourism and land management sectors. There are high levels of low paid, seasonal and part time jobs.<sup>40</sup>
- 3.13 Mean average gross household income is between £28,000 and £29,000 but many people are on lower incomes.<sup>41</sup> 45% of households in the West Somerset part of the National Park are dependent on incomes of £20,000 or less (see Figure 3.1) substantially lower than the national average. Self-employment has average earnings 14% lower than employee-employment equivalents.<sup>42</sup> Comparing rental levels and house prices with income levels and the availability of mortgages within the National Park demonstrates the magnitude of the problem.

**FIGURE 3.1 Gross household income, Exmoor National Park in West Somerset, income bands by percentages, September 2013**



Source: Housing Vision (2014) SHMA Update: Exmoor National Park in West Somerset, Figure 2.1 (Source: Paycheck Data, CACI, September 2013).

<sup>39</sup> Housing Vision (2014) Strategic Housing Market Assessment (SHMA) Update: Exmoor National Park in West Somerset, Para. 2.11.

<sup>40</sup> Nathaniel Lichfield and Partners (2009) Exmoor National Park Employment Land Review.

<sup>41</sup> Cumulus Consultants Ltd (2013) Valuing England’s National Parks, *National Parks England*, Housing Vision (2014) SHMA Update: Exmoor National Park in West Somerset, Table 2.7

<sup>42</sup> Housing Vision (2014) SHMA Update: Exmoor National Park in West Somerset, Para. 2.12.

## THE AFFORDABILITY OF HOUSING ON EXMOOR

3.14 Exmoor's house prices are substantially higher than regional and national averages.<sup>43</sup> Asking prices in the National Park rose by over 300% between 1998 and 2012.<sup>44</sup> In 2014, average Exmoor house prices were higher than the South West and England and Wales.<sup>45</sup> The disparity between household incomes and house prices means there is an affordability gap with the ratio of average house price to average household income being 10:1 and the ratio of lower quartile house price to lower quartile income is 11:1.<sup>46</sup> Consequently, the majority of properties is well beyond the means of many local people in housing need, especially first-time buyers and families needing larger accommodation.

**TABLE 3.2 Affordability of rents compared with local incomes<sup>47</sup>**

No. Bedrooms	Average Rent (£/month)	Rent as % of gross income	
		£16,000 p.a.	£28,000 p.a.
<b>Private Rental Sector</b>			
1	405	30.4	17.4
2	495	37.1	21.2
3	690	51.8	29.6
4	805	60.4	34.5
<b>Social Rental Sector</b>			
1	244	18.3	10.5
2	287	21.5	12.3
3	326	24.5	14
4	390	29.3	16.7
<b>Affordable Rentals</b>			
1	324	24.3	13.9
2	396	29.7	17
3	552	41.4	23.7
4	644	48.3	27.6

Affordable      Borderline      Unaffordable

<sup>43</sup> Exmoor National Park Authority (2014) Annual House Price Survey 2014.

<sup>44</sup> Exmoor National Park Authority (2012) House Price Survey 2012, Table 1. Surveys carried out since 1998. For those since 2004: <http://www.exmoor-nationalpark.gov.uk>.

<sup>45</sup> Exmoor National Park Authority (2014) Annual House Price Survey

<sup>46</sup> Exmoor National Park Authority (2014) Annual House Price Survey

<sup>47</sup> Exmoor National Park Authority (2015) Exmoor National Park Publication Draft Housing Topic Paper.

- 3.15 Based on 25% of gross income being spent on rent considered as affordable, private market rents in Exmoor are unaffordable for many households on an average income of £28,000 and for all households on a lower quartile income (£16,000). This is particularly the case for those families requiring larger (3-4 bed) housing. In 2012, social rental levels on Exmoor were affordable to households on average income. However, for households on lower quartile incomes, only housing in the social rented sector with two or fewer bedrooms was affordable. National changes to offset reductions in public housing grants have led to the introduction of 'Affordable Rents' to be charged by Registered Providers (RPs) and pegged at up to 80% of local open market rents. On Exmoor, 'Affordable Rents' are higher (and therefore less affordable) than social rents. On average incomes, 80% rents on anything larger than three bedroom housing was unaffordable. For households on lower quartile incomes, rents for one bedroom properties were borderline affordable - larger housing was unaffordable.<sup>48</sup>
- 3.16 There is an 'affordability gap' between income and National Park house prices and rental levels. Housing, including at the lower end of the market, is beyond the reach of many households especially first-time buyers and families needing larger accommodation.
- 3.17 Responding to the longstanding evidence on the affordability of housing in the National Park, the NPA has sought, both in the 2005 adopted plan and the emerging local plan, to prioritise the provision of affordable housing to meet the needs of the local community.
- 3.18 New local need affordable housing completed since 2005, has tended to be more modest in size with the majority having two bedrooms. Table 3.3 shows that a targeted approach to providing for local needs affordable housing has resulted in occupancy by households with a high proportion of children, young people and working age adults - the reverse of the age profile for those older households who tend to move to open market homes in the National Park. Provision of local need housing provides an opportunity for those with a local connection who cannot afford to buy open market housing, including younger/working age people and families, to remain living in the National Park helping to achieve a more balanced community.

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<sup>48</sup> Nathaniel Lichfield and Partners (2012) Assessment of Housing and Affordable Housing Needs, paras 2.30 – 2.31 & Table 2.3

**TABLE 3.3 Age range of occupants of local needs affordable housing in Exmoor National Park**

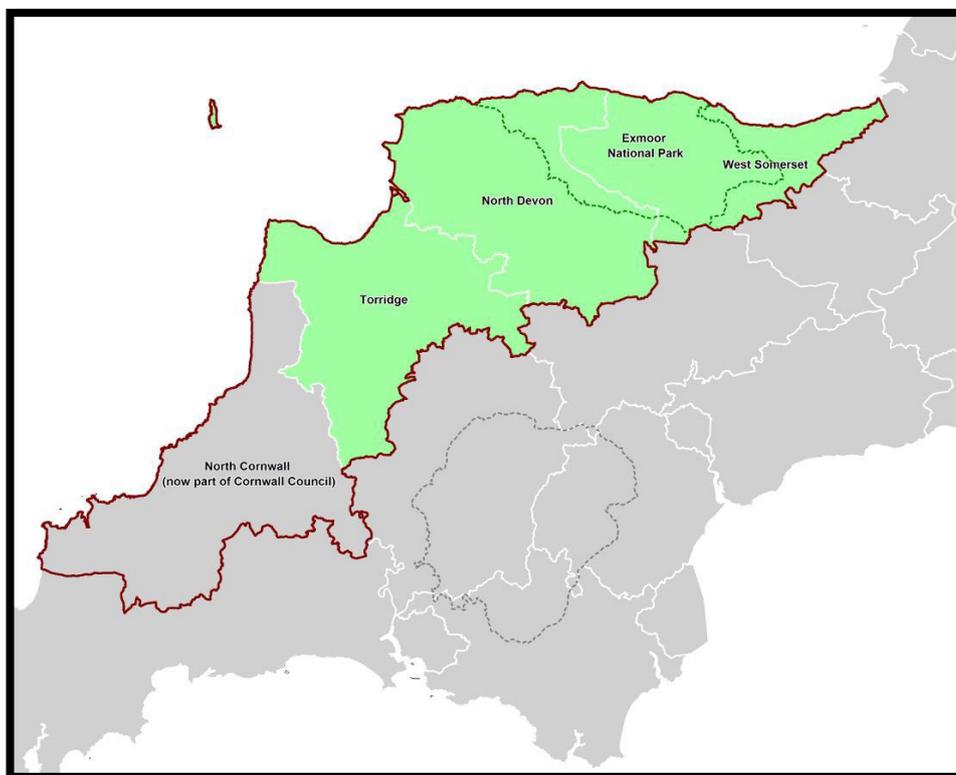
<b>Occupancy at January 2012 and September 2013</b>	
<b>Age Range</b>	<b>Number of Occupants</b>
0-9	47
10-19	20
20-29	56
30-39	34
40-49	15
50-59	8
60-69	8
70-79	2
80+	1
Age not known	4
<b>Total Number Housed</b>	<b>195</b>

Source: Exmoor National Park, West Somerset and North Devon Rural Housing Project (2012 and 2013) Age Range of Occupiers of Local Need Affordable Housing in Exmoor National Park (based on age provided at time of occupation and projected forward).

## 4 Objectively Assessed Housing Need

- 4.1 The Northern Peninsula Housing Market Area (HMA) local planning authorities, jointly commissioned a Northern Peninsula Strategic Housing Market Area Assessment (SHMA) which was published in 2008.<sup>49</sup> It set out comprehensive evidence on the housing market area, including the identification of sub market areas and analysis on housing mix and tenure. Housing projections for Exmoor National Park were subsumed within the relevant local authority areas. Map 4.1 shows the extent of the Northern Peninsula HMA, including the former North Cornwall district which is now part of Cornwall Council.

**MAP 4.1 Exmoor National Park within the Northern Peninsula Housing Market Area**



*(Map courtesy of Torrridge District Council)*

- 4.2 In line with national planning guidance, recent work has included a joint review of the implications of the 2012 household projections to provide the demographic starting point for an objective assessment of housing need for the Northern Peninsula HMA.<sup>50</sup> The review, published in December 2015, sets out disaggregated figures for each local planning authority area of North Devon, Torrridge, West Somerset and Exmoor National Park 2011-2031 (see Appendix 1 of this paper) and for the constituent housing authority areas

<sup>49</sup> Housing Vision (2008) Northern Peninsula Strategic Housing Market Assessment.

<sup>50</sup> Housing Vision (December 2015) Northern Peninsula Housing Market Area: A review of the Implications of the 2012 Household Projections.

within the National Park (see Appendix 2 of this paper). In addition to the unadjusted figure, the tables set out in the appendices, apply an uplift for vacancy and second home rates and include the backlog of affordable housing.

- 4.3 Between 2012 and 2014, and prior to the review of the 2012 household projections, a series of updates to the 2008 SHMA was published by North Devon, Torridge and West Somerset District Councils and the Exmoor National Park Authority.<sup>51</sup> These updates were commissioned to take account of updated population and household projections. The commissions also reflected publication of the NPPF and as the implications of the abolition of strategic plans (Regional Spatial Strategies and Structure Plans) became apparent. Given the different stages of development plan preparation at that time, the first three updates were undertaken separately by the Northern Peninsula HMA local planning authorities though prepared by the same consultant responsible for the 2008 SHMA and to broadly compatible methodologies.<sup>52</sup> As the 2012 North Devon and Torridge Update had included the part of the National Park in North Devon, an Exmoor National Park update was commissioned to provide projections for the rest of the National Park in West Somerset.<sup>53</sup> As a collection of documents, the 2008 SHMA and its updates provide a complete picture for the HMA and should therefore be read together.
- 4.4 A Joint Housing Topic Paper for the Northern Peninsula HMA has been prepared by the local planning authorities. This provides an explanation of joint working, the context and background to the HMA, as well as information on the 2008 SHMA and its updates. The Joint Topic Paper also sets out the OAHN for the Northern Peninsula HMA as a whole and shows how, through planned housing provision and supply, the OAHN will be met across it.<sup>54</sup> A summary of the SHMA and all its Updates is included in the Joint Topic Paper.<sup>55</sup>
- 4.5 An additional update to the review of the 2012 household projections was also published in December 2015, specifically for Exmoor National Park. It provides further information relevant to the area's National Park status.<sup>56</sup>

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<sup>51</sup> Housing Vision (2012) Strategic Housing Market Assessment: North Devon and Torridge Update, Final Report. Housing Vision (2013) Strategic Housing Market Assessment: West Somerset Update and Housing Vision (2014) Strategic Housing Market Assessment Update: Exmoor National Park in West Somerset.

<sup>52</sup> Additionally in 2011, the NPA had commissioned an assessment of housing and affordable needs to provide updated evidence for the National Park Local Plan (housing figures in the 2008 SHMA pertained to the local authority areas) because at that time neighbouring authorities were not seeking updated evidence. This was published in 2012.

<sup>53</sup> Housing Vision (2014) Strategic Housing Market Assessment Update: Exmoor National Park in West Somerset.

<sup>54</sup> North Devon Council, Torridge District Council Exmoor National Park Authority and West Somerset Council (May 2016) Joint Housing Topic Paper for the Northern Peninsula Housing Market Area.

<sup>55</sup> North Devon Council, Torridge District Council Exmoor National Park Authority and West Somerset Council (May 2016) Joint Housing Topic Paper for the Northern Peninsula Housing Market Area, Appendix 2.

<sup>56</sup> Housing Vision (December 2015) Strategic Housing Market Assessment Update: Exmoor National Park. Implications of 2012-based Household Projections.

- a) It compares the 2012 household projections with an earlier update which explored the potential implications for household numbers of the recommended Scenario 3 of the 2012-based sub-national population projections (Table 4.1)
- b) It applies a conversion factor allowing for three adjustments: for vacant dwellings, second homes, homes occupied by non-residents and the backlog of affordable housing. This enables vacancy and second and holiday homes rates to household projections to provide a net dwelling requirement (Table 4.2).
- c) Based on the tenure breakdown from the 2014 SHMA Update for Exmoor National Park in West Somerset in which most National Park households are located, it identifies a requirement (or need) for 338 affordable homes in the National Park 2011-31. This is important for the National Park because of the need to address the affordable housing needs of its local communities (Table 4.3).
- d) Additionally it analyses household projections against external demand (paragraph 4.10). This is considered to be relevant in the context of the National Park where there is a statutory duty on the National Park Authority to promote the socio-economic well-being of local communities. The calculations of the OAHN for the Exmoor National Park and for the Northern Peninsula HMA as a whole have not, however, excluded the effect of in-migration.

## UNADJUSTED DEMOGRAPHIC PROJECTIONS FOR EXMOOR NATIONAL PARK

4.6 Table 4.1 sets out the 2012 household projection figure of 552 dwellings for Exmoor National Park and the disaggregated figures for the areas of North Devon and West Somerset in the Exmoor National Park, 2011-2031. It also shows the projection arising from the 2012-based population projection which, at 10 dwellings lower, is very similar (for North Devon in the National Park the 2012 household projections are 15 households lower and for West Somerset in the National Park 25 households higher respectively).

**TABLE 4.1: 2012 based CLG Subnational Household projections compared with scenarios based on the 2012-based ONS Subnational Population projections, ENPA area 2011-2031**

Household projection scenarios	North Devon in ENP	West Somerset in ENP	Exmoor NP 2011-2031
<b>Unadjusted</b>			
2012-based @ CLG 2011 to 2021+2008 post -2021	165	377	542
2012-based CLG household projections	150	402	552

Source: Table 1.3, Strategic Housing Market Assessment Update, Exmoor National Park: Implications of 2012-based Household Projections – Final Report, Housing Vision, December 2015.

## MOVING FROM HOUSEHOLDS TO DWELLINGS

- 4.7 Exmoor National Park Authority has assessed the housing figures, taking account of national policy and guidance, to provide confidence in the approach, both within the National Park and as part of the Northern Peninsula HMA. In accordance with national planning guidance, the unadjusted 2012 household projections set out in Tables 4.1 and 4.2 represent the starting point for deriving an OAHN.
- 4.8 Table 4.2 sets out a breakdown of the figures for the whole of Exmoor National Park as well as for the constituent housing authority areas of North Devon and West Somerset within it. As the 2012-based projections relate to households, adjustments are made to convert the figures into dwellings, allowing for:
- a) vacant dwellings calculated by local authority district, with the appropriate rate of 3.33% and 2.78% applied for the district council areas within the National Park and then averaged to 3.1 for whole National Park calculations;
  - b) second homes and homes occupied by non-residents including Vacant Dwellings. The 'no usual residents' (vacant/second/holiday homes) uplift of 19.2% is of particular significance reflecting the high levels of second/holiday home ownership in the National Park. Applying a 19.2% uplift to the unadjusted figure of 552 dwellings resulting in a higher figure is a precautionary approach. The latest CLG council tax data (by local authority area) indicate lower vacancy and second/holiday rates for the local authorities.<sup>57</sup> Although these rates have not been used in calculating the OAHN, it suggests that, if the more up to date rates were applied, a lower OAHN would be required. Further information on vacant dwellings and second / holiday homes is set out in the Joint Housing Topic Paper for the Northern Peninsula HMA.<sup>58</sup>
  - c) the 'backlog' of affordable housing.

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<sup>57</sup><https://www.gov.uk/government/statistics/council-taxbase-2015-in-england>

<sup>58</sup> North Devon Council, Torridge District Council Exmoor National Park Authority and West Somerset Council (May 2016) Joint Housing Topic Paper for the Northern Peninsula Housing Market Area. Paragraphs 4.18-4.27.

**TABLE 4.2: The impact on housing requirements of household projection scenarios, Exmoor National Park and North Devon and West Somerset in Exmoor National Park, 2011-2031**

Household projection scenarios	North Devon in Exmoor National Park	West Somerset in Exmoor National Park	Exmoor NPA 2011-2031
<b>1. Unadjusted</b>			
2012-based CLG household projections	150	402	552
<b>2. Adjusted for vacant dwellings rates of:</b>	<b>3.33%</b>	<b>2.78%</b>	<b>3.33% &amp; 2.78%*</b>
2012-based CLG household projections	155	413	569
<b>3. Adjusted for vacant dwellings, second &amp; holiday homes rates of:</b>	<b>19.20%</b>	<b>19.20%</b>	<b>19.20%</b>
2012-based CLG household projections	179	479	658
<b>4. The backlog of affordable housing:</b>			
At August 2015	17	43	60
<b>Total dwellings - including adjustment for vacant dwellings, second &amp; holiday homes and affordable housing backlog</b>	<b>196</b>	<b>522</b>	<b>718</b>

Note: \* the vacancy rates for the North Devon and West Somerset areas have been applied to those areas of the Exmoor National Park within each Council area.

Source: Table 5.3 Northern Peninsula Housing Market Area Strategic Housing Market Assessment: the Implications of 2012-based Household Projections – Final Report, Housing Vision, December 2015.

## MARKET SIGNALS

4.9 The work carried out by Housing Vision provides evidence regarding the characteristics of the HMA and a consistent approach to establishing an appropriate demographically derived starting point for preparing future housing requirements. The original NP SHMA<sup>59</sup>, along with the series of associated update reports (including those specific to Exmoor National Park)<sup>60</sup>, provide comprehensive information on a range of market signals. This includes housing affordability which has been consistently recognised as an

<sup>59</sup> Housing Vision (2008) Strategic Housing Market Assessment for the Northern Peninsula HMA. Section 4: Social and Demographic Trends.

<sup>60</sup> Key Influences and Drivers, contained in: Housing Vision (2012) Torridge and North Devon Update – Final Report; Housing Vision (2014) Strategic Housing Market Assessment Update: Exmoor National Park in West Somerset – Final Report. Section 2

issue in the National Park due to the high external demand for housing. There is a wide disparity between local incomes and house prices/rents exacerbated by an existing housing stock of larger, often detached (and thus more expensive housing).<sup>61</sup> An analysis of affordability is set out in section 3 of this paper and the Joint Housing Topic Paper which provides an overview of market signals.<sup>62</sup>

- 4.10 Although the effects of in-migration have not been excluded from calculations of the OAHN, evidence from household projections is that new housing projected to be needed in the National Park results from in-migration from other areas of the UK – in particular the South-East, London, East Anglia and the Midlands. The level of projected locally arising households is such that the effect of excluding household growth due to net internal migration (including from more distant housing market areas) would, in terms of numbers alone, mean that no new housing would be projected to be required compared with the number in 2011. Instead there would be a decrease of 117 dwellings required in the National Park (see Appendix 3).<sup>63</sup> The high level of external in-migration drives up house prices. High levels of house building to increase the supply of market housing would be in conflict with the National Park designation. In practice, provision of additional market housing including to take account of vacancy rates, second/holiday homes and housing viability, would not ensure affordability of housing for Exmoor households on local incomes as previous housing delivery has shown (see section 2.3 Past Approaches to Housing Provision).

#### **DISAGGREGATING AFFORDABLE HOUSING NEED AND MARKET HOUSING FROM THE OVERALL HOUSING PROJECTIONS**

- 4.11 The original NP SHMA (2008) and subsequent Updates contain comprehensive analysis of housing affordability and a breakdown of future housing needs by sector / tenure. The need for affordable housing across the NP HMA is high, totalling 57.3% of overall housing needs in North Devon. This figure, as well as including that part of North Devon in the National Park, also applies to the part of North Devon district outside the National Park. This may explain why it is lower than the figure for the part of Exmoor National Park in West Somerset which is 61.22% (and as it is specific to an area wholly within the National

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<sup>61</sup> Housing Vision (March 2015) Strategic Housing Market Assessment Update, Table 3.1.

<sup>62</sup> North Devon Council, Torridge District Council Exmoor National Park Authority and West Somerset Council (May 2016) Joint Housing Topic Paper for the Northern Peninsula Housing Market Area. Paras 4.29 to 4.41.

<sup>63</sup> Housing Vision (December 2015) SHMA Update: Implications of the 2012-based Household Projections – Exmoor National Park, Table 2.2.

Park, it is this figure which has been applied across the whole of it).<sup>64</sup> Further analysis is set out in the Joint Housing Topic Paper.<sup>65</sup>

- 4.12 Given the disparity between National Park incomes and house prices and rents, there is a local need for affordable housing. The unadjusted demographic household figures include both affordable and market housing. A disaggregated figure for affordable need for the two housing authority areas within the National Park and for the National Park as a whole has been calculated.<sup>66</sup> Arriving at a market housing figure is achieved by subtracting the affordable housing figure from the unadjusted total figure.

**TABLE 4.3 Exmoor National Park OAHN and Affordable Housing Need 2011-2031**

	Unadjusted Demographic Baseline Figure	Unadjusted Affordable Housing within the demographic baseline	Affordable Housing with Uplift	Affordable Housing with uplift and backlog	Unadjusted Market Housing	Market housing plus uplift	Total Figure with uplift and backlog
<b>North Devon in ENP</b>	150	92	110	127	58	69	196 <sup>2</sup>
<b>West Somerset in ENP</b>	402	246	293	336 <sup>4</sup>	156	186 <sup>1</sup>	522
<b>Whole ENP</b>	552	338	403	463	214	255	718 <sup>3</sup>

**Notes**

<sup>1</sup> Figure ENPA requested be included within West Somerset Local Plan housing provision figure.

<sup>2</sup> Figure for North Devon in ENP to be included in North Devon/Torridge Local Plan and met outside the National Park.

<sup>3</sup> OAHN for ENP 2011-31.

<sup>4</sup> Affordable housing figure proposed to be included as an estimate of need in the ENP Local Plan.

<sup>64</sup> Housing Vision (Dec 2015) SHMA Update: Implications of the 2012-based Household Projections – Exmoor National Park, para 3.2 (derived from Table 5.6 of the January 2014 SHMA Update Exmoor National Park in West Somerset).

<sup>65</sup> North Devon Council, Torridge District Council Exmoor National Park Authority and West Somerset Council (May 2016) Joint Housing Topic Paper for the Northern Peninsula Housing Market Area, Paras 4.42 to 4.59.

<sup>66</sup> Housing Vision (December 2015) Strategic Housing Market Assessment Update: Exmoor National Park. Implications of 2012-based Household Projections, paragraph 3.2.

## FUTURE EMPLOYMENT AND HOUSING IN EXMOOR

- 4.13 The Exmoor National Park Employment Land Review (ELR) concluded that there was no need to allocate employment land and it did not predict where new jobs might be created; instead it considered that a criteria based approach to employment land would provide greater flexibility. Significant economic growth generating a need for additional housing is not expected in the National Park and an additional figure for economic growth is not included in calculating the OAHN. The ELR predicts that likely growth sectors for employment in the National Park will be in tourism and health and social care, while demand for home based working will continue.<sup>67</sup> Consequently, the emerging local plan includes positive policies for: the provision of local needs affordable housing including for households who need to work within the National Park and who may move to Exmoor from elsewhere; for staff accommodation in the serviced sector, and for home based working.
- 4.14 The ELR recommends that the relationship between jobs in Exmoor and workers that live in the surrounding areas should be considered. Evidence from the Census will be used to monitor changes in commuting patterns into and out of the National Park. Although the level of economic activity and overall development is low, monitoring will help inform whether there is a need to review the Plan at an earlier stage since the ELR runs to 2026 just short of the end of the Local Plan period to 2031.

## OBJECTIVELY ASSESSED HOUSING NEED FOR EXMOOR NATIONAL PARK

- 4.15 Evidence from the most up to date housing figures from the 2012 household projections has been analysed. Tables 4.2 and 4.3 set out the OAHN and disaggregate the affordable and market housing. Table 4.4 below provides a summary of the OAHN for the National Park.

**TABLE 4.4 Exmoor National Park Objectively Assessed Housing Need (OAHN) 2011-31**

The total OAHN for Exmoor National Park is **718 dwellings** 2011-2031 of which:

- **196** are for North Devon in the National Park (127 affordable and 69 market dwellings)
- **522** are for West Somerset in the National Park (336 affordable and 186 market dwellings)

<sup>67</sup> Nathaniel Lichfield and Partners (2009) Exmoor National Park Employment Land Review and Exmoor National Park Authority (2016) ELR Update.

## HOUSING SUPPLY

### PAST DELIVERY OF HOUSING

**TABLE 4.5 Past rates of housing completions in the National Park 2007/08 to 2014/15 including since the start of the plan period (2011)**

HISTORIC RATES OF HOUSE BUILDING IN EXMOOR NATIONAL PARK										
Local Planning Authority	2007 / 08	2008 / 09	2009 / 10	2010 / 11	2011 / 12	2012 / 13	2013 / 14	2014 / 15	Over Proposed Plan Period (2011-31)	
									Total	Average
Exmoor NPA	29	20	24	12	42	18	26	10	96	24.0

Source: Exmoor National Park Authority Monitoring Reports; thicker line indicates Local Plan start date

### FUTURE HOUSING LAND SUPPLY - EXMOOR NATIONAL PARK STRATEGIC HOUSING LAND AVAILABILITY ASSESSMENT

- 4.16 The local planning authorities in the NP HMA have worked together on the preparation of evidence on housing need, and the identification of appropriate housing supply through a joint sub-regional Strategic Housing Land Availability Assessment (SHLAA) methodology endorsed by the authorities.<sup>68</sup>
- 4.17 Collectively, the SHLAA reports for the NP HMA provide evidence to demonstrate that there is sufficient identified deliverable and developable housing land to meet identified future housing needs across the HMA over the plan periods for the constituent partner authorities. This is discussed in more detail in the Joint Housing Topic Paper.<sup>69</sup>
- 4.18 To inform future supply, a SHLAA was prepared for the National Park using the agreed joint methodology. Housing land in the National Park was assessed based on realistic assumptions about the availability and suitability of land to meet the identified need for housing over the plan period, and taking account of environmental, topographical and flooding constraints (see paragraphs 2.4.3 to 2.4.8).<sup>70</sup>

<sup>68</sup> Northern Peninsula Housing Market Area Methodology for Strategic Housing Land Availability Assessments, Torridge District Council, North Devon Council, Exmoor National Park Authority, West Somerset Council, and Devon County Council August 2009

<sup>69</sup> North Devon Council, Torridge District Council Exmoor National Park Authority and West Somerset Council (May 2016) Joint Housing Topic Paper for the Northern Peninsula Housing Market Area. Section 5.

<sup>70</sup> Exmoor National Park Authority (2014) Strategic Housing Land Availability Assessment.

- 4.19 The SHLAA involved a thorough examination and consideration of all possible sites which might be able to provide land for housing. It took account of the landscape sensitivity study in considering housing sites in and adjacent to settlements. Given the scarcity of suitable housing land even a number of sites identified by the Landscape Sensitivity Study as lying within ‘high sensitivity’ areas were assessed to look at whether there was some potential to use part of the site without adversely affecting the National Park’s natural beauty wildlife or cultural heritage. In some cases sites/parts of sites assessed as being of high landscape sensitivity were considered to have some potential for housing but only where very careful siting, scale and design would be achieved.
- 4.20 The potential for the re-use of existing buildings was also examined as part of the supply: as an important means of delivering housing and reducing the need for the use of greenfield land. The overall SHLAA supply within the National Park is **249** units on deliverable sites and includes existing buildings.
- 4.21 Sites from both North Devon and West Somerset housing authority areas in the National Park form part of the SHLAA supply. The Panel considered that there was potential for a further 228 units to be accommodated on ‘suitable’ sites, but as they were not available, they could not form part of the SHLAA supply.
- 4.22 These ‘suitable’ sites provide additional evidence to assist in finding sites in settlements for affordable housing where need arises. Section 5 of this Topic Paper sets out the approach to implementation and delivery of housing in the National Park. It explains that the NPA has experience of working with partners to provide for the delivery of locally needed affordable housing without allocations. This includes with Rural Housing Enablers who assess need and work with local communities, landowners and housing partners to identify suitable sites and deliver affordable housing (see section 5 on housing delivery). This approach has resulted in a good record of delivery of local need affordable housing in the National Park.

#### **DUTY TO CO-OPERATE**

- 4.23 The OAHN for Exmoor National Park is 718 dwellings. This is far in excess of the capacity of the National Park to accommodate additional housing (given the landscape sensitivity study assessment of long term capacity together with other constraints). As a consequence, Exmoor National Park Authority has worked with neighbouring authorities through the Duty to Co-operate to examine how housing needs can be met across the Northern Peninsula HMA, with a focus on the delivery of local affordable housing within the National Park.
- 4.24 An Exmoor National Park Duty to Cooperate Protocol has been drafted and finalised after longstanding discussions with partners including both neighbouring district councils.<sup>71</sup> This sets out the strategic priorities for co-

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<sup>71</sup> Exmoor National Park Authority (2015) Exmoor National Park Duty to Cooperate Protocol

operation and the outcomes that have been sought. Further details of co-operative working across Exmoor, including on housing, are set out in the Exmoor National Park Duty to Cooperate Statement.<sup>72</sup>

- 4.25 Tables 4.2 and 4.4 of this Topic Paper set out the OAHN for Exmoor National Park and how the total figure is broken down between the two housing authority areas within it.
- 4.26 Discussions through duty to co-operate with North Devon/Torrige officers have resulted in a housing requirement figure of 196 dwellings, comprising both market and affordable dwellings arising in the North Devon housing authority area of the National Park 2011-31 to be included as part of the housing requirement figure in the North Devon and Torrige Local Plan (and to be met outside the National Park). To reflect this, a figure of 205 (reflecting projections at that time) was included in the Proposed Changes to the Publication Draft North Devon and Torrige Local Plan (March 2015). North Devon Council has taken the view that the additional housing should be located close to and accessible to the National Park's boundaries and that community aspirations for growth identified by Ilfracombe, South Molton and local centres complement this objective. A proportion of the total figure will be affordable housing. The figure does not take account of housing completions.
- 4.27 From the updated calculations to reflect the 2012 household-projections, 196 dwelling units to be met in North Devon outside the National Park have therefore been subtracted from the total OAHN for the National Park leaving a figure of 522 dwellings arising in the West Somerset housing authority area of the National Park of which 336 are affordable need dwellings.
- 4.28 The housing provision figure proposed for the Exmoor National Park Local Plan is **336** dwellings 2011-31 to be included as an estimate of need to address the affordable housing needs of Exmoor's communities. The 336 figure is the affordable element of the total OAHN arising in the West Somerset area of the National Park only (Tables 4.3 and 4.4). This excludes the 196 dwellings arising in the North Devon area of the National Park which are being met outside the National Park.
- 4.29 Alongside discussions with North Devon and Torrige Councils, discussions have taken place with West Somerset Council as a neighbouring authority and one of the two housing authorities for the National Park.
- 4.30 Meetings with West Somerset Council have taken place over a long period with discussions on housing distribution dating back to January 2013. Discussion and explanation of constraints on housing land supply in the National Park have explored whether some or all of the OAHN for West Somerset in Exmoor National Park might be included as part of the housing target in the West Somerset Local Plan to be delivered outside the National Park.

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<sup>72</sup> Exmoor National Park Authority (2016) Duty to Cooperate Statement for Submission.

- 4.31 The National Park Authority wrote to West Somerset Council in November 2014 to formally request that the objectively assessed figure for, at least the market housing for the part of the National Park in West Somerset, be included in the total housing figure in the West Somerset Local Plan. The letter noted that it would be necessary to discuss a precise figure but indicated that an approach based on the updated assessed housing requirement figure from the most recent SHMA update (minus the affordable need figure) would seem most appropriate. As part of the same district council, housing authority and HMA as West Somerset, the National Park Authority was aware of the high affordable housing need in West Somerset and the challenge faced in seeking to meet it, therefore it was understood that it would be unlikely that the affordable need for the National Park could realistically be met outside the National Park.
- 4.32 In order to increase the delivery of affordable housing for local communities, West Somerset Council has proposed a figure of 2,900 additional homes in its Submission Draft Local Plan (July 2015). The National Park Authority's view was that the request would not, in practice, change the number of dwellings that would need to be provided for in West Somerset district as it would not result in a change to the overall housing figure set out in the West Somerset Local Plan - the element referred to would form part of the proposed uplifted figure of 2,900. However, after careful consideration of the various issues and potential impact they would have on the West Somerset Local Plan to 2032, West Somerset Council responded that "this would not be a beneficial course of action for the Council as Local Planning Authority to take".<sup>73</sup>
- 4.33 In the requests to both North Devon and West Somerset Councils, the National Park Authority sought to clarify the approach in the National Park that policies would support the delivery of affordable housing within the National Park to address local needs.
- 4.34 This approach also includes the potential flexibility for some cross-subsidy from market (Principal Residence) housing to deliver affordable housing where needed (and where able to be accommodated without detriment to the National Park). The Exmoor National Park Local Plan would not include targets for housing (in accordance with the Government's approach to National Parks).<sup>74</sup>
- 4.35 In exploring all options for the distribution of the OAHN, a further request was made to North Devon Council to explore whether there was potential to incorporate a higher housing figure in the North Devon and Torridge Local Plan to reflect the OAHN for some or all of the housing (market and affordable) arising in the West Somerset housing authority area of the

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<sup>73</sup> Letter from Cllr Keith Turner, West Somerset Council to Exmoor National Park Authority, 25 November 2015. See Exmoor National Park Authority (2016) Duty to Co-operate Statement for Submission, Appendix 2.

<sup>74</sup> DEFRA (2010) National Parks and the Broads Vision and Circular, London: DEFRA and cross referred to in CLG (2012) National Planning Policy Framework, paragraph 115.

National Park.<sup>75</sup> An officer response has indicated that while North Devon Council can assist with the objectively assessed figure for that part of the National Park falling within the North Devon administrative authority, this could not be reasonably extended to accommodating some, or all, of the housing requirement from the West Somerset part of the Exmoor National Park.

- 4.36 Both the January and December 2015 SHMA updates (the latter reviewing the implications of the 2012 household projections) showed a decrease of more than 1,000 dwellings in terms of the baseline (unadjusted) demographic housing projections for West Somerset outside the National Park.
- 4.37 Further discussions and a written representation from Exmoor National Park Authority (and North Devon Officers) to the West Somerset Publication Draft Local Plan in early 2015 sought to clarify whether, in the light of this reduction, the overall 2,900 figure proposed for the West Somerset Local Plan would be sufficient to include the open market housing figure for the West Somerset housing authority area (in effect the market housing figure for the whole of West Somerset including the National Park). It was not the intention of the NPA to seek an increase in the 2,900 housing figure proposed in the West Somerset Publication Draft Local Plan, or a change in strategy but, given the most recent SHMA Update, to clarify whether there was now scope within the overall figure to accommodate/apply the market housing arising from within the National Park. It was suggested that this would help in the justification of the higher figures being proposed, while assisting in addressing National Park needs through allowing the redistribution of the market housing to the parts of West Somerset outside the National Park (but still within the functional Housing Market Area and same Housing Authority Area).
- 4.38 The National Park Authority and North Devon Council submitted joint statements (including a statement of common ground signed by the NPA, North Devon and Torridge officers) and, in March 2016, appeared at the hearings on Duty to Co-operate and OAHN as part of the examination into the West Somerset Local Plan. West Somerset Council considers that it is appropriate to rely on the projections included in the 2013 SHMA Update for the West Somerset LPA as this better reflects its local circumstances. Therefore, it is their view that the 186 market dwellings arising in the West Somerset housing authority area of the National Park cannot be accommodated within the plan housing provision figure of 2,900 without requiring an uplift to the plan provision figure. The hearings concluded in March 2016 and the Inspector's Report into the West Somerset Local Plan is awaited.
- 4.39 Since the West Somerset Local Plan hearings, and in the light of the updated housing projections, Exmoor National Park has written an updated request to North Devon that 196 (rather than 205) dwellings be included in the North

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<sup>75</sup> Letter from Exmoor NPA to North Devon Council dated 6 January 2015 (see Exmoor National Park Authority (2016) Duty to Co-operate Statement for Submission, Appendix 2.

Devon and Torridge Local Plan. This has been agreed through an officer response (although given the very minor change in dwelling numbers, the figure of 205 dwellings will be retained in the North Devon and Torridge Local Plan).

#### HOUSING PROVISION IN THE NATIONAL PARK

4.40 Table 4.6 summarises the National Park housing figures against an adjustment to reflect Duty to Co-operate (DtC) discussions, the planned housing provision figure of 336 affordable dwellings in the emerging Exmoor National Park Local Plan and the identified housing supply of 345 dwellings (taking account of completions). The supply of housing is therefore higher than the National Park's projected need for affordable housing over the plan period 2011 to 2031.

**TABLE 4.6 Housing Provision in Exmoor National Park**

LPA	Unadjusted Demographic Figure	Total OAHN <sup>76</sup>	DtC Adjustment (+/-)	Planned Housing Requirement	Housing Delivered 2011-2015	Identified Housing Supply
Exmoor National Park	552 <sup>77</sup>	718	-196	336 <sup>78</sup>	96 <sup>79</sup>	345 <sup>80</sup>

4.41 Across the HMA, the total OAHN of 20,155 dwellings will be met through a planned housing requirement of 20,456 dwellings and an identified housing supply of 20,491 dwellings. Further explanation of the NP HMA as a whole is set out in the Joint Housing Topic Paper.<sup>81</sup>

<sup>76</sup> See Table 4.2 of this Housing Topic Paper.

<sup>77</sup> Figure consists of 338 affordable dwellings and 214 market dwellings

<sup>78</sup> Affordable housing element of total for West Somerset Housing Authority area in the National Park 2011-31 which is included in the emerging ENP Local Plan as an estimate of need only. The market housing (186 dwellings) arising from the West Somerset part of Exmoor National Park is not provided for in the ENP Local Plan.

<sup>79</sup> Total completions of 96 dwellings (53 affordable and 43 open market completions 2011/12 to 2014/15) of which 80 are in West Somerset part of the National Park (46 affordable and 34 open market completions) and 16 in the North Devon part of the National Park (7 affordable and 9 open market completions).

<sup>80</sup> Total identified housing supply from developable SHLAA sites have total capacity of 249 dwellings, with a further 96 windfall completions (2011-2015).

<sup>81</sup> North Devon Council, Torridge District Council Exmoor National Park Authority and West Somerset Council (May 2016) Joint Housing Topic Paper for the Northern Peninsula Housing Market Area. Sections 5 and 6.

## 5 Exmoor National Park Housing Delivery and Implementation

5.1 This section of the Topic Paper:

- a) summarises and explains the strategy for the delivery of housing as an appropriate approach to address the needs of the local community in the context of the designation of Exmoor as a National Park
- b) analyses past affordable housing completion rates and viability evidence to help inform future delivery;
- c) explains how affordable housing need is assessed; and
- d) explains the range of initiatives being pursued by the National Park Authority in partnership with others to provide a framework in which needed local affordable housing in particular can be achieved given national changes and current uncertainties in how affordable housing is funded and delivered.

### 5.2 Housing Strategy

5.2.1 In view of the special circumstances of Exmoor National Park, a different approach to housing provision from non-designated areas is necessary, justified and appropriate:

- a) reflecting National Park legislation (the statutory purposes of conservation and enhancement of the area and the promotion and understanding of its special qualities), and the legal duty to promote the social and economic wellbeing of the National Park's communities in meeting these purposes;
- b) consistent with national policy and guidance that 'great weight should be given to conserving landscape and scenic beauty in National Parks, which have the highest status of protection in relation to landscape and scenic beauty. Objectively assessed need should not be met if adverse impacts would significantly and demonstrably outweigh the benefits, when assessed against the policies in the NPPF, or where specific policies indicate development should be restricted such as within a National Park. National Parks are not suitable locations for unrestricted housing and general housing targets are therefore not provided; and
- c) recognising the particular issues within Exmoor National Park where high demand from in-migration and second home ownership, have led to house prices and rents but because average local incomes low there is an 'affordability gap' and consequently many local households in affordable need.

5.2.2 Sections 2 and 3 of this Housing Topic Paper and the Northern Peninsula Joint Housing Topic Paper explain in more detail the purposes, national policy and guidance and characteristics and particular issues for the HMA and in Exmoor National Park.

- 5.2.3 To conserve and enhance the National Park, the National Park Authority the priority is addressing the housing needs of National Park communities rather than meeting the external demand for market housing. Within the National Park the policy approach is:
- a) to prioritise the needs of local communities for affordable housing using a needs led, rural exception approach through an estimate of local need and without a target or allocations. The estimate of affordable need proposed for the Exmoor National Park Local Plan is 336 dwellings 2011-31 (see para 4.40 and Table 4.6);
  - b) to provide for a range of types, sizes and tenures (including owner-occupied and custom/self build housing) to meet an identified need;
  - c) to provide for accessible and adaptable housing to address the housing needs of Exmoor's communities, particularly of an ageing population. It should either be affordable housing or support the provision of affordable housing; and
  - d) in specific circumstances, such as for rural workers or through the conversion of certain existing buildings, to meet a local (though not affordable) need.
- 5.2.4 The proposed Local Plan spatial strategy, which defines the approach to the distribution of housing in the National Park, includes three Local Service Centres (Dulverton, Lynton and Lynmouth and Porlock) which, although rural and with a low population, act as service centres. They may not have greater landscape capacity to accommodate housing than the settlements identified as Villages. The spatial strategy encourages the re-use of buildings and land that has been previously developed.
- 5.2.5 In addition, within hamlets which have a village hall, shop or public house, local need affordable housing may be permitted through the change of use of existing buildings or new build through self /custom build. In hamlets or on farmsteads where there is an existing dwelling, new affordable housing may be permitted through the change of use/conversion of an existing building where there is an identified need. The rest of the National Park is classified as 'open countryside' where new build housing (other than, exceptionally, for a rural worker) would not be permitted.
- 5.2.6 This positive approach to housing will help to ensure that the housing needs of local National Park communities are addressed as far as is possible within the context of the conservation of the National Park. It is underpinned by a range of evidence including that housing delivery is constrained by highly sensitive landscapes and the potential for landscape harm; topography; wildlife designations; heritage assets and land at risk of flooding (see section 2 of this paper). An updated viability assessment<sup>82</sup> supports the strategy and its key findings are summarised in paras 5.4.1 to 5.4.6.
- 5.2.7 Underpinning the strategy is the ability to work without a Local Plan housing target through a needs led rural exceptions approach across the National Park. This is consistent with national policy on planning in rural areas that "In

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<sup>82</sup> Three Dragons and Rural Housing Solutions (2016) Exmoor National Park Whole Plan Viability Study.

*rural areas, exercising the duty to cooperate with neighbouring authorities, local planning authorities should be responsive to local circumstances and plan housing development to reflect local needs, particularly for affordable housing, including through rural exception sites where appropriate. Local planning authorities should in particular consider whether allowing some market housing would facilitate the provision of significant additional affordable housing to meet local needs.”<sup>83</sup>*

- 5.2.8 The NPPF defines rural exceptions sites as *“small sites used for affordable housing in perpetuity where sites would not normally be used for housing. Rural exception sites seek to address the needs of the local community by accommodating households who are either current residents or have an existing family or employment connection. Small numbers of market homes may be allowed at the local authority’s discretion, for example where essential to enable the delivery of affordable units without grant funding.”<sup>84</sup>*
- 5.2.9 Applying the ‘rural exceptions site’ approach – that local need affordable housing may be permitted, where new housing would not normally be allowed has the effect of reducing the value of land and buildings to a more reasonable level so that local communities and housing providers can acquire sites and buildings for affordable housing. It ensures the delivery of the maximum number of affordable homes on a given site making the best use of the scarce and finite supply of suitable housing land. The change to the NPPF to allow, at the authority’s discretion, for small numbers of market homes where essential to enable the delivery of significant additional local needs affordable housing, is reflected in proposed Local Plan policies which require 100% affordable housing with some flexibility to deliver Principal Residence housing – that is housing that must be lived in as a Principal Residence - where essential for the delivery of local need affordable housing. Such housing, permitted in accordance with policies in the emerging plan through the change of use of buildings through subdivision, as Extended Family dwellings or for rural workers for example, may also, indirectly, contribute towards the market housing identified in the OAHN. However, it is inappropriate for the Local Plan to identify a target figure for such housing in Exmoor National Park and the plan is not allocating sites nor setting a housing trajectory.
- 5.2.10 Allowing for an element of market (Principal Residence) housing is a response to the reduction in levels of public housing grant available to registered providers and is intended to be used only where essential to deliver the affordable housing on exceptions sites. However, this will result in additional units set against the housing supply identified in the SHLAA and will use up the finite supply of suitable housing land at a faster rate – land with the potential to accommodate future local needs affordable housing both in and beyond the period of this Local Plan.

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<sup>83</sup> CLG (2012) National Planning Policy Framework, para. 54.

<sup>84</sup> CLG (2012) National Planning Policy Framework Glossary.

- 5.2.11 The Plan provision figure of 336 affordable dwellings 2011-31 is derived from the calculation of an OAHN of 718 dwellings for the National Park (within a total OAHN across the Northern Peninsula HMA), and is an estimate of local housing need. 196 of the 718 dwellings are planned to be met in North Devon outside the National Park (see section 4 of this Paper). The approach will be to deliver locally needed affordable homes up to the point at which the National Park would be harmed.
- 5.2.12 Taking into account evidence on constraints and housing supply, the total quantum of demand for new housing cannot be met in the National Park without harming its natural beauty. It is important that the limited supply of suitable sites is prioritised to address the affordable housing needs of local communities in the longer term. It is therefore not possible nor appropriate to plan for and include a figure in the Exmoor National Park Local Plan for the 186 market dwellings arising in the West Somerset Housing Authority area of the National Park 2011-2031. This would result in the finite supply of suitable housing sites being further reduced, undermining the rural exceptions approach, pushing up the hope value of sites and adversely affecting viability thereby increasing pressure for more market, and consequently delivery of fewer affordable, dwellings. The Inspector's report into the West Somerset Local Plan is awaited including in relation to the request to incorporate this figure into the overall West Somerset Local Plan housing target.

## **OTHER HOUSING IN EXMOOR NATIONAL PARK**

### **Exmoor Workers**

- 5.2.13 The NPA recognises the importance of providing appropriately for people who work in the National Park. This includes for workers in affordable housing need who do not meet residency requirements in terms of local connection, but who can demonstrate they need to live close to their place of work as Policy HC-S3 includes a criterion that such households can qualify to occupy a local needs affordable home. Additionally, existing affordable housing without occupancy ties may become available for other households including those working locally. This will help to meet wider local housing needs which may not be met through the provision of affordable housing subject to a local tie. The outcome of the Housing and Planning Bill is awaited as the loss of further affordable housing through the proposed extension to the 'Right to Buy' would impact on the stock of Exmoor's affordable housing and the ability to meet affordable needs including of local communities.
- 5.2.14 Workers who are not in affordable need may rent or purchase an existing market home or, where delivered, a Principal Residence home. Local Plan policies also make provision for the proven essential needs of 'rural workers to live in the open countryside' and for staff accommodation for hotels and guest houses.

## Housing for an Ageing Population

- 5.2.15 In the light of the evidence on an ageing population, an important consideration is housing to address the needs of older people and/or other vulnerable members of Exmoor's communities. Exmoor has a higher proportion of older age groups than average and 1,160 (or a quarter of all households with no dependent children) include one or more persons with a long term health problem or disability.<sup>85</sup> The requirement (within the overall housing requirement) for different types of housing for older households was analysed as part of the SHMA Update.<sup>86</sup>
- 5.2.16 As people grow older their housing needs often change and homes may become unsuitable with many single elderly residents living in large houses or housing that is otherwise not appropriate to their needs. Older people or those with disabilities may have accommodation needs that are not met by the general housing stock. The National Park Authority recognises the importance of supporting the housing needs of an ageing population and, within the context of National Park designation and other housing policies in this plan, it is important that opportunities should be taken to address the local need for accessible and adaptable housing for older people and other vulnerable members of the community.
- 5.2.17 For those in affordable need, this may be through appropriately designed affordable housing with local occupancy ties in accordance with housing policies. All new build housing is encouraged to be constructed to accessible and adaptable Building Regulation Requirement M4(2) and 20% of dwellings in housing developments of 5 or more dwellings is required to meet the standard.<sup>87</sup> The intention is to build up a stock of housing which should be suitable for people over their lifetime. In schemes where Principal Residence housing is needed to deliver local need affordable housing, accessible and adaptable homes with a local tie may form part of the mix. This also applies to market (Principal Residence) housing, where it is proposed as an element of a scheme to help to fund affordable housing, and justified in the first instance by a local need for affordable housing.
- 5.2.18 Local Plan policies also provide for the extension and/or sub division of housing to create smaller and more manageable units, and potentially enable a relative to live close by to provide care/support. The Plan also makes provision for the change of use of existing buildings as Extended

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<sup>85</sup> Office for National Statistics (2013) - 2011 Census, Key Statistics for National Parks in England and Wales (webpage).

<sup>86</sup> Housing Vision (2014) Strategic Housing Market Assessment Update: Exmoor National Park in West Somerset, Table 5.15.

<sup>87</sup> Office for National Statistics (2013) - 2011 Census, Key Statistics for National Parks in England and Wales. The figure is consistent with 2011 Census data for the National Park (20.9% of people who have day-to-day activities limited a lot or a little)

Family Dwellings to enable family members to support each other. Dwellings would be subject to a local occupancy tie.

### 5.3 Past Affordable Housing Delivery

5.3.1 Section 4 of this paper set out past housing delivery. This section focuses specifically on delivery of affordable housing resulting from adopted Exmoor National Park Local Plan policies. As a consequence of a focused approach, a relatively high rate of delivery has been achieved. Between 2005/06 and 2014/15, a total of 87 affordable dwellings were completed within the National Park (Table 5.1).

**TABLE 5.1 Exmoor National Park Housing Completions 2005/06 to 2013/14**

Year	Affordable Housing
2005/6	3
2006/7	8
2007/8	11
2008/9	1
2009/10	11
2010/11	0
2011/12	26
2012/13	3
2013/14	20
2014/15	4
<b>Total</b>	<b>87</b>

Note: bold line indicates start period of emerging Local Plan

5.3.2 This figure includes 53 affordable dwellings completed since the start of the plan period in 2011/12 – with an average annual delivery rate, therefore, of 13 affordable dwellings per annum. At March 2015, a further 13 local needs affordable homes were under construction, and 7 local needs affordable dwelling had planning permission but had not yet started.<sup>88</sup>

5.3.3 The uplift in delivery of affordable housing since the adoption of the 2005 Local Plan has demonstrated the effect of the Plan policies. In 2011/12 and again in 2013/14, the number of new affordable homes completed in the National Park outstripped the number of open market homes, showing that the policies were having the intended effect (Figure 5.1). There remains, however, a need for further local need affordable housing quantified by reference to the Choice Based letting registers as 60 households.<sup>89</sup> It is likely

<sup>88</sup> Exmoor National Park Authority (2015) Exmoor National Park Annual Monitoring Report 2014/15 paras 8.45-8.46.

<sup>89</sup> Housing Vision (2015) SHMA update: Exmoor National Park, Review of the Implications of the 2012 Household Projections. Final Report. Table 2.1.

that this is likely to be an underestimate as not all in housing need sign up to the register.

5.3.4 Development on previously developed land, particularly through the reuse of existing buildings has formed an important element of housing supply since 2005/06. Monitoring shows that an average of 40% of dwellings were delivered through conversions in the National Park.<sup>90</sup> This is important given landscape sensitivity and the limited capacity for greenfield development.

**FIGURE 5.1 Housing Completions 2005/6 to 2013/14<sup>91</sup>**



5.3.5 The number of affordable homes delivered in the National Park reflects a concerted focus and close partnership working. As well as a detailed understanding of the area, the National Park Authority has considerable experience of working with others to achieve affordable housing. Given the rural nature of the area, its very low population density and the small size of all its settlements, the National Park Authority and other housing partners including rural housing enablers, Housing Authorities and providers, landowners have been able to work closely and tailor the approach to Exmoor’s communities to address local housing needs.

<sup>90</sup>Exmoor National Park Authority (2014) Annual Monitoring Report 2013/14. Since 2005/06, an average of 65% of completions were on previously developed land, ranging from 25% to 92% in any one year.

<sup>91</sup>Exmoor National Park Authority (2014). Annual Monitoring Report 2013/14. Other exceptions - include staff accommodation, ancillary annex (independent dwelling), agricultural/rural workers dwellings where the occupancy is restricted in some way.

## 5.4 Housing Viability

- 5.4.1 National planning policy and guidance emphasises that local plans must be deliverable and are economically viable. Updated evidence on the viability of Local Plan policies was therefore commissioned.<sup>92</sup>
- 5.4.2 The testing undertaken for the 2016 study used a residual value approach and this is explained in the report as the value of the development less development costs, including the building costs, professional fees, finance costs, a return to the developer and the costs of land (with a plot value of £10,000 allowed, reflecting historic values achieved in the Park on exception sites). The value of the scheme includes both the value of the market housing (as a primary residence and/or with a local connection) and affordable housing. The report explains that there was a divergence of views on the appropriate build costs to use and as a result, alternative build costs were tested.
- 5.4.3 A series of case studies was tested ranging from 2 to 10 affordable dwellings each with a mix of types reflecting the policies in the draft Plan and sites representative of the scale and nature of development in the National Park. The affordable housing tested was
- a) social rent (the lower level of rented affordable housing);
  - b) Affordable Rent (with rents at up to 80% market rents); and
  - c) two forms of low cost home ownership – Exmoor Discounted Sale Model (EDSM) with an initial purchase cost of 65% of the market value of a typical recent new build home in the Park and a ‘Starter Home’ modelled as the proposed 2015 DCLG model at 80% of the same open market value.
- 5.4.4 The viability analysis showed that:
- a) schemes of Starter Homes only, as proposed by DCLG in 2015, would be viable. However, schemes using the Exmoor Discounted Sale Model and at 65% market value would require a small amount of Principal Residence market housing to be viable;
  - b) accessible and adaptable homes (dwellings built to higher accessibility standards) and with a local tie have some potential to provide cross subsidy for affordable housing;
  - c) rented affordable housing (both social and Affordable Rent) require subsidy from principal residence market housing. This cross subsidy can be as high as 60% principal residence housing;
  - d) there is a trade-off between providing social rent versus Affordable Rent and the amount of Principal Residence housing needed to ensure viability. For example, a scheme of 6 *Affordable* Rent homes would need 6 Principal Residence market dwellings but the same scheme of 6 *social* rent units would need 8 Principal Residence market houses to ensure viability;
  - e) self build units (which would need to be *affordable by size and type to local people in perpetuity*) will only go ahead when they can fund themselves. The

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<sup>92</sup>Three Dragons and Rural Housing Solutions (2016) Exmoor National Park Whole Plan Viability Study.

study assumed that self build would not be required to subsidise other development or that cross subsidy would not be required to enable self build.

- f) In summary the report found that the policies in the Local Plan are deliverable but, unless there are changes to public subsidy or other forms of funding for affordable housing, many if not most schemes will need to have a substantial element of Principal Residence market housing to ensure viability.

5.4.5 This recognises the fact that until 2010, public housing grant through the Homes and Communities Agency was available to enable Registered [Housing] Providers to deliver affordable housing on rural exceptions sites. At the current time, grant levels have seen a large decrease, and the conditions of funding have changed. The viability study findings are therefore important in helping understand what is realistic at the time the case studies were tested. Given the evidence of landscape sensitivity and suitable housing sites and the need to conserve and enhance the National Park, it is hoped that, over the plan period, realistic grant funding or other mechanisms will be available or can be found to improve or make viable affordable housing schemes without the need for Principal Residence housing.

5.4.6 In determining applications for new affordable housing, viability will be judged on a case by case basis, as the circumstances for each housing site differs. The National Park Authority will ensure that robust assessments based on an 'open book' approach are used to inform viability of affordable housing. This will ensure that development costs and land values are reasonable (commensurate with a rural exception site approach). This will maximise the delivery of affordable housing and ensure that the number of any market (Principal Residence) homes which may be permitted will be the minimum number needed to deliver the affordable housing.

## **5.5 Assessing Housing Need in Exmoor National Park**

5.5.1 Work on the SHMA and its updates has helped to provide a picture of housing need within the National Park – both the backlog of affordable housing need and projected need to 2031. This has included analysis of the housing register, which enables households to bid for affordable housing as it becomes available. However, it may not record local connection or may define it differently from planning policies. As with former waiting lists, there remains an issue with rural households registering on the system. It is therefore important that actual need is assessed to underpin a needs led approach.

5.5.2 Between 2002 and 2015, the NPA hosted the Rural Housing Project (RHP) which employed a rural housing enabler. Households in West Somerset, North Devon, and Exmoor National Park were surveyed by parish to provide more accurate information on affordable need. Surveys consistently revealed a local, albeit often small, need, in some cases fewer than three households, for

affordable housing in settlements as well as detailed information on size, type and tenure.<sup>93</sup>

- 5.5.3 Analysis of surveys has underpinned the approach to provision of affordable housing in the National Park. This included a ‘snapshot’ of needs data and affordable housing completions at September 2013, which provided an estimate of housing need of 90 units for the whole of Exmoor National Park.<sup>94</sup> This should be considered as part of the estimate of 336 affordable households needed in West Somerset within the National Park.<sup>95</sup> Following a needs led approach, parish surveys may therefore show a different figure for the remaining period of the Local Plan and proposals in the National Park will therefore be considered where there is evidence of an identified local affordable need (and/or where proposals for other housing such as accessible and adaptable homes, ‘rural worker’ or ‘extended family’ dwellings are consistent with Plan policies).

## 5.6 The Future Delivery of Affordable Housing in the National Park

- 5.6.1 The constraints on public financing, national changes to the rules over the sale of homes by housing associations to fund new affordable homes together with proposals for an extension of the ‘Right to Buy’ for housing association tenants are recognised. As those working to deliver affordable housing have become increasingly aware of challenges in the way in which affordable housing is funded, delivered and managed, the NPA and its partners have been exploring innovative ways to help deliver needed affordable housing in the National Park. .
- 5.6.2 Although as a result of reductions in public funding, the RHP did not continue after 2015, the NPA and housing partners have ensured that progress on the delivery of affordable housing continues. Arrangements with the constituent housing authorities of West Somerset and North Devon (with ‘Devon Communities Together’) are in place to enable needs surveys to be carried out and to provide assistance with the delivery of affordable housing as required. In this way, the method of assessing local need by household, developed by the RHP will inform a needs led approach providing up to date data by need at a parish level. As well as new provision, some identified need is likely to be met through re-lets of existing affordable housing as it is important to consider new housing as part of the existing stock.

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<sup>93</sup> From Housing Need Surveys carried out by the Exmoor National Park, West Somerset and North Devon Rural Housing Project <http://www.exmoor-nationalpark.gov.uk/living-and-working/affordable-housing/parish-housing-need-surveys>

<sup>94</sup> Exmoor National Park, West Somerset and North Devon Rural Housing Project (2013): Households in Affordable Housing Need in Exmoor National Park.

<sup>95</sup> Housing Vision (December 2015) Strategic Housing Market Assessment Update - Exmoor National Park: Implications of 2012-based Household Projections, para. 3.2 (246 unadjusted with uplift for vacant/second/holiday homes and affordable housing backlog).

- 5.6.3 The special measures necessary in protected landscapes together with experience of the ways in which housing providers and others such as local housing trusts can contribute to the local need for affordable housing suggest that affordable homes do not always need to be newly built. Existing locally tied affordable housing will be occupied in perpetuity by those with a local connection. However, for those affordable homes, including former local authority housing not subject to a local needs occupancy tie, there is the potential to exercise a 'local preference' when they become available for re-letting and this approach has been applied in the area by some Registered Housing Providers. Additionally, where viable, it is theoretically possible that both the number and proportion of affordable homes may be increased by buying suitable existing open market homes including creating new units through subdivision. This would be compatible with National Park purposes and landscape conservation as it would reduce the overall number of households in housing need and the number of new build homes and conversions needed. The purchase of existing properties would benefit places where there is no capacity to build new homes. Since planning permission is unlikely to be required, housing providers and authorities would exercise their own discretion about the eligibility of occupants. The National Park Authority will continue to work with housing partners over the plan period to further explore the potential for such approaches and the benefits that they might bring over time.
- 5.6.4 Additionally, the NPA has set up the Exmoor Rural Housing Network which brings together the NPA, local community representatives, including the West Somerset Community Land Trust, the Exmoor Trust and housing professionals to support local need affordable housing within the National Park. One of the roles of the Network is to consider innovative ways of delivering local needs housing for Exmoor's communities. The Network, through the NPA, is seeking to appoint an Exmoor Rural Housing Network Co-ordinator to provide additional capacity to deliver needed affordable housing. Additionally, discussions are underway to consider the potential for community initiatives including, in particular, community land trusts as a mechanism for the delivery of needed affordable housing in local communities.
- 5.6.5 The Chief Executive of the NPA represents National Park Authorities on national rural housing bodies and Exmoor NPA is currently in discussions with DEFRA and the Homes and Communities Agency including for self/custom build housing for which Exmoor NPA was a vanguard with Dartmoor NPA in 2014/15. The ENP self build register has resulted in a number of households coming forward with an interest in pursuing self/custom build local housing in the National Park and specific proposals are being explored.
- 5.6.6 Delivery of housing will be monitored and reported. This will enable the National Park Authority to openly review the effectiveness of policy; taking into account changing circumstances in housing finance and delivery and the capacity to accommodate development in order to secure the necessary

amounts of locally needed affordable housing. It will also bring forward Supplementary Planning Documents and legal agreements to provide a comprehensive framework within which local and affordable housing can be secured in perpetuity.

## Appendices

### APPENDIX 1

The impact on housing requirements of household projection scenarios, North Devon, Torridge and West Somerset Local Planning Authorities and the Exmoor National Park Authority, 2011-2031, 2012-based projections highlighted

Household projection scenarios	North Devon LPA 2011-2031	Torridge LPA 2011-2031	West Somerset LPA 2011-2031	Exmoor NPA 2011-2031
<b>1. Unadjusted</b>				
2008-based CLG household projections	8,269	9,676	2,452	954
2012-based @ 2008 average household size	6,468	7,486	1,633	664
2012-based @ CLG 2011 to 2021+2008 post -2021	5,652	6,939	1,297	542
2012-based @ CLG 2008 adjusted to 2011 Census	6,844	7,502	1,654	681
2012-based @ constant household formation rates	5,585	6,787	1,448	584
2012-based CLG household projections	5,232	6,727	1,302	552
<b>2. Adjusted for vacant dwellings rates of:</b>	<b>3.33%</b>	<b>3.05%</b>	<b>2.78%</b>	<b>3.33% &amp; 2.78%*</b>
2008-based CLG household projections	8,544	9,971	2,520	983
2012-based @ 2008 average household size	6,683	7,714	1,678	684
2012-based @ CLG 2011 to 2021+2008 post -2021	5,840	7,151	1,333	558
2012-based @ CLG 2008 adjusted to 2011 Census	7,072	7,731	1,700	701
2012-based @ constant household formation rates	5,771	6,994	1,488	602
2012-based CLG household projections	5,406	6,932	1,338	569
<b>3. Adjusted for vacant dwellings, second &amp; holiday homes rates of:</b>	<b>10.26%</b>	<b>8.94%</b>	<b>11.22%</b>	<b>19.20%</b>
2008-based CLG household projections	9,117	10,541	2,727	1,137
2012-based @ 2008 average household size	7,132	8,155	1,816	791
2012-based @ CLG 2011 to 2021+2008 post -2021	6,232	7,559	1,443	646
2012-based @ CLG 2008 adjusted to 2011 Census	7,546	8,173	1,840	812
2012-based @ constant household formation rates	6,158	7,394	1,610	696
2012-based CLG household projections	5,769	7,328	1,448	658
<b>4. The backlog of affordable housing:</b>				
At August 2015	589	235	207	60

Note: \* the vacancy rates for the North Devon and West Somerset areas have been applied to those areas of the Exmoor National Park within each Council area.

Source: Housing Vision (December 2012 Northern Peninsula Housing Market Assessment: the Implications of 2012-based Household projections, Table 5.2.

## APPENDIX 2

### The impact on housing requirements of household projection scenarios, the Exmoor National Park Authority and North Devon and West Somerset Councils in the Exmoor National Park, 2011-2031, 2012-based projections highlighted

Household projection scenarios	North Devon in the Exmoor National Park	West Somerset in the Exmoor National Park	Exmoor NPA 2011-2031
<b>1. Unadjusted</b>			
2008-based CLG household projections	241	713	954
2012-based @ 2008 average household size	188	475	663 (664)
2012-based @ CLG 2011 to 2021+2008 post -2021	165	377	542
2012-based @ CLG 2008 adjusted to 2011 Census	199	481	680 (681)
2012-based @ constant household formation rates	163	421	584
2012-based CLG household projections	150	402	552
<b>2. Adjusted for vacant dwellings rates of:</b>	<b>3.33%</b>	<b>2.78%</b>	<b>3.33% &amp; 2.78%*</b>
2008-based households	249	733	982 (983)
2012-based @ 2008 average household size	194	488	682 (684)
2012-based @ CLG 2011 to 2021+2008 post -2021	170	387	558
2012-based @ CLG 2008 adjusted to 2011 Census	206	494	700 (701)
2012-based @ constant household formation rates	168	433	601 (602)
2012-based CLG household projections	155	413	568 (569)
<b>3. Adjusted for vacant dwellings, second &amp; holiday homes rates of:</b>	<b>19.20%</b>	<b>19.20%</b>	<b>19.20%</b>
2008-based households	287	850	1,137
2012-based @ 2008 average household size	224	566	790 (791)
2012-based @ CLG 2011 to 2021+2008 post -2021	197	449	646
2012-based @ CLG 2008 adjusted to 2011 Census	237	573	811 (812)
2012-based @ constant household formation rates	194	502	696
2012-based CLG household projections	179	479	658
<b>4. The backlog of affordable housing:</b>			
At August 2015	17	43	60

Note: \* the vacancy rates for the North Devon and West Somerset areas have been applied to those areas of the Exmoor National Park within each Council area.

The effect of disaggregating then summing the Exmoor National Park figures has created variations of 1 -2 in the totals for each scenario when compared with the previous table. The accurate total is in brackets.

Source: Housing Vision (December 2012 Northern Peninsula Housing Market Assessment: the Implications of 2012-based Household projections, Table 5.3.

## APPENDIX 3

The housing requirements based on household projection scenarios for the Exmoor National Park Authority and North Devon and West Somerset Councils in the Exmoor National Park, 2011-2031 showing the effect of excluding net migration, (recommended Scenario and 2012-based household projections highlighted)

Household projection scenarios	North Devon in Exmoor National Park	West Somerset in Exmoor National Park	Exmoor NPA 2011-2031
<b>1. Unadjusted</b>			
2008-based CLG household projections	110	176	286
2012-based @ 2008 average household size	57	-62	-5 (-4)
2012-based @ CLG 2011 to 2021+2008 post -2021	33	-159	-126
2012-based @ CLG 2008 adjusted to 2011 Census	68	-56	12
2012-based @ constant household formation rates	31	-116	-85 (-84)
2012-based CLG household projections	18	-135	-117
<b>2. Adjusted for vacant dwellings rates of:</b>	<b>3.68%</b>	<b>3.10%</b>	<b>3.68% &amp; 3.10%*</b>
2008-based households	114	181	296
2012-based @ 2008 average household size	59	-64	-5
2012-based @ CLG 2011 to 2021+2008 post -2021	34	-164	-130
2012-based @ CLG 2008 adjusted to 2011 Census	71	-58	13
2012-based @ constant household formation rates	32	-120	-87
2012-based CLG household projections	19	-139	-121
<b>3. Adjusted for vacant dwellings and second homes rates of:</b>	<b>19.20%</b>	<b>19.20%</b>	<b>19.20%</b>
2008-based households	131	210	341
2012-based @ 2008 average household size	68	-74	-6
2012-based @ CLG 2011 to 2021+2008 post -2021	39	-190	-150
2012-based @ CLG 2008 adjusted to 2011 Census	81	-67	14
2012-based @ constant household formation rates	37	-138	-101
2012-based CLG household projections	21	-161	-139
<b>4. The backlog of affordable housing:</b>			
At August 2015	17	43	60

Source: Housing Vision (December 2015) Strategic Housing Market Assessment Update – Exmoor National Park Implications of 2012-based Household Projections. Table 2.2