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Exemption applied: None

Review date for release N/A

Housing Monitoring Update to year ending 31 March 2023

Report summary:

This report provides a summary of house building monitoring information to the year ending 31 March 2023. The annual requirement based on local housing need has reduced from 946 homes per year down to 910 homes per year as a result of changes to the affordability ratio used in the Government's standard method. There was a modest reduction in completions in 2022/23, down to 998, compared to the previous year. Forecast supply over the next 5 years has decreased compared to the 2022 monitoring point in part because of the challenges of the current housing market and economic conditions and because of planning practice guidance, in particular the need to be mindful of Inspectors' application of PPG in recent planning appeals. The evidence in the Housing Monitoring Update to year ending 31 March 2023 (HMU 2023) confirms that, looking forward, the 5-year housing land supply position is 4.28 years as at the 31 March 2023 monitoring point, indicating a forecast shortfall of 685 dwellings. Had the council not approved or resolved to grant planning approvals subject to S106 agreement in the 2022/23 monitoring year and since then, the supply position would be lower by more than a year. The report advises Members of the implications of this, of what actions have been taken to date, and invites Members to consider whether further action should be taken to address this position.

Is the proposed decision in accordance with:

Budget Yes No

Policy Framework Yes No

Recommendation:

That Strategic Planning Committee:

1. Note the district Five Year Housing Land Supply position and the potential risks and implications of the forecast supply as detailed in section 5 of the Housing Monitoring Update 2023.
2. Note the residential dwellings completion data and future forecasts for the district.
3. Note that the Housing Monitoring Update 2023 will be published on the Council's website as part of the Authority Monitoring Report.
4. Delegate publication of the 2023 HMU audit trail document and the detailed tables in Appendix 2 of the HMU 2023 to the Assistant Director – Planning Strategy and Development Management in consultation with the Portfolio Holder – Strategic Planning, and that this document be published by the end of October 2023 on the Council's website as part of the Authority Monitoring Report.

Reason for recommendation:

To keep members informed of housing completions, forecasts, and projections.

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Portfolio(s) (check which apply):

- Climate Action and Emergency Response
- Coast, Country and Environment
- Council and Corporate Co-ordination
- Communications and Democracy
- Economy
- Finance and Assets
- Strategic Planning
- Sustainable Homes and Communities
- Culture, Leisure, Sport and Tourism

Equalities impact Low impact;

Climate change Low Impact;

Risk: Low Risk;

Links to background information <https://eastdevon.gov.uk/planning/planning-policy/monitoring>

Link to [Council Plan](#)

Priorities (check which apply)

- Better homes and communities for all
 - A greener East Devon
 - A resilient economy
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1. Introduction

- 1.1 Through the Planning Policy team, the East Devon District Council (EDDC) produces an annual Housing Monitoring Update (HMU), the latest version of which is attached. This report to Committee forms the monitoring report for the year ending 31 March 2023, and is part of the Council's Authority Monitoring Report. This document largely focuses on whether the Council can demonstrate a five-year housing land supply for the purposes of NPPF paragraph 74, detailed below. It also reports on the key monitoring indicator from the adopted East Devon Local Plan 2013 to 2031 (number of new homes built annually).
- 1.2 This report does not consider housing delivery in the context of the emerging local plan, which will supersede the adopted plan. The issues of supply sources, forecast housing delivery, the 'rolling' 5-year housing land supply assessment, and future monitoring indicators are matters that will be reported to Committee in the future as part of the plan-making process and the evidence to justify policies in the emerging plan.

2. Housing Need and Supply in East Devon

- 2.1 The adopted East Devon Local Plan, specifically in respect of housing supply and monitoring purposes, covers the 18 years from 01 April 2013 to 31 March 2031. For this 18-year period the plan establishes an objectively assessed need for 17,100 new homes to be created in East Devon. This averages out at 950 homes per year. However, as the current plan was now adopted more than five years ago, we now need to use the latest Government guidance to calculate our baseline figure using the Standard Method to calculate our local housing need, which is 910 homes per year.
- 2.2 The table below breaks down the net completions recorded in the ten years running from 2013 to 2023.

Table 1 - Net Total Completions 2013 to 2023

	Apr 13 to Mar 14	Apr 14 to Mar 15	Apr 15 to Mar 16	Apr 16 to Mar 17	Apr 17 to Mar 18	Apr 18 to Mar 19	Apr 19 to Mar 20	Apr 20 to Mar 21	Apr 21 to Mar 22	Apr 22 to Mar 23
Annual TOTAL	830	1,029	1,027	724	866	929	1,065	872 Revised to 867 by the DLUHC after taking the net loss of 9 care home bedrooms into account	1,047 Expected to be revised to 1,039 by the DLUHC* after taking the net loss of 15 care home bedrooms into account*	961 Expected to be revised to 998 by the DLUHC after taking the net gain of 67 care home bedrooms into account

* The Housing Delivery Test measurement results published by Government is the source for confirming the revised figures, The 2021 HDT measurement was published in January 2022. However, the 2022 HDT measurement is still awaited at the time of preparing this document. [Further explanation below in section 4. Housing delivery test.](#)

- 2.3 Based on Table 1, there were **9,374** net total dwelling completions in East Devon (including dwelling equivalents from care home accommodation) 1 April 2013 to 31 March 2023. 998 were in the 2022/23 monitoring year.
- 2.4 Including the 2022/23 figures, the average level of completions over the last five years is now 980, which is above the annualised adopted local plan requirement of 950.
- 2.5 However, the annual average since the start of the plan period is 937 dwelling completions which is below the annualised requirement. The increased delivery rate in the last five years has not yet mitigated the slower delivery rate in the first five years. It has not been sufficient to result in a surplus (“oversupply”) at the 2023 Monitoring Point against policy requirement.

3. Five Year Housing Land Supply Assessment

- 3.1 The Council is required to examine its five-year housing land supply annually. This is an assessment of whether the projected levels of future house building, taking into account what has been built in the past, is sufficient to meet the levels of housing required based on local housing need calculated using the Government's standard method, for the next five years. The adopted local plan for the next five years is more than 5 years old and, in line with PPG, the plan's 950 per year housing requirement can no longer be used to calculate East Devon's five year housing land supply position.
- 3.2 The HMU report provides details about how the 5-year supply is calculated, where it:
- Justifies the use of local housing need (910) for the requirement figure in the calculations.
 - Explains that PPG makes clear that using the East Devon local housing need for the housing requirement means there is no shortfall to have to take into account in the 5-year housing land supply position calculations
 - Explains why there is no supply surplus to include in the calculations.
 - Explains why the 5-year housing land supply calculations apply a 5% buffer; and
 - Justifies the forecast East Devon housing supply that is identified as 'deliverable', which can be used in the 5-year housing land supply calculation.
- 3.3 The equations below, with associated explanation, establish the calculated housing land supply position in East Devon at a base position of 1 April 2023.

Table 2 - Five Year Housing Land Supply Assessment values and formulas

Ref	Stage of Work	Numbers	Commentary (with formulas used in calculation)
A	Annual Requirement	910	This is the annual number of dwellings Government indicates should be built in East Devon based on local housing need (Standard Method) (Discussed in paragraph 5.9, HMU Table 14)
B	Five Year Requirement	4,550	This is the number of houses that should be built over the next five-year period (1 April 2023 to 31 March 2028) based on use of the local housing need figure calculated by the standard method (Number = A x 5)
C	5 Year Target (including 5% buffer, explanation detailed below in section 4. Housing delivery test)	4,778	Government guidance requires that the Council not only use the 5-year requirement figure but that they also add a 5% buffer to this (Number = B + 5% of B)
D	Annualised 5-year target (including 5% buffer, explanation detailed below in section 4. Housing delivery test)	956	The 5-year target including buffer required each year (Number = C/ 5)

Ref	Stage of Work	Numbers	Commentary (with formulas used in calculation)
E	Total Deliverable Supply from 1 April 2023 to 31 March 2028	4,093	To understand if we are forecast to meet the five-year requirement we look to the forecast/projected supply of housing over the period from 1 April 2023 to 31 March 2028 (HMU Table 12)
F	Shortfall	685	By knowing the projected 5-year supply and comparing this against the five year requirement we can calculate if there is a shortfall or a surplus (Number = C - E)
G	Years of Land Supply With a 5% Buffer	4.28	The final calculation records the five-year housing land supply position result which shows how many years of deliverable supply there is based on the five-year requirement plus buffer (Number = E/ D)

3.4 The above assessment shows that at this time the Council cannot demonstrate that there is a 5-year housing supply in East Devon. The evidence demonstrates 4.28 years of deliverable supply in the district at the 2023 Monitoring Point.

Why is the 5-year housing land supply position lower than last year?

3.5 The HMU 2023 provides the evidence for why the 5-year supply position is lower than the 4.68 years reported in the previous Housing Monitoring Update up to 31 March 2022, despite the local housing need figure having fallen from 946 per year down to 910 per year. The main reasons for the forecast 5-year supply position being lower are as follows:

- a) Primarily it is a consequence of PPG housing supply and delivery. In identifying 'deliverable' supply, Officers have taken into account recent planning appeals where Inspectors more strictly apply the concept of "clear evidence" of deliverability as required by that PPG, to manage the risk of uncertainty. In particular, by excluding sites with outline planning permission where detailed applications have not yet been approved and where there is insufficient evidence to demonstrate that objections to the applications, notably, from Council consultees, have been overcome and/or sufficient to reach a planning judgement for recommendation for decision making.
- b) The forecasts take into account that when scrutinising housing land supply evidence submitted to outline planning application appeals, Inspectors can consider whether there is "compelling evidence" before them to show that objections to those applications, will be overcome or that the application is likely to be approved.
- c) The Council is not required to guarantee housing delivery but through the HMU/AMR and its audit trail evidence, the Council has to be able to demonstrate there are "realistic prospects" that sites in the base date 5-year supply are 'deliverable'. This means that some sites' forecast completions therefore cannot be included in the HMU 5-year housing land supply at this time, although we would still expect those sites to be developed. In those circumstances their completions are forecast to occur from year 6 onwards (i.e., 2028/29+) and are counted as "developable", in line with the NPPF definition (unless there is evidence that the sites are not likely to be developed, when their supply forecast is nil).
- d) The slow-down in build rates/sales on several East Devon sites (and some sites stalling) is due to the current, challenging, economic and housing market conditions,

particularly as interest rates and the cost of mortgages have risen. Most developers are realistic in the forecasts they provided. They are more cautious about build rates, particularly for the next 2 to 3 years, but still expect delivery to continue.

- e) Loss of some developers/builders on East Devon sites e.g., through companies going into insolvency/ administration. This includes sites where part of the site has been built, or where development has not commenced. It is uncertain what will happen to those sites. Due to the uncertainty, completions have not been forecast for these sites in the 5-year period for this HMU even if they have detailed planning approval. They may still be completed at some time in the future from year 6 onwards.
- f) As dwellings are completed, they cease to be part of future supply for the 5-year housing supply calculation, because of the use of the 'local housing need'.
- g) Planning applications have been approved in the last monitoring period, but some previous applications have expired and are no longer counted at the 2023 monitoring point.
- h) The projected supply of future windfalls used in the 5-year housing land supply, based on past delivery, have fallen by 20 per year (from 158 down to 138 per year) resulting in a 100 fewer windfalls forecast in the 5-year period for 2023, compared to the 2022 monitoring point.

Why continuing to grant planning approvals is necessary.

3.6 The Council has approved planning applications for housing development in the 2022/23 monitoring year or in the case of the Cranbrook DPD allocations resolved to grant approval subject to completing legal agreements since then. Some of their dwellings are included in the 5-year housing land supply. Had the Council not approved or resolved to grant approval subject to S106 agreement, we would not have evidence demonstrating that objections to planning applications had been resolved and/or taken into account in the planning judgement. As a result, the 5-year housing land supply position in the HMU would have been much lower. For example, without the following decisions and resolutions the 5-year supply position would have been lower by a year of supply:

- a) On the allocated Cranbrook Expansion Areas (this plan was adopted before the 2023 monitoring point) there are three outline planning applications now with 'resolution to grant', where 620 dwellings are included in the 5-year supply. (They equate to 0.65 years supply)
- b) Detailed applications have been approved: for 69 dwellings on land north of Moonhill Copse, West Clyst; for 135 dwellings at Mosshayne; and for 132 dwellings at Pinn Court Farm (together these 336 dwellings forecast to be completed in the five years equate to 0.35 years supply).

3.7 This clearly demonstrates the vital importance of development management decision making in maintaining the 'deliverable' housing supply, and the essential role of 'clear evidence' in demonstrating that supply.

Consequences of the 5-year housing land supply position

3.8 Looking at the outcome of planning appeals elsewhere, whilst Inspectors have given varying weight to the scale of shortfalls, their conclusions are helpful in understanding the likely weight of the current East Devon shortfall, whereby:

- The 4.28-year housing land supply evidenced in the HMU falls within a range of housing supply positions that appeal inspectors have concluded amount to a "significant shortfall"

- The Mecklesham Road, Holt, Wiltshire appeal decision states that 4.59 years “could not be termed a moderate shortfall” ... it constitutes an appreciable deficiency when compared to what the supply should be”...
- The Land to East of Station Road, Oakley appeal decision reports that 4.11 years (a shortfall of 816 homes) is significant rather than severe while a figure of 4.83 years (a shortfall of 154) homes is moderate.
- Land south of Post Office Lane, Kempsey, Worcestershire “With a supply of around 3.7 years, the shortfall is significant”.
- The 4.28 year housing land supply evidenced in the East Devon HMU 2023 does not fall within a range of housing supply positions that appeal inspectors have concluded amount to a “severe shortfall” or a “very substantial and acute shortfall” (such as the 1.58 years supply reported in the appeal decision for land rear of 52 Harris Lane, Shenley in Hertsmere).

3.9 Members will be aware that where policies which are most important for determining an application are out-of-date because the council cannot demonstrate a five-year supply of deliverable sites at 31 March 2023, the presumption in favour of sustainable development as set out in NPPF paragraph 11d applies for development management purposes.

“... where there are no relevant development plan policies, or the policies which are most important for determining the application are out-of-date, granting permission unless:

(i) the application of policies in this Framework that protect areas or assets of particular importance provides a clear reason for refusing the development proposed; or

(ii) any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole.

Footnote 7 The policies referred to are those in this Framework (rather than those in development plans) relating to: habitats sites (and those sites listed in paragraph 181) and/or designated as Sites of Special Scientific Interest; land designated as Green Belt, Local Green Space, an Area of Outstanding Natural Beauty, a National Park (or within the Broads Authority) or defined as Heritage Coast; irreplaceable habitats; designated heritage assets (and other heritage assets of archaeological interest referred to in footnote 68); and areas at risk of flooding or coastal change.

Footnote 8 This includes, for applications involving the provision of housing, situations where the local planning authority cannot demonstrate a five year supply of deliverable housing sites (with the appropriate buffer, as set out in paragraph 74); or where the Housing Delivery Test indicates that the delivery of housing was substantially below (less than 75% of) the housing requirement over the previous three years.”

Why not add in new supply identified after the end March 2023 base date?

3.10 The Council’s evidence for NPPF paragraph 74 purposes when dealing with applications and appeals is the HMU 5-year housing land supply position because the HMU is part of the Authority Monitoring Report. This is in line with PPG Housing Supply and Delivery paragraph 004. Paragraph 74 states that the LPA should “*identify and update **annually** a supply of specific deliverable sites sufficient to provide a minimum of five years’ worth of housing.....*” (Our emphasis)

3.11 Housing supply is like a conveyor belt, with sites being added through approvals/allocations and sites being removed through completions or expiring or becoming undeliverable. The

picture changes every day. The HMU 2023 provides the data for the base date, so does not add in new supply identified after the base date.

- 3.12 The only way for the Council to add supply 'retrospectively' between the annual monitoring points would be to completely 'rebase' the picture. It would mean removing completions and expired approvals to a later fixed point, and having up to date delivery forecasts. The latter would mean engaging with builders/developers again, with the risk of consultation fatigue and poorer responses. It would be particularly onerous in terms of Council resources.

Can the delivery forecasts be challenged?

- 3.13 Officers dedicated significant resource to ensure the 2023 base date 5-year housing land supply position is the most robust position possible, including at appeal, but the certainty around such evidence is often under significant scrutiny by appellants. The latter may contest one or more of the sites' delivery trajectories, in trying to reduce the 5-year housing land supply position figure.
- 3.14 Members are advised that PPG Housing Supply and Delivery paragraph 007 states that:
- *"In order to demonstrate 5 years' worth of deliverable housing sites. robust. **up to date evidence** needs to be available to support the preparation of strategic policies and planning decisions"* (our emphasis)
- 3.15 During appeals, it is not unusual for updated information on delivery to be sought on contested sites. Section 78 appeal Inspectors and the Secretary-of-State have concluded that additional evidence that has arisen or otherwise come to the parties attention after the base date of the five-year period can be taken into account to inform judgements on deliverability but the original decision to include the site in the 5 year housing land supply position at the base date of the five-year period, has to be sound and 'robustly' evidenced.
- 3.16 The Council has to make robust judgements about 'deliverability' at the base date for sites with forecast completions in the 5-year period. This means that there would be problems if the Council only partially updated the delivery forecast data for use in decision making, including appeals. We cannot simply include a site in the 5-year housing land supply, with no evidence to support the decisions to do so, and then retrospectively obtain evidence to justify its inclusion. Nor can we just add in new sites approved after the base date of the five-year period.
- 3.17 The planning approvals and completions data in the HMU use the fixed date of the 2023 monitoring point (31 March 2023). However, we can use information from after the monitoring point, to make judgements about the realistic prospects of sites' delivery and to identify what completions to include in the 5-year supply, when we produce the council's base date assessment in the HMU. Members should note that it takes time to identify deliverable sites. The process of capturing and analysing relevant data (including time for 'engagement' and time to consider responses received) is lengthy. For practical reasons there has to be a cut-off point for data gathering so that we can complete the HMU and five-year housing land supply assessment for the 2023 monitoring point base date.

4. Housing Delivery Test

- 4.1 Since November 2018, Councils have also had to pass the Housing Delivery Test (HDT), otherwise they are required to take actions, depending on how far delivery has fallen below the HDT requirement. Rather than simply looking at what *can* be achieved over the following five years, the HDT checks what *has* been achieved over the previous three. The HDT informs the buffer used in the five-year housing land supply calculation for the next Monitoring period. Paragraph 74 of the NPPF states that:

“Strategic policies should include a trajectory illustrating the expected rate of housing delivery over the plan period, and all plans should consider whether it is appropriate to set out the anticipated rate of development for specific sites. Local planning authorities should identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of 5 years’ worth of housing against their housing requirement set out in adopted strategic policies, or against their local housing need where the strategic policies are more than 5 years old.. The supply of specific deliverable sites should in addition include a buffer (moved forward from later in the plan period) of:

(a) 5% to ensure choice and competition in the market for land; or

(b) 10% where the local planning authority wishes to demonstrate a 5-year supply of deliverable sites through an annual position statement or recently adopted plan 40 , to account for any fluctuations in the market during that year; or

(c) 20% where there has been significant under delivery of housing over the previous 3 years, to improve the prospect of achieving the planned supply .”

4.2 The HDT compares the delivery of housing over the past three years against the required amount, with delivery of the full amount resulting in a score of 100%, as follows:

$$\text{Housing Delivery Test (\%)} = \frac{\text{Total net homes delivered over three year period}}{\text{Total number of homes required over three year period}}$$

4.3 The number of net homes delivered is the national statistic for net additional dwellings over a rolling three-year period, with adjustments for net student / other communal accommodation.

Net homes delivered in a year

= Net Additional Dwellings National Statistic

PLUS

net increase in bedrooms in student communal accommodation in local authority
average number of students in student only households in England

PLUS

net increase in bedrooms in other communal accommodation in local authority
average number of adults in households in England

4.4 The HDT comprises three elements:

- i) If delivery has been less than 95%, the Council should prepare an Action Plan to address the reason for the shortfall;
- ii) If delivery has been less than 85%, the Council should also include a 20% buffer in calculating its Five-Year Land Supply (rather than 5% or 10%);
- iii) If delivery has been less than 75%, the presumption in favour of sustainable development would then apply.

4.5 The results of the fourth HDT (covering 2018/19 to 2020/21) were released in January 2022. East Devon District Council passed the test with a score of 123%, meaning no action is required.

4.6 Previous Housing Delivery Test measurement results for East Devon were as follows:

First HDT (2015/16 to 2017/18)	149%
Second HDT (2016/17 to 2018/19)	121%
Third HDT (2017/18 to 2019/20)	122%
Fourth HDT (2018/19 to 2020/21)	123%

4.7 The results of the fifth HDT (covering 2019/20 to 2021/22) were expected to be published around December 2022 / January 2023 but still are yet to be issued. Upon asking when might the Council expect these results, the following DLUHC (Department of Levelling-Up, Housing and Communities) response was received on June 15th 2023:

In December 2022 the Government published for consultation 'Levelling-up and Regeneration Bill: reforms to national planning policy'. This contained proposed changes to the Housing Delivery Test and asked about the publication of the 2022 HDT measurement. The responses to the consultation are still being analysed, and this is why the 2022 measurement has not yet been published. However, it remains the Government's intention to publish the 2022 Housing Delivery Test results.

The Government will take a decision on the approach to the Housing Delivery Test and the implementation of any the proposed changes in due course, once consultation responses have been fully analysed.

4.8 In the absence of the fifth HDT measurement being published by Government, the Council continues to use the previously published fourth Housing Delivery Test result. This is consistent with NPPF paragraph 22 which states that "Until new Housing Delivery Test results are published, the previously published result should be used."

4.9 East Devon passed the fourth Housing Delivery Test with a score of 123%. This means that a 5% buffer is used in the five-year housing land supply calculation for the 2023 Monitoring Point in this document.

5. Five-year housing land supply by sub-area.

5.1 A further local plan monitoring requirement is identified in the paragraph 20.4 in the adopted local plan regarding five-year land supply is as follows:

"In East Devon we will work to two sub-areas for five-year land provision:

*1. **The West End** - to include Cranbrook and other big strategic housing sites on the Western side of the District. On current assessment (under Devon Structure Plan housing 'requirements') we have less than five years' land supply in this area.*

*2. **The Rest of East Devon** - that is, everywhere else within our District. On current assessment (under Devon Structure Plan housing 'requirements') we have considerably more than five years' land supply."*

5.2 For the avoidance of doubt, it should be noted that the sub-area 5-year housing land supply assessments are not used for the purposes of NPPF paragraph 74. The assessments are

undertaken for monitoring the adopted East Devon Local Plan, and its spatial strategy, and for use as part of an overall planning judgement when determining planning applications, where appropriate and relevant.

- 5.3 The table below breaks down the net completions recorded in the ten years running from 2013 to 2023 in both the West End and the Rest of East Devon.

Table 3 - Net Total Completions 2013 to 2023

	Apr 13 to Mar 14	Apr 14 to Mar 15	Apr 15 to Mar 16	Apr 16 to Mar 17	Apr 17 to Mar 18	Apr 18 to Mar 19	Apr 19 to Mar 20	Apr 20 to Mar 21	Apr 21 to Mar 22	Apr 22 to Mar 23
West End	486	531	403	335	326	392	560	455	568	518
Rest of East Devon	344	498	624	389	540	537	505	417	479	443

- 5.4 Applying the five-year housing land supply calculations in Table 2 with data from Table 3, the two sub areas results in the following five-year housing land supply positions:

- West End 3.73 years supply
- Rest of East Devon 5.17 years supply

- 5.5 The calculation shows the impact of the West End sites on supply. They are the principal reason for the council being unable to demonstrate a district five-year housing land supply position for NPPF paragraph 74 purposes. However, action to rectify the sub area position has occurred, namely:

- The Cranbrook Plan DPD was adopted in the last monitoring year (2022/23); and
- In three of the four Expansion Areas, there are recent planning applications where Planning Committee resolved to grant planning approval, subject to S106 agreements, since the 2023 Monitoring Point.

This does not mean that action to rectify the position should be centred on the West End sites. The housing land supply position is calculated across the district as a whole and previous attempts to argue that the position should be disaggregated in some way to reflect the position outside of the West End have not been accepted by Inspectors and there is nothing in government guidance to support this approach.

6. Conclusion and risks

- 6.1 The onus is on the Council to produce the 5-year housing land supply assessment. The requirements of NPPF and PPG in evidencing deliverable housing supply are particularly onerous. Officers have undertaken significant work this year to gather and appraise information on the progress of planning applications and the delivery of housing. This was necessary in light of the strengthening focus of appeal inspectors on the NPPF/PPG concept of 'clear evidence' of deliverability. The result is a significant upgrade to the Council's housing monitoring processes, including:

- Engaging with individual builders/developers/agents/landowners using individually tailored and targeted questionnaires to gather information about site development progress and in developing the sites' trajectories.

- Considering engagement responses received, individually and in combination, before producing the Council's large site trajectories to inform the 5-year housing land supply.
 - Producing a comprehensive audit trail document with detailed justification of the housing trajectories for the individual large sites (to be published in due course).
- 6.2 Consequently, Officers consider that the HMU 2023 evidence, which is to be part of the AMR, is robust and well-aligned with NPPF and PPG requirements for demonstrating 'clear evidence' that sites are deliverable, and that this evidence is compelling.
- 6.3 Therefore, at 31 March 2023, East Devon District Council can demonstrate a 4.28-year housing land supply against the Local Housing Need of 910 dwellings plus 5% buffer (956 dwellings), with the total number of dwellings deemed deliverable in the 5-year period being 4,093 dwellings. The supply of 4,093 deliverable homes falls short of the five-year housing requirement by 685 dwellings. The current scale of supply shortfall might be considered by Planning Inspectors as "significant" but could not be described as "severe" at this time.
- 6.4 The adopted local plan identifies non-delivery of the 5-year housing land supply as a trigger for policy review and action. The Housing Monitoring Update up to 31 March 2023 concludes that supply is less than 5 years. The Council is already taking action through:
- Granting planning approvals for housing development in the last monitoring year.
 - Granting planning approvals for housing development since then and resolving to grant approval of planning applications subject to completion of S106 agreements. For example, the Council has resolved to grant outline planning approval for 3,520 dwellings on the Cranbrook Expansion Areas which are allocated in the adopted Cranbrook Plan (620 of which are forecast for completion in the 5 year period and this identified as deliverable in the 5 year housing land supply)
 - The work to date and the future work programme for preparing the emerging East Devon Local Plan.
- 6.5 Nevertheless, it is essential that the Council continues to grant planning approvals in order to maintain and improve housing supply in future years. Otherwise the 5-year housing land supply position will deteriorate. The risk is that the supply shortfall could become severe, and the adverse impact be given greater weight in the Council's planning judgements and in the planning balance in appeal decisions.
- 6.6 The Council will need to give appropriate weight to the lack of a 5-year housing land supply as part of the planning judgement made when determining planning applications. This is particularly important when determining full and reserved matters planning applications. Detailed planning approvals and resolution to grant planning approval are currently the most effective way to provide 'clear evidence' that sites are deliverable and can be included in the five-year housing land supply.
- 6.7 The HMU evidence shows that the Council cannot demonstrate a 5-year housing land supply position at this time, which means that the overall position has not changed since the 2022 HMU, regarding NPPF paragraph 11 for development management purposes.
- 6.8 The risks due to the HMU evidence demonstrating that East Devon does not have a 5-year housing land supply include:
- More complex planning judgements due to NPPF paragraph 11d and tilted balance
 - More speculative applications being submitted that are not in accordance with the adopted local plan and/or the NPPF
 - More planning appeals
 - Increased pressure on Council resources

- Diversion of resources away from plan-making, resulting in delays in delivering the new Local Plan

6.9 Committee may therefore wish to consider whether any further action is necessary in order to manage the risks by working to improve the five-year housing land supply position. The fact that the position has moved to being a “significant” or “substantial” shortfall based on the appeal decisions referred to elsewhere in this report would suggest that when applying the “tilted balance” even greater weight should be given to the housing supply position and addressing this issue than has previously been the case.

Financial implications:

There are no specific financial implications on which to comment.

Legal implications:

There is a legal requirement for the Council to monitor housing completions and the impact on the ‘Five Year Land Supply’ of sites for future housing. This report advises Members of the implications of the fact that a ‘Five Year Land Supply’ cannot be demonstrated and what actions are and should be taken to address this position. Other than those set out in the report, there are no legal implications requiring comment.