

Report to: **Planning Committee**



Date of Meeting 24 October 2023

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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 and updates Members on the current five-year housing land supply position. This report was presented to Strategic Planning Committee at their meeting of the 3 October 2023 with the Committee resolving that it should be brought to the attention of Planning Committee to inform their decisions on applications where new homes are proposed.

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 five 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 five-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 Planning Committee:

1. Note that the district five-year housing land supply position shows a significant shortfall resulting in an on-going need to apply the tilted balance and give significant weight to bolstering the housing land supply position when taking decisions.

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

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' five-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 <u>867</u> by the DLUHC after taking the net loss of 9 care home bedrooms into account | 1,047 Expected to be revised to <u>1,039</u> by the DLUHC* after taking the net loss of 15 care home bedrooms into account* | 961 Expected to be revised to <u>998</u> 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 five 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 five-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 five-year housing land supply position calculations

- c) Explains why there is no supply surplus to include in the calculations.
- d) Explains why the five-year housing land supply calculations apply a 5% buffer; and
- e) Justifies the forecast East Devon housing supply that is identified as 'deliverable', which can be used in the five-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 five-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 five-year target including buffer required each year (Number = C/ 5) |
| 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 five-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 five-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 five-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 five-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 five-year supply are 'deliverable'. This means that some sites' forecast completions therefore cannot be included in the HMU five-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 two to three 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 five-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 five-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 five-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 five-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 five-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 five-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 five-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 five-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 five-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 five 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 five-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 five-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 five-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 five 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 five 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 five-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 three 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 15 June 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 five-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 five-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 five-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 five-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 five-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 five 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 five year period and this identified as deliverable in the five-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 five-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 five-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 five-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 five-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 -ear 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.

Planning policy

Housing Monitoring Update

Up to 31 March 2023



September 2023

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1 Introduction

- 1.1. This document provides the housing monitoring update for East Devon District Council (EDDC) to a base date of **31 March 2023**. It forms part of the district's Authority Monitoring Report for monitoring development and related key indicators in the adopted East Devon Local Plan 2013 to 2031. Section 113 of the Localism Act (2011) removed the requirement for councils to submit an Annual Monitoring Report (AMR) to the Secretary of State but allowed monitoring reports to be produced covering individual indicators which must be published at least once a year. This housing monitoring update complies with that requirement.
- 1.2. One key indicator in the adopted local plan is the number of new dwellings built annually within the District. This document reports on annual completions since 2013.
- 1.3. The adopted local plan also identifies non-delivery of the five year housing land supply as a trigger for policy review and action. In accordance with the National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG), this document also provides the evidence presenting the current five year housing land supply position for East Devon district as at 31 March 2023 for use in the operation of NPPF paragraph 74 for development management purposes. That housing supply position covers the five year period from 1 April 2023 to 31 March 2028. It applies from 1 April 2023.
- 1.4. The East Devon Local Plan 2013 to 2031 is not 'recently adopted' and the council does not have a previous Annual Position Statement. For these reasons, and for the avoidance of doubt, the council will not be submitting this Housing Monitoring Update 2023 as an Annual Position Statement to 'confirm' the 5 year housing land supply position for the purposes of NPPF Paragraph 75 (and PPG Housing supply and delivery paragraphs 12 to 18.,
- 1.5. The 2023 National Planning Policy Framework can be found on-line at:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1182995/NPPF_Sept_23.pdf
- 1.6. This report considers the following:
 - Housing completions since 1 April 2013, and in particular the completions over the last 12 month period (1 April 2022 – 31 March 2023) including:
 - Total net completions district wide;
 - Gross completions districtwide (including by parish, settlement and Built-up Area Boundary);
 - Breakdown of completions on brownfield and greenfield sites, and
 - Affordable housing;

- Forecast future housing completions which provide the housing trajectory from 1 April 2023 to the end of the adopted Local Plan period;
- The East Devon five year housing land supply position as at 31 March 2023 (for the period 1 April 2023 to 31 March 2028) for NPPF paragraph 74 purposes;
- Comparison of past and future forecast housing delivery to the following:
 - The key monitoring indicator (17,100 dwellings in the plan period);
 - The residential development trajectory illustrating the expected rate of housing delivery over the plan period, and related Appendix 2 in the adopted East Devon Local Plan 2013 to 2031.

1.7. The document largely focuses on whether the Council can demonstrate a five year housing land supply for the purposes of NPPF paragraph 74. The latest National Planning Policy Framework, published July 2021, requires local planning authorities to identify 'deliverable' sites sufficient to demonstrate a five year supply of land for housing plus either a 5%, 10% or 20% buffer, moved forward from later in the plan period, which is added to the basic five year requirement. The buffer used depends on such factors as demonstrating supply through an annual position statement or a recently adopted plan, or past performance based on the Housing Delivery Test. 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 five years’ worth of housing against their housing requirement set out in adopted strategic policies³⁸, or against their local housing need where the strategic policies are more than five years old³⁹. 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 five year supply of deliverable sites through an annual position statement or recently adopted plan⁴⁰, 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 three years, to improve the prospect of achieving the planned supply⁴¹.”*

(NPPF footnotes omitted)

1.8. In addition to this, paragraph 11 of the revised NPPF states:

“Plans and decisions should apply a presumption in favour of sustainable development.

*For **plan-making** this means that:*

- a) *all plans should promote a sustainable pattern of development that seeks to: meet the development needs of their area; align growth and infrastructure; improve the environment; mitigate climate change (including by making effective use of land in urban areas) and adapt to its effects;*
- b) *strategic policies should, as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring areas⁶, unless:*
 - i. *the application of policies in this Framework that protect areas or assets of particular importance provides a strong reason for restricting the overall scale, type or distribution of development in the plan area⁷; 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.*

For **decision-taking** this means:

- c) *approving development proposals that accord with an up-to-date development plan without delay; or*
- d) *where there are no relevant development plan policies, or the policies which are most important for determining the application are out-of-date⁸, 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 proposed⁷; 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.*

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); 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.*

(other NPPF footnotes omitted)

- 1.9. This report therefore considers the extent to which extant permissions (including sites currently under construction), future additional windfalls, and supply from allocations in adopted Development Plan Documents could contribute towards meeting the five year requirement (See Section 5 of this document).

Housing Delivery Test

1.10. NPPF Paragraph 76 states that:

“To maintain the supply of housing, local planning authorities should monitor progress in building out sites which have permission. Where the Housing Delivery Test indicates that delivery has fallen below 95% of the local planning authority’s housing requirement over the previous three years, the authority should prepare an action plan in line with national planning guidance, to assess the causes of underdelivery and identify actions to increase delivery in future years”.

1.11. Since November 2018, councils have also had to apply the Housing Delivery Test (HDT). The Government introduced this annual test after the adoption of the East Devon Local Plan 2013 to 2031.

1.12. The Housing Delivery Test is one of a raft of mechanisms used to monitor and manage housing supply delivery. Rather than looking at what can be achieved over the following five years, the HDT checks what has been achieved over the previous three. The HDT assesses the number of homes built in the local authority area over the previous three years and compares these against local housing need. There are planning policy consequences if a local authority does not score 95% or more.

1.13. This Housing Monitoring Update report therefore provides information about the results of the Housing Delivery Test for East Devon.

1.14. The HDT compares the delivery of housing over the past three years against the required amount. Delivery of the full amount would result in a score of 100%. Government has determined the method for calculating the HDT measurement. This is set out in the Housing Delivery Test Rule Book. The method is summarised as follows:

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

1.15. 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. The national statistic is published by DLUHC in the Housing Delivery Test measurement, using completions information supplied annually by the Council for national statistics purposes.

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

- 1.16. Where the latest adopted housing requirement figure is less than five years old, or has been reviewed and does not need updating, the figure used will be the lower of either the latest adopted figure or the minimum annual local housing need figure.
- 1.17. Where the latest adopted housing requirement figure is over five years old, unless the strategic policies have been reviewed and found not to require updating, the figure used for areas with a Local Plan will be the minimum annual local housing need figure.
- 1.18. More information on the calculations and the HDT Measurement Rule Book can be found at:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/728523/HDT_Measurement_Rule_Book.pdf
- 1.19. 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% |
- 1.20. The fourth HDT measurement results were released online in January 2022.
<https://www.gov.uk/government/publications/housing-delivery-test-2021-measurement>
- 1.21. The result 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.

1.22. The consequences of the HDT for the council, depend on the HDT measurement result:

- a) if the HDT measurement is 95% or higher – then the only consequence is that a 5% buffer is used in the five year housing land supply calculation. No action is required.
- b) There are three possible consequences if the HDT measurement is less than 95%:
 - 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.

1.23. In the absence of the fifth HDT measurement being published by Government, the Council continues to use the previously published fourth Housing Delivery Test. 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.*”

East Devon Housing Delivering Test – Conclusion

1.24. 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 (See TABLE 14 and TABLE 15, and no action by the Council is required in response to the this Housing Delivery Test result).

2 Completions delivered 2013 to 2023

- 2.1. The Council monitors housing completions to provide the data for assessing housing development progress. This is used for the key monitoring indicator data so the Council can assess progress against the Local Plan target of 17,100 dwellings in the plan period.
- 2.2. The completions data collected for 1 April 2022 to 31 March 2023 adds to the completions data gathered for 1 March 2013 to 31 March 2022 which has been reported for national statistics purposes. In turn this provides evidence used for the Housing Delivery Test. It can also provide evidence of delivery against an adopted plan's housing requirement figure used to calculate the five year land supply if the plan is less than five years old.

How do we know if a house has been completed?

- 2.3. Housing completions are monitored throughout the year using the Council's Housing Monitoring database (using the Microsoft Access platform), which is linked to the main EDDC Uniform database. This includes new builds, change of uses and conversions.
- 2.4. When the Basic Land and Property Unit (BLPU) state of any given dwelling's Unique Property Reference Number (UPRN) changes (to BLPU State 2 – 'In Use' and a Primary Classification of 'Residential') within Uniform (i.e. a property is Council Tax banded), this will feed through to the appropriate planning record on the Housing Monitoring database. The completions are counted on the basis of the monitoring year, that is, where recorded as being completed between 1 April and 31 March (inclusive) by both data sources.

How is a "dwelling" defined?

- 2.5. For the purposes of housing monitoring, generally, a dwelling is defined as being a separately Council Tax banded property. As an example, this would mean that if a house that had previously been a single Council Tax banded dwelling were to be split into four flats, each being separately Council Tax banded, then there would be an assumed three net new dwellings on the site upon completion.
- 2.6. On rare occasions, a newly CT Banded property does not have planning permission for a residential use (e.g. Use Class C3 dwelling, or prior approval mechanisms e.g. Use Class M, O or Q). To avoid double counting, a subsequent retrospective planning permission for these uses (including Certificate of Lawful Existing Use or Development (CLEUD) on the newly identified CT Banded property is not counted as an additional net dwelling.
- 2.7. Annexes are not counted as a dwelling for monitoring purposes unless they become separately Council Tax banded, have the appropriate planning permission (including CLEUD) and are not tied conditionally to only be used as ancillary to the main dwelling.

- 2.8. The Council reports gains and losses of mobile and temporary dwellings for national statistics through the annual Housing Flow Reconciliation Return. Non-permanent (or 'temporary' dwellings) are included if they are the resident's main residence and council tax is paid on them. Caravans that are recorded as new Council Tax banded properties in the monitoring year are counted for housing monitoring purposes, unless they have had planning approval which restricts their use to holiday accommodation. Again, any subsequent retrospective planning approval for residential use of the caravan would not be counted as an additional net dwelling gain for that property. Gypsy and Traveller pitches are in HFRR statistics, but outside the scope of this report.
- 2.9. A planning permission with a condition to restrict the use of a dwelling to holiday accommodation is not counted as residential for monitoring purposes. Under the planning legislation at this time, unless restricted by a condition, dwellings approved for residential use can be used for permanent, principal residence uses or for short term use (e.g. holiday lets) or for non-principal residence use (e.g. second homes). At this time, for housing monitoring purposes the Council does not monitor how dwellings approved for residential use are actually used or how this changes over time.

Use Class C2 (Residential institutions)

- 2.10. The Council monitors Use Class C2 (residential institutions) for housing monitoring purposes. In East Devon this category of housing development falls into two types¹
1. Self-contained accommodation units – focused on independent living, albeit with varying levels of care support. These may be apartments or other units and may have access to on-site communal facilities. Each unit counts as a dwelling for housing monitoring purposes. Each unit is usually Council Tax Banded. They include:
 - a) "Retirement living"/sheltered housing units;
 - b) "Extra care" units.
 2. Communal accommodation - Bedrooms in care homes and extra care homes. These are not self-contained units, and have a high level of care/support with on-site communal facilities. A care home is Council Tax Banded (as a single property), but the individual bedrooms are not separately Council Tax Banded
- 2.11. The contribution of care home accommodation to housing supply has been counted for housing monitoring purposes for some years, using a conversion factor to convert bedrooms to dwelling equivalents. The 2014 Housing Monitoring Update reported that "The Housing and Economic Land Availability Assessment (HELAA) methodology for the

¹ In East Devon, there is little or no development involving other types of communal housing that could reasonably be considered part of the dwelling stock (such as student accommodation, hostels, school boarding and barracks accommodation)

Exeter Housing Market Area (HMA) April 2021 states that the additional bed spaces created by care and extra-care homes development should contribute towards dwelling numbers despite units not being separately Council Tax banded. The reasoning for this is that as elderly people move into care / extra-care homes they “free up” open market dwellings for others to move into.”

- 2.12. Conversion ratios used in East Devon have varied in the past. For example, in the October 2013 to March 2014 monitoring period monitoring assumed a ratio of 1.4:1 for the new care/nursing home bedrooms to dwellings assumed, whilst 1.67:1 was the assumed ratio from April 2014 to September 2014. The 2017 Exeter HELAA HMA methodology used a ratio of 2:1. The ratios were based on primary research conducted within the HMA whereby existing care homes were contacted to find out numbers of residents, the proportion that were permanent and the proportion that had previously lived alone. This research suggested that on average 50% of residents were permanent and had previously lived alone which suggests that when they permanently moved to the care home they were leaving an empty house.
- 2.13. The Council currently reports the number of completions of Use Class C2 bedrooms and the related Council Tax units in its East Devon Housing Flow Reconciliation Return to Government for national statistics purposes. This is in accordance with the HFRR guidance. Gains and losses in communal accommodation are now reported separately to the main figures on dwellings gains and losses in the HFRR, with an assessment made on the number of bedrooms in question. That information then feeds into the Government’s Housing Delivery Test measurement. The 2022 HDT measurement is still awaited which would confirm the latest conversion factor.
- 2.14. In the absence of a 2022 HDT measurement, the calculations of communal completions and losses in TABLE 1 rely on the revised 2021 HELAA methodology which assumes that 1.8 care home bedrooms created by development equates to one dwelling. The conversion ratio of 1.8 is based on the national average number of adults in all households, derived from the 2011 Census².

Temporary use of permanent residential development

- 2.15. Planning approval for a dwelling where there is a condition restricting it to temporary use over a specified period is counted as a gain, but to avoid double counting any subsequent replacement by approval of an unrestricted dwelling is counted as net nil.

² HELAA Methodology Revised 2021 - paragraph 7.5
[Microsoft Word - HELAA Methodology - latest - April 2017 \(eastdevon.gov.uk\)](#)

Gains and Losses

- 2.16. The adopted local plan housing requirement target of 17,100 dwellings is a net number. Therefore the Council monitors gains and losses. The latter include demolitions, as well as losses of dwellings through changes of use and conversions.

Net total completions

- 2.17. A full schedule of completions and projections with planning permission by site from the start of the Local Plan period can be found in Appendix 2 to this report.
- 2.18. As shown in TABLE 1, net completions have fluctuated in the period 2013 to 2023. Of these, there have been four years, including the last two, delivering above the annualised 950 dwellings per year policy requirement in the adopted local plan.
- 2.19. TABLE 1 breaks down the district net completions figures into two sub areas: West End and the Rest of East Devon. These 2 sub areas are used for monitoring housing delivery. The forecast scale of growth in the West End of 10,563 dwellings is set out in Strategic Policy 2 of the adopted East Devon Local Plan 2013 to 2031. This is a supply-side policy (and does not include future windfalls), rather than being expressed as a minimum “requirement provision” under Strategic Policy H1.

TABLE 1 Net Total Completions 2013 to 2023 – District and sub areas

| | 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 |
| 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 bed-rooms 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 |

Note * 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.

KEY MONITORING INDICATOR RESULTS

1. Based on Table 1, there were **9,350** net total dwelling completions in East Devon (excluding dwelling equivalents from care home accommodation) 1 April 2013 to 31 March 2023. **961** of these were in the 2022/23 monitoring year.
 2. Based on Table 1, there were **9,374** net total dwelling completions in East (including dwelling equivalents from care home accommodation) 1 April 2013 to 31 March 2023. **998** of these were in the 2022/23 monitoring year. Since the start of the plan period the average annual completions (including care homes) is **937** dwellings/dwelling equivalents per year, which is below the adopted local plan housing requirement. The average annual level of completions (including care home dwelling equivalents) has improved over the last five years and is now **980** per year, which is above the adopted local plan housing requirement of 950 per year. 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
- 2.20. Section 6 of this Housing Monitoring Update report provides further analysis comparing housing development (2013 to 2023) to the adopted Local Plan.

Analysis of completions for the last monitoring year (2022/23)

- 2.21. The rest of Section 2 of this Housing Monitoring Update report focuses on the last year of completions (from 1 April 2022 to 31 March 2023) plus a more detailed analysis of a breakdown of the completions data looking at:
- Net dwelling completions in the district (excluding care home accommodation)
 - Gross completions of dwellings in district (excluding care home accommodation)
 - Gross Completions in sub areas
 - Gross Completions by civil parish
 - Gross Completions by settlement (adopted local plan settlement hierarchy)
 - Gross Completions by Built Up Area Boundary (latest adopted or made Development Plan Document as at 31 March 2023)
 - Gross Completions by Greenfield/Brownfield status
 - Completions of affordable housing
 - Net windfall completions
 - Net completions of communal accommodation (care home bedrooms)
- 2.22. **Net dwelling completions (excluding care homes)** - As shown in TABLE 1, over the 12 month period 1 April 2022 to 31 March 2023, a net total of **961 dwellings** have been completed in East Devon (excluding communal accommodation). This includes 518 at the district’s “West End” (largely land to the east/north east of Exeter including the new town of Cranbrook) and 443 in the Rest of East Devon; 846 of these were on major sites (of ten dwellings or more) and 115 on minor sites (of less than 10 dwellings).

- 2.23. Since the start of the plan period the average annual completions (excluding care homes) is 931 dwellings. The COVID-19 pandemic impacted on 2021/2022 delivery with only 872 dwelling completions, but had less impact in 2021/22 with **1,047** being the second highest number of net new completions in the period covering the current Local Plan so far. The rate was then lower in 2022/23, due to economic conditions. The average annual level of completions (excluding care homes) over the last five years is now **974** per year.
- 2.24. 54% of the dwellings built in 2022/23 were in the West End, compared with 46% in the Rest of East Devon (the same percentages as 2021/22); this is the fourth year in a row that the West End has outperformed the Rest of East Devon in dwelling completions. The rest of the district had outperformed the West End in 4 of the 6 years prior to 2019/2020.
- 2.25. There are no dwelling completions at the Cranbrook expansion areas (adopted Cranbrook Plan DPD allocations) at Bluehayes, Treasbeare, Cobdens and Grange. As these expansion areas see completions over the next few years, and take over from Cranbrook Phase 1, it is anticipated the share of completions from DPD allocations and commitments in the West End compared to the Rest of East Devon will be even greater.
- 2.26. The gross dwelling completions figure is 986. This excludes losses from demolition, conversion or change of use. It also excludes communal accommodation.

Gross Completions by parish

TABLE 2 Gross dwelling completions by parish

| Parish | Total | Parish | Total |
|--------------------|-------|---------------------|-------|
| All Saints | 2 | Lympstone | 6 |
| Axminster | 68 | Musbury | 1 |
| Beer | 1 | Newton Pop & H'ford | 4 |
| Bramford Speke | 1 | Offwell | 1 |
| Branscombe | 1 | Otterton | 1 |
| Broadclyst | 288 | Ottery St Mary | 15 |
| Broadhembury | 3 | Payhembury | 1 |
| Budleigh Salterton | 5 | Plymtree | 1 |
| Clyst Hydon | 1 | Rockbeare | 3 |
| Colaton Raleigh | 2 | Seaton | 20 |
| Colyton | 1 | Shute | 1 |
| Cranbrook | 232 | Sidmouth | 38 |
| Dunkeswell | 1 | Southleigh | 1 |
| Exmouth | 148 | Sowton | 4 |
| Farway | 2 | Talaton | 2 |
| Gittisham | 40 | Uplyme | 3 |
| Hawkchurch | 1 | West Hill | 3 |
| Honiton | 74 | Whimble | 2 |
| Kilminster | 1 | Woodbury | 7 |

| Parish | Total | Parish | Total |
|--------|-------|--------|------------|
| | | | 986 |

2.27. The table above shows gross completions during the 2022/23 monitoring period by parish. Parishes where there were no 2022/23 completions are not listed. Town councils are highlighted in yellow.

Gross completions by settlement

2.28. The table below shows gross completions during the 2022/23 monitoring period by settlement. Settlements where there were no 2022/23 completions are not listed.

TABLE 3 Gross dwelling completions by settlement

| Settlement* | Total | Settlement* | Total |
|--------------------|-------|---------------------|------------|
| Axminster | 68 | North of Blackhorse | 198 |
| Beer | 1 | Offwell | 1 |
| Blackhorse | 2 | Otterton | 1 |
| Budleigh Salterton | 5 | Ottery St Mary | 14 |
| Clyst Honiton | 5 | <i>rural areas</i> | 19 |
| Clyst St Mary | 4 | Seaton | 20 |
| Colyton | 1 | Sidmouth | 38 |
| Cranbrook | 232 | Smallridge | 2 |
| East Budleigh | 1 | Southleigh | 1 |
| Exmouth | 148 | Talaton | 1 |
| Exton | 2 | Uplyme | 2 |
| Honiton | 114 | West Clyst (Pinhoe) | 83 |
| Jack In The Green | 2 | West Hill | 3 |
| Kerswell | 1 | Weston, Sidmouth | 1 |
| Lypstone | 6 | Whimble | 1 |
| Newton Poppleford | 4 | Woodbury | 5 |
| | | | 986 |

* Settlements as identified in the adopted East Devon local plan settlement hierarchy

Gross completions by Built-up Area Boundary (BuAB)

2.29. Table 4 shows gross completions in the 2022/23 monitoring period by BuAB. The table is based on boundaries shown on the Policies Map from Development Plan Documents that were adopted or made as at 31 March 2023. Those BuABs where there were no 2022/23 completions are not listed.

TABLE 4 Gross dwelling completions by BUAB

| BuAB | Total | BuAB | Total |
|--------------------|--------------|-------------------------|--------------|
| Axminster | 68 | North of Blackhorse | 198 |
| Beer | 1 | <i>open countryside</i> | 94 |
| Budleigh Salterton | 5 | Ottery St Mary | 14 |
| Clyst St Mary | 4 | Seaton | 20 |
| Colyton | 1 | Sidmouth | 38 |
| Cranbrook | 219 | Uplyme | 2 |
| Exmouth | 148 | West Clyst (Pinhoe) | 83 |
| Honiton | 74 | West Hill | 2 |
| Lypstone | 6 | Whimble | 1 |
| Newton Poppleford | 3 | Woodbury | 5 |
| | | | 986 |

Gross completions by Greenfield / Brownfield split

2.30. The table below shows the breakdown of gross completions between greenfield and brownfield sites during the 2022/23 monitoring period.

TABLE 5 Gross dwelling completions by Greenfield/Brownfield

| | | Dwgs | % |
|--------------------|---|-------------|----------|
| Greenfield | General | 697 | 70.7% |
| | Agricultural / Forestry Building Conversion | 12 | 1.2% |
| | Garden Sites | 23 | 2.3% |
| | TOTAL | 732 | 74.2% |
| Brownfield | Redevelopment | 197 | 20.0% |
| | Conversions / COUs | 55 | 5.6% |
| | Brownfield unclassified | 2 | 0.2% |
| | TOTAL | 254 | 25.8% |
| GRAND TOTAL | | 986 | 100% |

2.31. Greenfield describes any site on land which has not previously been developed. Brownfield therefore describes sites of previously developed land, the definition of which

can be found within the glossary of the revised NPPF but is reproduced below for ease of reference:

“Previously developed land: Land which is or was occupied by a permanent structure, including the curtilage of the developed land (although it should not be assumed that the whole of the curtilage should be developed) and any associated fixed surface infrastructure. This excludes: land that is or was last occupied by agricultural or forestry buildings; land that has been developed for minerals extraction or waste disposal by landfill, where provision for restoration has been made through development management procedures; land in built-up areas such as residential gardens, parks, recreation grounds and allotments; and land that was previously developed but where the remains of the permanent structure or fixed surface structure have blended into the landscape.”

- 2.32. The table above shows that just under 75% of completions in the district during the 2022/23 monitoring period were on greenfield sites, which is 2% less than during the 2021/22 monitoring period.

Affordable completions

- 2.33. The Housing Needs and Strategy team report a total of 114 affordable units having being delivered during 2022/23, including 27 for social rent, 57 for affordable rent and 30 shared ownership.

Key facts for the year

- EDDC acquired three properties from the open market this year using Right to Buy receipts to add to council stock;
- Eight affordable homes have completed at Cranbrook - Phase Four;
- Twenty-five market units were purchased and converted to affordable with Homes England funding.

Net windfall completions

- 2.34. Windfalls refer to sites built-out which are the result of speculative planning applications. They have not been allocated in the Local Plan.
- 2.35. The table below shows that over the past 12 months 341 of the 961 net completions have been windfalls. This equates to 35.5% of net completions in the last year. However, of these 341 net windfall completions, only 49 were in the West End with the remaining 292 in the Rest of East Devon. This means that of the 443 net completions in the Rest of East Devon, 65.9% were windfalls.

TABLE 6 Net windfall completions

| Gross site capacity | 1-2 dwellings | 3-5 dwellings | 6-9 dwellings | 10-20 dwellings | 21+ dwellings | TOTAL |
|---------------------|---------------|---------------|---------------|-----------------|---------------|-------|
| RoED | 65 | 16 | 26 | 19 | 166 | 292 |
| West End | 0 | 0 | 0 | 13 | 36 | 49 |
| TOTAL | 65 | 16 | 26 | 32 | 202 | 341 |
| Percentage | 19.06% | 4.69% | 7.62% | 9.38% | 59.24% | 100% |

2.36. In addition to the headline totals, the above table shows how many windfalls have been delivered on sites of different sizes. The gross site capacity refers to the gross number of dwellings due to be delivered on a site as a whole. As an example, if two windfall dwellings were completed in the last 12 months on a site due to take a total of five gross new dwellings, they would be listed in the 3-5 dwellings column.

2.37. In terms of calculating five year land supply, paragraph 71 of the revised NPPF allows for future windfalls to be counted towards supply where there is compelling evidence that they will provide a reliable source of supply. However, the council is mindful that the windfall allowance should not prejudge policy in the emerging East Devon Local Plan, particularly in light of NPPF paragraph 71 which states:

“Plans should consider the case for setting out policies to resist inappropriate development of residential gardens, for example where development would cause harm to the local area.”

2.38. In the absence of evidence at this time to demonstrate that reliance on windfalls on garden land would not have an adverse impact on the character of built up areas, the council avoids this risk by not including past housing development on residential gardens in the windfall supply calculation.

2.39. This being the case, the assessment in the table below shows the number of net windfall completions in the last year on sites other than garden land. Further analysis of windfalls for the purposes of projections, and why the council considers that there is compelling evidence that they will provide a reliable source of supply, and why the allowance is realistic can be found in section 3.

TABLE 7 Net windfall completions

| Gross site capacity | 1-2 dwellings (excluding garden-greenfield sites) | 3-5 dwellings (excluding garden-greenfield sites) | 6-9 dwellings (excluding garden-greenfield sites) | 10-20 dwellings (excluding garden-greenfield sites) | 21+ dwellings (excluding garden-greenfield sites) | TOTAL |
|---------------------|---|---|---|---|---|-------|
| RoED | 43 | 17 | 26 | 19 | 166 | 271 |

| Gross site capacity | 1-2 dwellings (excluding garden-greenfield sites) | 3-5 dwellings (excluding garden-greenfield sites) | 6-9 dwellings (excluding garden-greenfield sites) | 10-20 dwellings (excluding garden-greenfield sites) | 21+ dwellings (excluding garden-greenfield sites) | TOTAL |
|---------------------|---|---|---|---|---|------------|
| West End | 0 | 0 | 0 | 13 | 36 | 49 |
| TOTAL | 43 | 17 | 26 | 32 | 202 | 320 |
| Percentage | 13.44% | 5.31% | 8.13% | 10.00% | 63.13% | 100% |

Net communal accommodation completions

- 2.40. Gains and losses of Use Class C2 (Residential Institutions) are reported to the Department for Levelling Up, Housing & Communities' (DLUHC) through the annual Housing Flow Reconciliation Return. These figures are separate from the figures reported for gains and losses of dwellings. However, when converted to net dwelling equivalents, the change in communal accommodation is reported via the net supply figures used by Government to calculate housing supply delivery used for the Housing Delivery Test. They are reported in the Government's live tables on dwelling stock.
- 2.41. One new care home has been reported as newly opening in the 2022/23 monitoring year in East Devon district: Alexander House, Pinhoe (67 bedrooms). It is anticipated this will result in a net gain of the equivalent of 37 dwellings once confirmed by DLUHC. It is also a windfall development but is not included in the figures in TABLE 6 of this report.
- 2.42. No loss of care home accommodation occurred in the 2022/23 monitoring year. Therefore the gross and net completions are the same.

3 Forecast/Projected Completions 2023 to 2031

This section is an assessment of forecast and projected completions for the remainder of the plan period from 1 April 2023 to 31 March 2031. The forecasts and projections can be broken down into completions on:

- Sites with extant permissions at the 2023 Monitoring Point –
 - These are sites that already have planning permission (either detailed or outline, and including sites that are already under construction / sleeping) that are expected to be built-out;
- Windfalls –
 - These are the adjusted allowance for completions on windfall sites, with the projection based on historic windfall completions (to avoid double counting, the adjusted allowance discounts small windfall sites with extant planning permission at the 2023 Monitoring Point);
- Cranbrook expansion zones –
 - These are forecast completions on the four Cranbrook expansion areas – Treasbeare, Bluehayes, Cobdens and Grange (allocated in the Cranbrook Plan DPD adopted 19 October 2022, but without planning permission as at 31 March 2023). These include sites with recent Planning Committee resolutions to grant planning approval subject to completion of S106 agreements.

3.1. The planned housing development in the Axminster Masterplan area (including the adopted local plan allocation) is not forecast for delivery in the plan period of the adopted East Devon Local Plan 2013 to 2031. The Council considers that due to the issues of nutrient neutrality, and the lack of funding to deliver the relief road this land is currently not deliverable or developable within the plan period of the adopted Local Plan.

3.2. The National Planning Policy Framework defines a “deliverable” site as follows:

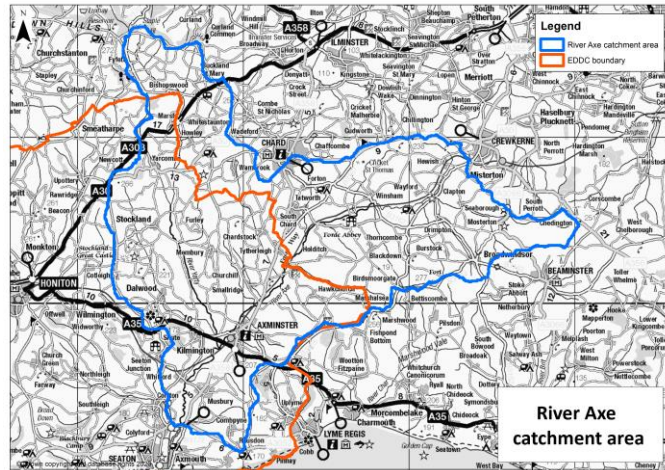
To be considered deliverable, sites for housing should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years. In particular:

a) sites which do not involve major development and have planning permission, and all sites with detailed planning permission, should be considered deliverable until permission expires, unless there is clear evidence that homes will not be delivered within five years (for example because they are no longer viable, there is no longer a demand for the type of units or sites have long term phasing plans).

b) where a site has outline planning permission for major development, has been allocated in a development plan, has a grant of permission in principle, or is identified on a brownfield register, it should only be considered deliverable where there is clear evidence that housing completions will begin on site within five years.

Natural England – River Axe phosphate levels

- 3.3. Due to Natural England advising that we should no longer grant planning permission for development that would increase the discharge of phosphates into the River Axe, a number of sites with outline / reserved matters planning permissions have been excluded from the forecast deliverable supply calculations.
- 3.4. The River Axe catchment area is shown below:



- 3.5. Government has signalled the potential for changes to legislation regarding nutrient neutrality and development. The Council will continue to monitor any future changes to legislation, planning policy and guidance regarding this matter.

Forecasting completions

- 3.6. The housing delivery forecasts (trajectories) used in TABLE 11, TABLE 12, and TABLE 13 are based on the status of sites and extant planning permissions at 01 April 2023. The forecasts cover the following types of sites:
 - Sites that are not major (ie 9 or less dwellings) that were under construction or with an extant permission at 01 April 2023, unless there is clear evidence that homes will not be delivered within 5 years. The forecasts are based on the HELAA methodology.
 - Major sites (10+ dwellings (gross)) that were under construction or with an extant permission at 01 April 2023. The council has forecast individual, site specific, housing delivery “lead-in” times and build-out rates for these sites.
 - Adopted DPD allocations. The council has forecast individual, site specific, housing delivery “lead-in” times and build-out rates for these sites.

- 3.7. Sites with dwellings forecast for completion in the five years 1 April 2023 to 31 March 2028 are those sites which the council considers are available now, offer a suitable location for development now, and are achievable with a realistic prospect that housing will be delivered on the site within five years. They are 'deliverable' and there is evidence of their deliverability. The council is mindful that NPPF does not require that there is certainty of or even a probability of delivery in the 5 years.
- 3.8. Whether sites are deliverable and can be included or not included in the 5 year housing land supply is a planning judgement. In making this judgement the council has applied the definition of 'deliverable' set out in NPPF plus the guidance in the PPG Housing Supply and Delivery on the type of information needed to identify deliverable sites. Based on this, the council has produced the forecasts of completions in order to demonstrate the 5 year housing land supply position.
- 3.9. As well as sites which are considered to be deliverable in principle, the council has made planning judgements about other sites in line with PPG, to determine which to include in the five year supply. This encompasses sites with outline planning permission. It also includes sites allocated in adopted Development Plan Documents, including Cranbrook where there are now sites with Planning Committee resolution to grant planning approval subject to completion of S106 Agreements.
- 3.10. The council has been mindful of appeal decisions regarding the question of 'clear evidence' when identifying specific deliverable sites on sites that do not have detailed planning approval.
- 3.11. The housing monitoring update 2023 benefits from extensive upgrades made by the council to its housing monitoring through data collection, analysis and reporting. This is reflected in the information and analysis in this document, and ensures that:
- The housing delivery forecasts produced by the council which are used in this document comply with the latest NPPF (September 2023) and the latest PPG Housing supply and delivery (22 July 2019);
 - The housing delivery trajectories for major sites and allocations (10 and more dwellings) are forecasts that are informed by information obtained via the council's engagement with developers/builders/landowners and are not simply projections of trends based on the HELAA methodology. The HELAA method for predicting delivery is only used for a large site's trajectory where no other information is available. Only a very few major sites' trajectories had to rely on the HELAA method this year;
 - The council has not used the developers/builders/landowners' information without question. The council has carefully considered the information supplied and made a planning judgment about lead in times and build rates on each site, individually and in combination; and

- There is a comprehensive audit trail of evidence and analysis to support and justify the council’s housing trajectory for each large site. Where the council’s trajectory departs from the developers/builders/landowners’ information the audit trail justifies the reasons for departure. The council intends to publish the audit trail document shortly after publishing the Housing Monitoring Update to 31 March 2023. This former explains the process of engaging with the developers/builders/landowners and provide the detailed results for each individual major site including the full justification of its housing trajectory. It will also justify the Council’s application of the guidance on deliverability in reaching the conclusion about how many completions are forecast to be deliverable on each site.
- The forecasts of completions on small (ie non-major) sites follows the approach set out in the HELAA methodology.

3.12. The HELAA Methodology 2021 was agreed between the 4 local authorities (East Devon District Council, Exeter City Council, Mid Devon District Council, and Teignbridge District Council) in 2022. It is reproduced as part of the East Devon Housing and Economic Land Availability Assessment 2022. (Appendix A is the HELAA Methodology 2021) This is available online at:

<https://eastdevon.gov.uk/media/3724867/appendix-a-helaa-methodology-may-2021.pdf>

TABLE 8 HELAA method assumptions

| Size of site (no. of dwellings) | Commencement of sites | | | Build-out rate | |
|---|--|--|--|--|---|
| | Sites where dwellings are under construction | Sites where dwellings have planning permission | Suitable sites without planning permission | Years 1-5 | Years 6+ |
| 1-15 dwellings (assumes one developer) | Commence in Year 1 | Commence in Year 1 | Commence in Year 3 | 1st year - 12 dwellings maximum 2nd year onward - 25 dwellings per year maximum | 1st year - 25 dwellings maximum 2nd year onward - 50 dwellings per year maximum |
| 16-500 dwellings (assumes one developer) | Commence in Year 1 | Commence in Year 2 | Commence in Year 3 | 1st year - 12 dwellings maximum 2nd year onward - 25 dwellings per year maximum | 1st year - 25 dwellings maximum 2nd year onward - 50 dwellings per year maximum |
| 501-1,000 dwellings (assumes two developers) | Commence in Year 1 | Commence in Year 3 | Commence in Year 4 | 1st year - 12 dwellings maximum 2nd year onward - 50 dwellings per year maximum | 1st year - 25 dwellings maximum 2nd year onward - 100 dwellings per year maximum |
| 1001+ dwellings (assumes three developers) | Commence in Year 1 | Commence in Year 3 | Commence in Year 4 | 1st year - 12 dwellings maximum 2nd year onward - 75 dwellings per year | 1st year - 25 dwellings maximum 2nd year onward - 150 dwellings per year |

- 3.13. The table above is an extract from the HELAA methodology, showing the assumptions about commencement and built rates for sites, by site size, number of outlets (developers) and the site’s planning status.

Projecting completions on small sites with planning permission

- 3.14. Projected build-out rates for small sites (1-9 dwellings in total) generally follow the approach advocated by the Exeter Housing Market Area (HMA) Housing and Economic Land Availability Assessment (HELAA) methodology market conditions model, unless we are aware of an alternative build-out rate. The council has used this method to forecast completions on non-major i.e. small sites as set out in row B of TABLE 10 and in Table 11 in this document.

Windfall projections

- 3.15. Paragraph 71 of the NPPF allows for future additional windfall completions to be taken into account in the housing supply provided that the Council has compelling evidence that they will be a reliable source of supply. The Council has robust evidence of historic windfall delivery is considered and with the implication that sites on gardens are not counted.
- 3.16. The Exeter HMA HELAA methodology sets out a clear process by which windfalls will be calculated assessing delivery of windfalls (excluding gardens and sites of more than 20 gross dwellings) over the last five full years. That being the case, the assessment below shows net windfall completions (excluding gardens) over the last five full years (1 April 2018 to 31 March 2023).
- 3.17. Net completed windfall dwellings are split into the gross capacity of the site on which they came forward in order to be able to analyse the types of windfalls that might come through in the future:

TABLE 9 Windfall completion analysis 2018-2023

| Gross site capacity | Apr 2018 to Mar 2019 | Apr 2019 to Mar 2020 | Apr 2020 to Mar 2021 | Apr 2021 to Mar 2022 | Apr 2022 to Mar 2023 | Average per year |
|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------|
| 1-2 dwgs | 68 | 69 | 50 | 58 | 43 | 57.6 |
| 3-5 dwgs | 45 | 29 | 30 | 19 | 17 | 28.0 |
| 6-9 dwgs | 28 | 17 | 35 | 3 | 26 | 21.8 |
| 10-20 dwgs | 34 | 18 | 22 | 47 | 32 | 30.6 |
| Totals | 175 | 133 | 137 | 127 | 118 | 138 |

- 3.18. TABLE 9 identifies a basic net average windfall projection of 138 dwellings. The methodology then requires this figure to be tempered by subtracting projected windfall completions on sites with planning permission or resolution to grant permission subject to

S106. TABLE 10 below shows how this figure is tempered accordingly to identify the adjusted windfall projection for each forecast year:

TABLE 10 Adjusted windfall projections 2023-2023

| Final projected windfall allowance | 2023 to 2024 | 2024 to 2025 | 2025 to 2026 | 2026 to 2027 | 2027 to 2028 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total windfalls with permission (A) | 597 | 299 | 273 | 248 | 193 |
| <i>Of which windfalls that are on sites of 20 or less dwellings and not on garden-greenfield land (B)</i> | 280 | 90 | 19 | 6 | 1 |
| Basic windfall projection (C) | 138 | 138 | 138 | 138 | 138 |
| <i>Total eligible net windfalls (D)</i> | 138 | 90 | 19 | 6 | 1 |
| Adjusted windfall projection (E) (C-D) | 0 | 48 | 119 | 132 | 137 |

3.19. 396 dwellings with extant planning permission on sites of 20 or less dwellings and not on garden-greenfield land and that had not been completed as at 31 March 2023 are forecast for completion in the five year period 1 April 2023 to 31 March 2028. This is the sum of row B in TABLE 10. Based on the HELAA methodology, these 396 dwellings are projected to be completed in the years shown in row B in TABLE 10. Because there are more permissions (total eligible net windfalls) than the basic windfall projection (the 138 per year in row C in TABLE 10) in 2023/24, we cannot increase our predicted number of completions in that monitoring year. Therefore, the adjusted additional windfall in 2023/24 is nil. In the periods 2024/25 through to 2027/28, however, the basic windfall projection is more than the total number of permissions – so we can add the difference to these two sets of figures (the adjusted windfall projection in row E) to our predictions for these monitoring periods. This means that using the Exeter HMA HELAA methodology we can include **436** additional dwelling windfalls in the forecast of deliverable housing supply in the next five years.

3.20. Moving forward through the rest of the Local Plan period after 31 March 2028, there is the residue of 135 dwellings with extant planning permission on non-major sites that had not been completed as at 31 March 2023 (see TABLE 11). These are not counted as 'deliverable'. This means they are not included in the five year supply (ie in years 1 to 5). However, the 135 dwellings are 'developable' and they are all forecast to be completed in monitoring year 2028/29 (i.e. year 6). In monitoring year 2028/29 the adjusted windfall figure is 11 (see TABLE 13), taking account of which of the 135 dwellings are on non-garden land. From 1 April 2029 onwards where there are monitoring years with zero eligible net windfalls, we can add the full 138 basic windfall projection to our prediction for the last 2 years of the plan period for the adopted Local Plan (see TABLE 13).

- 3.21. The adjusted windfall allowance is still a conservative estimate. In reality, larger windfall sites will on occasion come forward for development; as will small garden sites, but these have not been included in these adjusted windfall projections.

4 Plan period completions and trajectory

Overall completion forecasts/projections and trajectory

- 4.1. Based on the various elements of future supply considered in Section 3 of this report, the tables below set out the annual forecasts of net housing completions for all housing supply for the remainder of the plan period from 1 April 2023 to 31 March 2031.
- 4.2. This is not intended to give a precise year-on-year prediction of how many new homes will be built each year, but it is the result of applying Planning Practice Guidance on identifying deliverable housing for major and non-major sites, and from applying the HELAA methodology for forecasting windfall development. This gives an overview of the potential future pattern of development.

TABLE 11 Annual projected housing completions for 2023/24 to 2030/31

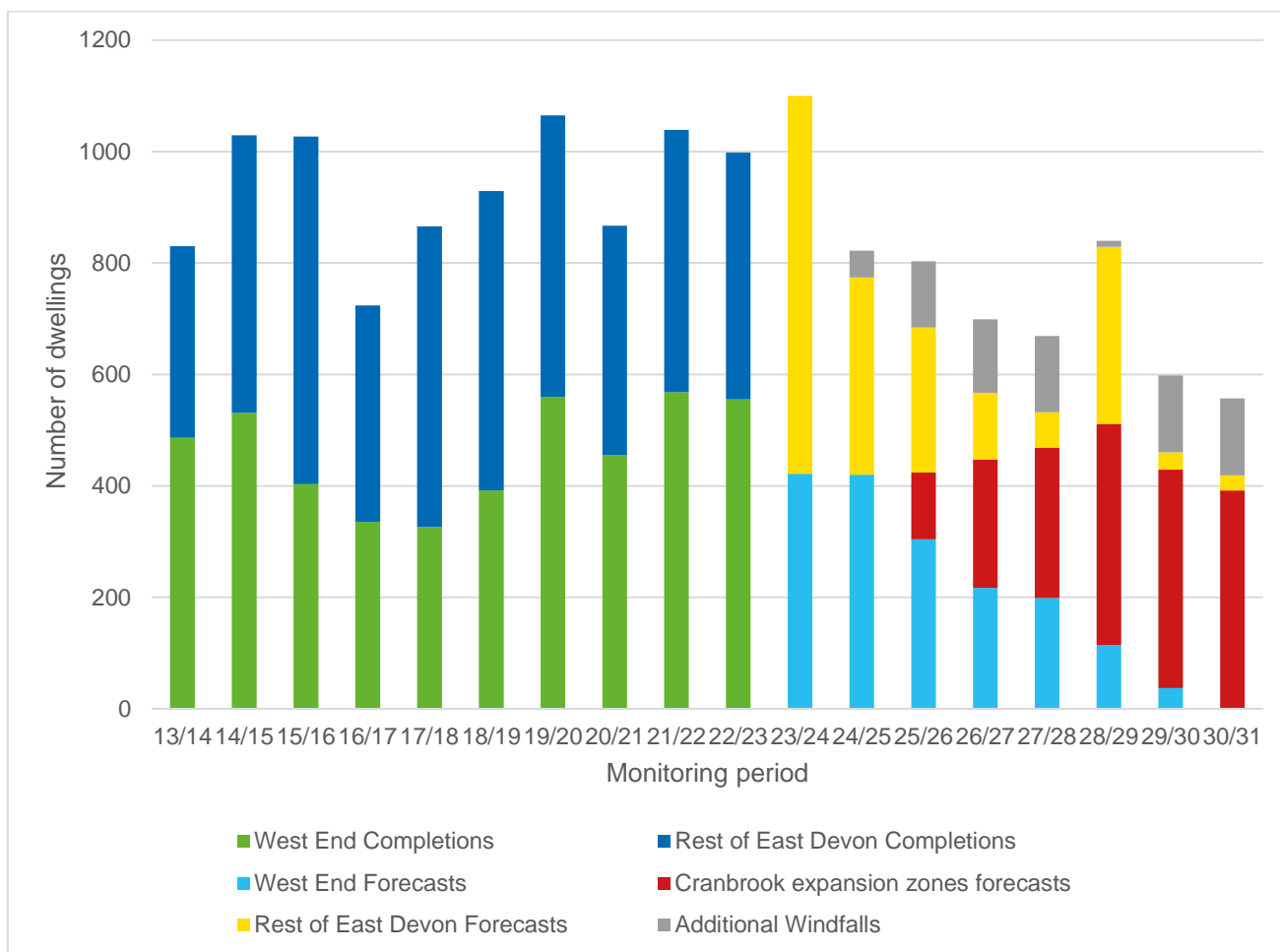
| Year | Extant permissions | Major / Large sites | Non-Major / Small sites | Cranbrook expansion zones projections | Exeter HMA HELAA calculated additional predicted windfalls | Total projections |
|---------|--------------------|---------------------|-------------------------|---------------------------------------|--|-------------------|
| 2023/24 | 1,100 | 781 | 319 | 0 | 0 | 1,100 |
| 2024/25 | 774 | 671 | 103 | 0 | 48 | 822 |
| 2025/26 | 564 | 558 | 6 | 120 | 119 | 761 |
| 2026/27 | 337 | 332 | 5 | 230 | 132 | 689 |
| 2027/28 | 262 | 259 | 3 | 270 | 137 | 638 |
| 2028/29 | 432 | 298 | 134 | 397 | 11 | 882 |
| 2029/30 | 68 | 67 | 1 | 392 | 138 | 608 |
| 2030/31 | 27 | 27 | 0 | 392 | 138 | 588 |

TABLE 12 Housing Supply - Five Year period and to March 2031

| Year | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 |
|--------|---------|---------|---------|---------|---------|---|---------|---------|
| Totals | 1,100 | 822 | 803 | 699 | 669 | 840 | 598 | 557 |
| | 4,093 ← | | | | | Projected five year housing delivery for 2023/24 to 2027/28 | | |

- 4.3. The net number of deliverable dwellings in the five years from 1 April 2023 to 31 March 2028 is 4,093 as shown in TABLE 12. This is the figure used to calculate the five year housing land supply position at the 2023 monitoring point (see Section 5 of this report)
- 4.4. The graph below shows the breakdown of different supply sources making up the housing trajectory for the period 2013 to 2031.

GRAPH 1 – Forecast/Projected East Devon district housing trajectory to 2031



- 4.5. The table on the following page shows the data used for the various components of supply, including completions to 2013 to 2023, site forecasts/projections and windfall projections in the graph above.

TABLE 13 Data for the overall housing trajectory graph

| Period | West End Completions | Rest of East Devon Completions | West End Forecasts | Cranbrook expansion zones forecasts | Rest of East Devon Forecasts | Additional Windfalls | Total Comp/Pro |
|--------|----------------------|--------------------------------|--------------------|-------------------------------------|------------------------------|----------------------|----------------|
| 13/14 | 486 | 344 | | | | | 830 |
| 14/15 | 531 | 498 | | | | | 1,029 |
| 15/16 | 403 | 624 | | | | | 1,027 |
| 16/17 | 335 | 389 | | | | | 724 |
| 17/18 | 326 | 540 | | | | | 866 |
| 18/19 | 392 | 537 | | | | | 929 |
| 19/20 | 560 | 505 | | | | | 1,065 |
| 20/21 | 455 | 412 | | | | | 867 |
| 21/22 | 568 | 471 | | | | | 1,039* |
| 22/23 | 555 | 443 | | | | | 998* |
| 23/24 | | | 422 | 0 | 678 | 0 | 1,100 |
| 24/25 | | | 420 | 0 | 354 | 48 | 822 |
| 25/26 | | | 304 | 120 | 260 | 119 | 803 |
| 26/27 | | | 217 | 230 | 120 | 132 | 699 |
| 27/28 | | | 199 | 270 | 63 | 137 | 669 |
| 28/29 | | | 114 | 397 | 318 | 11 | 840 |
| 29/30 | | | 37 | 392 | 31 | 138 | 598 |
| 30/31 | | | 0 | 392 | 27 | 138 | 557 |

*Assumes DLUHC adjustments for care home beds have been made

5 District Five Year Housing Land Supply Position

- 5.1. As set out in PPG Housing supply and delivery (paragraph 001), “*The five year housing land supply is a calculation of whether there is a deliverable supply of homes to meet the planned housing requirement (or, in some circumstances, local housing need over the next five years.*” The ‘five year land supply position’ is one of the Government’s planning policy tools to encourage local authorities to promote a sufficient supply of land for housing and support delivery.
- 5.2. The purpose of the five year housing land supply is to provide an indication of whether there are sufficient sites available to meet the housing requirement. In line with PPG Housing supply and delivery paragraph 3, we are using local housing need calculated using the standard method in place of the adopted Local Plan housing requirement because the East Devon Local Plan 2013 to 2031 is more than five years old and its strategic policies are in need of updating.
- 5.3. In accordance with PPG Housing Supply and Delivery paragraph 2, “*a five year land supply is a supply of specific deliverable sites sufficient to provide five years’ worth of housing (and appropriate buffer) against a housing requirement set out adopted strategic policies, or against a local housing need figure, using the standard method, as appropriate in accordance with paragraph 74* of NPPF.*” (* updated paragraph reference)
- 5.4. The purpose of this section of the report is to provide the evidence to show whether the Council can demonstrate a five year land supply in East Devon as at the 2023 Monitoring Point, for NPPF paragraph 74 purposes in accordance with the National Planning Policy Framework and Planning Practice Guidance. It covers the five year period from 1 April 2023 to 31 March 2028.
- 5.5. This section therefore sets out the steps in calculating the five year housing land supply position, focussed on:
- a) Establishing the basic five year requirement - based on Local Housing Need;
 - b) Identifying any previous shortfall or surplus, based on:
 - Local Housing Need,
 - Adopted Local Plan,
 - Planning judgement;
 - c) Adding a buffer;
 - d) Identifying the total five year requirement:
 - Annualising the total five year requirement;
 - e) Identifying the total five year supply forecast for specific deliverable sites;
 - f) Calculating the number of years of deliverable supply.

a) Establishing the basic five year requirement

- 5.6. NPPF paragraph 74 states that local planning authorities should identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five 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 five years old (unless these strategic policies have been reviewed and have not been found in need of updating). Footnote 37 of the NPPF expands upon this, stating that where local housing need is to be used as the basis for assessing the five year housing supply, it should be calculated using the Government's standard method set out in PPG.
- 5.7. The adopted Local Plan has a housing requirement of 17,100 new homes for the 2013-2031 plan period, equivalent to an average of 950 dwellings per annum. However, the East Devon Local Plan 2013 to 2031 was adopted on 28 January 2016 and is therefore more than five years old. The Council has commenced the preparation of a new East Devon Local Plan which will include a strategic policy housing requirement.
- 5.8. In accordance with NPPF and PPG Housing Supply and Delivery paragraph 3, in these circumstances the five year housing land supply assessment for NPPF paragraph 74 purposes compares five year housing supply against a requirement based on local housing need calculated using the standard method.

East Devon Local Housing Need at the 2023 Monitoring Point

- 5.9. The latest local housing need figure is the starting point for the East Devon five year housing land supply assessment. The calculation of the district's local housing need is set out in Appendix 1 of this report. Based on the standard method, East Devon's current annual local housing need figure is 910 per year. Multiplying this by five years generates a basic five year housing requirement of 4,550.

b) Identifying any previous shortfall or surplus

- 5.10. The next step is to consider whether there is any past supply shortfall or surplus to add to or deduct from the basic five year housing requirement.

Is there a shortfall?

- 5.11. For the purposes of calculating the five year housing requirement, the PPG Housing Supply and Delivery paragraph 31 considers how shortfalls can be addressed. It states that:

“Where the standard method for assessing local housing need is used as the starting point in forming the planned requirement for housing, Step 2 of the standard method factors in past under-delivery as part of the affordability ratio, so there is no requirement to specifically address under-delivery separately when establishing the minimum annual local housing need figure”.

5.12. Therefore, as East Devon's five year housing requirement is based on local housing need using the standard method, there is no requirement to specifically address any past under delivery of housing separately when establishing the minimum annual local housing need figure and the five year housing requirement for NPPF paragraph 74 purposes.

Is there a surplus?

5.13. Paragraph 32 of PPG Housing supply and delivery states that "Where areas deliver more completions than required, the additional supply can be used to offset any shortfalls against requirements from previous years."

5.14. However, the issue of over-supply (i.e. a surplus) is a somewhat 'grey area' in planning policy because NPPF is not clear how additional supply could be used to offset shortfalls against requirements from previous years. NPPF is silent, or alternatively, does not deal, with what account if any should be taken of oversupply achieved in earlier years when calculating the five year supply.

5.15. Recent case law³ concludes that whilst the intention of NPPF is that planning authorities should meet the housing requirements set out in adopted strategic policies that does not necessarily mean that any oversupply in earlier years will automatically be counted within the five year supply calculation. That case law also concludes that guidance in PPG Housing supply and delivery paragraphs 31 and 32 is about addressing a particular circumstance, namely where there has been some shortfall as well as some oversupply in previous years. That is, that a shortfall against requirements from previous years would be necessary, in order to take account of any additional supply.

5.16. There has been no change to NPPF or to related PPG on this matter since the Gotherington High Court decision.

5.17. For the avoidance of doubt, the Council has considered whether there has been a housing supply surplus for the purposes of this five year housing supply assessment at the 2023 Monitoring Point, compare to 'requirement' as follows:

1. Requirement based on Local Housing Need

5.18. PPG Housing Supply and Delivery paragraph 31 is clear that where the five year land supply is based on Local Housing Need using the standard method then "Step 2 of the standard method factors in past under-delivery as part of the affordability ratio". The 2023 East Devon five year housing land supply assessment in TABLE 14 and TABLE 15 in this report uses the Local Housing Need (standard method) for the requirement figure in the calculation. So it includes the requirement uplift from applying the affordability ratio.

³ High Court decision EWHC 2782 (Admin) 18 October 2021 Land off Ashmead Drive, Gotherington

Mindful of PPG paragraph 31, this implies that there was past under-delivery in East Devon. It would not be logical to conclude that there was past over-delivery when PPG states that the standard method factors in past under-delivery. Therefore there is no oversupply for TABLE 14 to take into account.

- 5.19. Furthermore, neither NPPF nor PPG requires the annual local housing need figure calculated by the standard method to be applied retrospectively⁴. For the purposes of this five year housing land supply assessment, the Local Housing Need figure of 910 dwellings pa is not applied retrospectively to the period 2013 to 2023. Consequently, there are no grounds for asserting that there was an oversupply in East Devon in the 10 years preceding the 2023 Monitoring Point based on local housing need.

2. Requirement based on Local Plan requirement

- 5.20. Where a Local Plan requirement is used for calculating the five year housing land supply, it involves measuring delivery to date from the start of the Local Plan period. Comparing the 9,374 dwellings supply delivered 2013 to 2023 (see TABLE 13) to the adopted East Devon Local Plan 2013-2031 housing requirement of 9,500, there would be a delivery shortfall of 126 between 2013 and 2023. Therefore this means there would then be no over-delivery of supply compared to that requirement.
- 5.21. However, the 5 year housing land supply calculation in TABLE 14 and TABLE 15 is not based on the requirement from the adopted East Devon Local Plan 2013 to 2023.
- 5.22. Even if the 9,374 supply for the ten years 2013 to 2023 is compared to the 950 pa requirement for the ten years (ie 9,500), the evidence would demonstrate an undersupply (shortfall) since that Local Plan was adopted, not over-supply.
- 5.23. Furthermore, in light of the Gotherington High Court decision and in the context of NPPF paragraph 31, the Council is mindful that the Local Plan's housing requirement figure took account of previous shortfall (ie prior to 2013) and was agreed as part of the plan making process in adopting the East Devon Local Plan 2013 to 2031. Even if there had been an overall surplus since the start of the plan period of the adopted plan, then there would be no shortfall against requirement from previous years prior to 2013 which could be offset.

3. Planning judgment – on a case by case basis

- 5.24. Mindful of the Gotherington High Court decision, the local planning authority can make a planning judgment on a case by case basis as to whether or not previous over supply

⁴ The Council is mindful that paragraph 12 PPG Housing and Economic Needs Assessment about applying the standard method to the whole plan period is in the context of plan making.

(surplus) should be taken into account, and if so, by how much, and how to respond to identified over supply against the adopted plan's requirement.

- 5.25. That planning judgement may be complex. For example the Council might consider the following when determining a planning application:
- The scale of oversupply and whether this is material
 - The contribution of oversupply in meeting the objective of meeting the strategic housing requirement across the plan period
 - The tilted balance introduced by the five year housing land supply to address circumstances where planning permissions are required to improve the prospects of meeting that requirement
 - The shape of the future supply trajectory, such as whether delivery trends continue, e.g. whether the future delivery rate is forecast to accelerate or decelerate over time
 - Related matters such as would the circumstances leading to over-supply in the past be repeated in the future; and was the Standard Method capped?
- 5.26. However, even if the evidence demonstrated over-supply, which it doesn't, the shape of the future housing delivery trajectory in TABLE 13 and Graph 1 shows that the amount of completions in the future is forecast to slow down over the five year period and the slow down continues after the five year period. The emerging new East Devon Local Plan is not at advanced stage, so the council is not able to include supply from potential future housing allocations into the district housing trajectory at this time, and certainly not into forecast deliverable supply. In these circumstances it would not be prudent to take account of any oversupply, if this existed.

Supply Surplus - conclusion

- 5.27. Based on the above analysis, no oversupply is taken into account in the five year housing land supply assessment in TABLE 14 and TABLE 15 in this report.
- 5.28. Consequently, no undersupply is added to the 4,550 Local Housing Need figure and no oversupply is deducted. The 'basic' requirement in TABLE 14 is 4,550 dwellings for the five year period.

Adding a buffer

- 5.29. To ensure that there is a realistic prospect of achieving the planned level of housing supply, PPG Housing Supply and Delivery Paragraph 22 advises that a local planning authority should always add an appropriate buffer to the housing requirement in the first five years, bringing forward additional sites from later in the plan period. This will result in a five year requirement over and above the level indicated by the local housing need figure.

5.30. The PPG states that one of the following buffers should be added, depending upon circumstances:

- 5% - the minimum buffer for all authorities, necessary to ensure choice and competition in the market, where they are not seeking to demonstrate a five year housing land supply
- 10% - the buffer for authorities seeking to 'confirm' five year housing land supply for a year, through a recently adopted plan or subsequent annual position statement (as set out in paragraph 74 of the National Planning Policy Framework), unless they have to apply a 20% buffer (as below); and
- 20% - the buffer for authorities where delivery of housing taken as a whole over the previous 3 years, has fallen below 85% of the requirement, as set out in the last published Housing Delivery Test results.

5.31. The adopted East Devon Local Plan 2013 to 2031 is not "recently adopted" and the adopted Cranbrook Plan DPD (2022) does not establish the 5 year housing land supply, so East Devon District Council is not seeking to 'confirm' its five year housing supply for a year as set out in NPPF Paragraph 74. Therefore a 10% buffer is not applicable.

5.32. East Devon does not have a pattern of persistently delivering below housing requirements when measured against Government Housing Delivery Test numbers (see paragraph 1.19 of this report). Based on NPPF and guidance in PPG Housing Supply and Delivery it is therefore appropriate to apply a 5% buffer to the 'basic' requirement figure.

Total five year requirement target

5.33. Applying the 5% buffer to the 4,550 basic requirement results in a five year requirement target of 4,778 dwellings. Dividing this by five years generates the annual target for the five year period of 956 dwellings per year (see TABLE 14).

Total five year supply forecast

5.34. The main components of the deliverable supply forecast for 1 April 2023 to 31 March 2028 are set out in TABLE 15. The net total five year supply forecast is 4,093 dwellings.

Five year housing land supply calculations (2023 Monitoring Point)

5.35. TABLE 14 and TABLE 15 summarise the East Devon five year housing land supply position calculations for NPPF paragraph 74 purposes.

TABLE 14 Five year requirement plus buffer calculations

| East Devon housing requirement and buffer for 01 April 2023-31 March 2028 | | | |
|--|--------------------|-------------------------|---|
| | Calculation | No. of dwellings | Item |
| A | | 910 | Basic annual requirement * |
| B | Ax5 | 4,550 | Basic five year requirement (excluding buffer) |
| C | | 0 | Past under or over supply |
| D | (B +C)x1.05 | 4,778 | Total five year requirement target (including 5% buffer) |
| E | D/5 | 956 | Annual target (assuming 5% buffer) |

TABLE 15 Five year supply calculations

| Supply sources at 31 March 2023 with realistic prospects of delivering dwellings 01 April 2023-31 March 2028 | | | |
|---|--------------------|-------------------------|---|
| | Calculation | No. of dwellings | Supply sources |
| F | | 3,037 | Extant permissions |
| G | | 620 | Cranbrook Plan DPD expansion zones (allocations) – unconsented ** |
| H | | 436 | Future additional windfalls |
| I | F+G+H | 4,093 | Total five years deliverable supply |
| Five year housing land supply position at 2023 Monitoring Point | | | |
| J | D-I | 685 SHORTFALL | Five year Supply Surplus / Shortfall (assuming 5% buffer) |
| K | I/E | 4.28 | Years of land supply (assuming 5% buffer) |

Notes:

* Annual requirement based on Local Housing Need (standard method)

** Planning applications on 3 of the 4 Cranbrook expansion areas received Planning Committee 'Resolution to grant approval' after the 2023 Monitoring Point

FIVE YEAR LAND SUPPLY POSITION - CONCLUSION

- 5.36. At 31 March 2023, East Devon District Council can demonstrate a **4.28** year housing land supply position 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. Comparing the 4,093 forecast 5 year supply(including dwelling equivalents from care homes) to the 4,778 net dwellings 5 year requirement (including 5% buffer) indicates a district supply shortfall of **685** dwellings.
- 5.37. 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.
- 5.38. The results and conclusions in this document supersede all previous East Devon Housing Monitoring Updates reports regarding the five year housing land supply position.
- 5.39. Finally, for the avoidance of doubt, the five year housing land supply assessment in TABLE 14 and TABLE 15 does not prejudge or predetermine the rolling five year housing land supply assessment to be made in the future relating to the emerging East Devon Local Plan, including the five year land supply position at the anticipated point of plan adoption. The rolling five year housing land supply assessment for the Local Plan will need to be consistent with NPPF and PPG specifically regarding plan-making.

6 Delivery compared to adopted plan trajectory

Comparing the local plan and the 2023 housing trajectories

- 6.1. The adopted East Devon Local Plan 2013 to 2031 includes a housing trajectory for the plan period. This takes the form of a graph (the illustrative trajectory) and the related data which is provided in Appendix 2 of the plan. TABLE 16 compares the 2023 housing trajectory to the trajectory Appendix 2.

TABLE 16 Comparison of Local Plan and 2023 trajectories

| Period | 2023 MP actuals and trajectory Total Comp/Proj | Local Plan trajectory Total Comp/Proj | Over (+) / Under (-) delivery compared to local plan trajectory | Cumulative difference in trajectories |
|--------|--|--|--|---|
| 13/14 | 830 | 824 | 6 | 6 |
| 14/15 | 1,029 | 1,089 | -60 | -54 |
| 15/16 | 1,027 | 1,191 | -164 | -218 |
| 16/17 | 724 | 1,261 | -537 | -755 |
| 17/18 | 866 | 1,455 | -589 | -1,344 |
| 18/19 | 929 | 1,464 | -535 | -1,879 |
| 19/20 | 1,065 | 1,287 | -222 | -2,101 |
| 20/21 | 867 | 1,553 | -686 | -2,787 |
| 21/22 | 1,039* | 1,295 | -256 | -3,043 |
| 22/23 | 998* | 1,092 | -94 | -3,137 |
| 23/24 | 1,100 | 1,041 | +59 | -3,078 |
| 24/25 | 822 | 1,012 | -190 | -3,268 |
| 25/26 | 803 | 830 | -27 | -3,295 |
| 26/27 | 699 | 691 | -8 | -3,287 |
| 27/28 | 669 | 566 | +103 | -3,184 |
| 28/29 | 840 | 551 | +289 | -2,895 |
| 29/30 | 598 | 551 | +47 | -2,848 |
| 30/31 | 557 | 565 | -8 | -2,856 |
| TOTAL | 15,462 | 18,318 | | |

- 6.2. TABLE 16 clearly shows that the delivery forecasts in the Local Plan trajectory are now not expected to be achieved. Those forecasts were ambitious. They also pre-date the latest Planning Practice Guidance on Housing supply and delivery. The consequence of PPG is that the new forecasts are more cautious. The Covid 19 pandemic impacted on delivery in 2020/21. Furthermore, delivery on strategic allocations has been delayed, notably due to:

- the lack of funding for the Axminster relief road and now the nutrients neutrality constraint has prevented the previously forecast early delivery of the strategic allocation at Axminster (in the Rest of East Devon) between 2017/18 and 2025/26;
- the timing of the Cranbrook Plan DPD inspector's report, and subsequent plan adoption, which has led to longer forecast lead in times for applications in the Expansion Areas.

6.3. In producing the trajectory for the 2023 Housing Monitoring Update, the council is aware that work is currently in progress in preparing the emerging new East Devon Local Plan 2020 to 2040. To avoid prejudging or predetermining the new plan, the council has to be mindful that NPPF and PPG 'rules' relating to 'deliverable' and 'developable' will apply to the housing trajectory for the emerging local plan. In particular NPPF requires the Council to demonstrate that the emerging plan has a five year supply at the point of plan adoption. At this time the council has therefore categorised some sites with planning permission at 2023 as developable, meaning that they are not forecast to deliver housing before April 2031, i.e. after the end of the plan period of the adopted Local Plan. It may be that some developable sites deliver before that time.

Five year housing land supply by sub-area

- 6.4. The adopted Local Plan identifies non delivery of the five year housing supply as a specific trigger for policy review and action. 2023 is the second consecutive year that the Council is not able to demonstrate a five year housing land supply. Action is already underway through the preparation of the emerging new East Devon Local Plan to address the issue. NPPF paragraph 11d is also engaged (unless paragraph 11c applies), with the application of the presumption in favour of sustainable development in the planning judgment when determining relevant planning applications.
- 6.5. A further local plan monitoring requirement is identified in the paragraph 20.4 in the adopted local plan regarding five year land supply.

20.4 "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."

(Note - the Devon Structure Plan was revoked on 20 May 2013)

- 6.6. TABLE 17 and TABLE 18 below provide an overview of the 5-year housing land supply against the two sub-areas for monitoring identified in paragraph 20.4 of the adopted East Devon Local Plan 2013 to 2031. This position should **not** be used in the operation of paragraph 74 of the NPPF, but is provided for context against the provisions of the development plan.

TABLE 17 Five year requirement plus buffer calculations

| East Devon and sub-area housing requirement and buffer for 01 April 2023 - 31 March 2028 | | | | | |
|---|--------------------|-----------------------------------|---------------------|--|--|
| | Calculation | Rest of East Devon | West End | District No. of dwellings | Item |
| A | | 348 | 562 | 910 | Basic annual requirement* |
| B | Ax5 | 1,740 | 2,810 | 4,550 | Basic five year requirement (excluding buffer) |
| C | | 0 | 0 | 0 | Past under or over supply |
| D | (B +C)x1.05 | 1,827 | 2,951 | 4,778 | Total five year requirement target (including 5% buffer) |
| E | D/5 | 365 | 590 | 956 | Annual target (assuming 5% buffer) |

TABLE 18 Five year supply

| Supply sources at 31 March 2023 with realistic prospects of delivering dwellings 01 April 2023-31 March 2028 | | | | | |
|---|--------------------|-----------------------------------|------------------|--|---|
| | Calculation | Rest of East Devon | West End | District No. of dwellings | Supply sources |
| F | | 1,475 | 1,562 | 3,037 | Extant permissions |
| G | | 0 | 620 | 620 | Cranbrook Plan DPD expansion zones (allocations) - unconsented** |
| H | | 414 | 22 | 436 | Future windfalls |
| I | F+G+H | 1,889 | 2,204 | 4,093 | Total five years deliverable supply |
| J | D-I | -62 SURPLUS | 747 SHORTFALL | 685 SHORTFALL | Five year supply surplus / shortfall (assuming 5% buffer) |
| Five year housing land supply position at 2023 monitoring point | | | | | |
| K | I/E | 5.17 | 3.73 | 4.28 | Years of land supply (assuming 5% buffer) |

7 APPENDIX 1 - Local housing need calculation

Government guidance on calculating local housing is set out in the Planning Practice Guide: Housing and economic needs assessment. Please see the guidance⁵ for further explanation. The Council has applied this guidance to calculate the local housing need for East Devon for use in the five year housing land supply calculation as at the 2023 monitoring point. The calculations are as follows:

TABLE 19 Average annual increase in households

| ONS 2014-based household projections: East Devon District | | |
|--|--|--------|
| A | Projected households 2023 | 66,244 |
| B | Projected households 2033 | 72,813 |
| C | Projected increase in households 2023-2033 (B – A) | 6,569 |
| D | Annual projected increase in households 2023-2033 (C/10) | 657 |

TABLE 20 2022 Affordability ratio

| Affordability Ratio (ONS data published March 2023 - Table 5c) Ratio of median house price to median gross annual (where available) workplace-based earnings by local authority district, England & Wales, 1997 to 2022 | | |
|---|--------------------------------|---------|
| E | Median house prices 2022 | 325,000 |
| F | Median workplace earnings 2022 | 32,000 |
| G | Affordability Ratio (E/F) | 10.16 |

TABLE 21 2023 Monitoring Point East Devon Local Housing Need

| | | |
|---|---|------------|
| H | Adjustment factor (PPG method) | 1.385 |
| I | Annual projected increase in households 2023-2033 (D) | 657 |
| J | Local Housing Need (annual) as at 1 April 2023 (I * H) | 910 |

⁵ [Housing and economic needs assessment - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/housing-and-economic-needs-assessment)

Calculation of Adjustment factor (based on PPG standard method)

Adjustment factor is calculated as follows = (((10.16 – 4) /4) * 0.25) + 1)

i.e.

$$10.16 - 4 = 6.16$$

$$6.16/4 = 1.54$$

$$1.54 * 0.25 = 0.385$$

$$0.385 + 1 = 1.385$$

Calculation of Local Housing Need (based on PPG standard method)

Local Housing Need = Annual projected increase in households 2023-2033 * Adjustment factor

i.e. 657 multiplied by 1.385 = 909.945

i.e. 910 dwellings per year (rounded)

The annualised housing requirement (950 pa) in the adopted East Devon Local Plan 2013-2031 is higher than the LHN. Therefore, under the standard method the 'capped figure' is 950 + 40% ie 1,330. The capped figure (1,330) is greater than the minimum annual local housing need figure (910) and therefore does not limit the increase to the local authority's minimum annual housing need figure. The minimum figure for this East Devon is therefore 910 dwellings pa.

