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Exemption applied: None

Review date for release N/A

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## Housing Monitoring Update to year ending 31 March 2024

### **Report summary:**

This report provides a summary of house building monitoring information to the year ending 31 March 2024. The report confirms that, looking forward, we have a 4.15 years Housing Land Supply.

### **Is the proposed decision in accordance with:**

Budget Yes  No

Policy Framework Yes  No

### **Recommendation:**

That Strategic Planning Committee:

- 1). Note the residential dwellings completion data, future projections for the district and the 5 year housing land supply position that results;
- 2). Agree that the Housing Monitoring Update is published on the Council's website and used to inform decision making.

### **Reason for recommendation:**

#### **To keep members informed of housing completions and forward projections.**

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### Portfolio(s) (check which apply):

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

Culture, Leisure, Sport and Tourism

**Equalities impact** Low impact;

**Climate change** Low Impact;

**Risk:** Low Risk;

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

**Link to Council Plan**

Priorities (check which apply)

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

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## 1. Introduction

- 1.1 Through the Planning Policy team 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 2024. 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.
- 1.2 It is explicitly drawn to committee attention that this paper is drafted on the basis of, and in respect of, housing requirement figures set out by the previous Government. The previous Government housing requirements remain in place and formally applicable until they may be formally replaced with new numbers. The new Government that came into power in July 2024 issued a consultation on revised numbers in the summer of 2024, these would see an increase in housing requirements in East Devon. A final Government decision on new numbers has not yet been issued, it may be in late 2024 or early 2025. For the time being it is appropriate to use and apply the formally relevant numbers, but should revisions be published an early review of five-year land supply may be appropriate. If requirements from Government do go up then the five-year land supply figure that we report will go down. Furthermore, rules around being able to base determination of planning applications on a four-year land supply, rather than five years, may change and therefore avoidance of application of the so called 'tilted-balance' may well change in the near future.

## 2. Housing Need and Supply in East Devon

- 2.1 The 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 (however it is relevant to note that the new plan, currently in draft form, will supersede the current plan long before this end date). 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, which is 893 homes per year. Note that in consultation that started in summer 2025 the Government proposed changes, an increase, in housing numbers but the outcomes of the consultation

are yet to be published. At the current time the consultation numbers are not used, rather we rely on formally published levels.

2.2 The table below breaks down the net completions recorded in the ten years running from 2013 to 2024.

**Table 1: Net Total Completions 2013 to 2024**

Year	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	Apr 23 to Mar 24
Annual TOTAL	<b>830</b>	<b>1,029</b>	<b>1,027</b>	<b>724</b>	<b>866</b>	<b>929</b>	<b>1,065</b>	<b>872</b> Revised to <u>867</u> after taking the net loss of 9 care home bedrooms into account	<b>1,047</b> Revised to <u>1,039</u> after taking the net loss of 15 care home bedrooms into account	<b>961</b> Expected to be revised to <u>998</u> after taking the net gain of 67 care home bedrooms into account	<b>634</b> Expected to be revised to <u>623</u> after taking the net loss of 20 care home bedrooms into account

\* The Housing Delivery Test measurement results published by Government is the source for confirming the revised figures (taking into account care home moderations), The 2022 HDT measurement was published in January 2023. However, the 2023 HDT measurement is still awaited at the time of preparing this document. See also 4.1 to 4.9.

2.4 There were **9,984** net total dwelling completions in East Devon (including dwelling equivalents from care home accommodation) from 1 April 2013 to 31 March 2024, **634** were in the 2023/24 monitoring year.

2.5 Including the 2023/24 figures, the average level of completions over the last five years is now **918**, which is below the adopted local plan housing requirement of 950.

2.6 The annual average since the start of the plan period is **907.6** dwelling completions which is below the annualised requirement of 950. 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 or “oversupply” at the 2024 Monitoring Point.

### 3. Windfalls

3.1 At the time of reporting the previous housing monitoring update at Members meeting of the 3<sup>rd</sup> October 2023 Members raised concerns that the number of windfalls was being underestimated and sought a further report on this issue. On the 9<sup>th</sup> January a report was brought covering the issues related to housing windfall sites which included options for how the baseline windfall allowance was calculated which at that time was 138 dwellings per year calculated as an average of the previous 5 years supply. Members deferred endorsement of this approach so that Members could better understand the approach.

3.2 In this monitoring report the baseline windfall allowance has dropped to 120 dwellings per year as the average number of windfalls delivered over the preceding 5 years has reduced. The agreed HELAA methodology excludes windfall completions on sites of 20 or more dwellings as these larger sites generally come forward when a local plan is out of date and a 5-year housing land supply position cannot be demonstrated. This should be a short-term position and cannot be relied on in the future and many of these sites are future allocations and so won't be windfalls at the time of their delivery. Windfall sites of 1-9 dwellings are also excluded as there is concern as to whether these provide a reliable source of supply as evidence is limited and the cumulative impact on the density and character of local areas if these continue to come forward. The methodology also subtracts windfall plots that are known about and included in the projected completions in order to avoid double counting. The result of all of this is that the calculated windfall is a relatively low figure of **386 homes**, but this is all that can be counted based on the evidence available and the agreed methodology.

3.3 The report in January set out options for increasing the windfall allowance. The only realistic option included was to include garden land windfall sites of 1 to 9 dwellings provided these could be relied on as a reliable source. At the time this would have increased the allowance rate by 39 dwellings/year. Members resolved to include these to inform the council's plan making because as part of the new Local Plan it was agreed to draw settlement boundaries more loosely which would facilitate more windfall sites and these could therefore be relied on more readily as a source of supply. Once the local plan is adopted and this approach is in effect, the approach could be adopted in the housing monitoring update but until then it is proposed to maintain the current approach.

#### 4. Five Year Housing Land Supply Assessment

4.1 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 by the local plan for the next five years.

4.2 The equations below, with associated explanation, establish the calculated housing land supply in East Devon at a base position of 1 April 2024.

**Table 2: Five year requirement plus buffer calculations**

East Devon housing requirement and buffer for 01 April 2024 to 31 March 2029			
	Calculation	No. of dwellings	Item
A		893	Basic annual requirement *
B	Ax5	4,465	Basic five year requirement (excluding buffer)
C	B/5	893	Annual target

**Table 3: Five year supply calculations**

<b>Supply sources at 31 March 2024 with realistic prospects of delivering dwellings 1st April 2024 to 31st March 2029</b>			
	<b>Calculation</b>	<b>No. of dwellings</b>	<b>Supply sources</b>
D		2,720	Extant permissions
E		600	Cranbrook Plan DPD expansion zones (allocations) – unconsented **
F		386	Future additional windfalls
G	D+E+F	3,706	Total five years deliverable supply
H	B-G	759	Five year Supply - Shortfall
<b>Five year housing land supply position at 2024 Monitoring Point</b>			
I	G/C	4.15	Years of land supply

\* 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 and stands for the 2024 Monitoring Point.

### **Five year land supply position conclusion**

3.4 At 31 March 2024, East Devon District Council can demonstrate (under rules and housing requirements that apply at the point of drafting this report) a **4.15** year housing land supply position against the Local Housing Need of 893 dwellings. The total number of dwellings deemed deliverable in the 5-year period being 3,706 dwellings. Comparing the 3,706 forecast 5 year supply (including dwelling equivalents from care homes) to the 4,465 net dwellings five year requirement indicates a district supply shortfall of **759** dwellings.

3.5 Therefore, EDDC cannot demonstrate a five year supply of deliverable sites at 31 March 2024. However, not being able to demonstrate a 5YHLS is, at time of publishing, only relevant to plan adoption.

3.6 EDDC is in a transitional period between local plans meaning it satisfies the conditions set out in the currently approved paragraph 226 of the NPPF:

*Paragraph 226 sets out criteria where, for a period of two years from the date of publication of the National Planning Policy Framework published on 19 December, an authority only needs, for the purposes of decision-making, to identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of four years' worth of housing (with a buffer, if applicable) against either its housing requirement figure or LHN as appropriate.*

3.7 Meeting the conditions of paragraph 226, above, results in the council being required to demonstrate a 4 year housing land supply, this is described in paragraph 55: *Where authorities meet the requirements of paragraph 226 of the National Planning Policy Framework, they only need to demonstrate a 4 year housing land supply (for decision making*

*purposes only). References in this guidance to 5 year housing land supply in relation to decision-making will need to be read as relating to 4 year housing land supply, where appropriate. For clarity, this does not apply to the sections of the guidance concerned with Annual Position Statements.*

- 3.8 Having a 4.15 housing land supply figure demonstrates the council can demonstrate four year supply of deliverable sites at 31 March 2024. In effect, acting as if a 5YHLS position was able to be demonstrated (in respect of determining planning applications) outside of a transitional period.
- 3.9 The results and conclusions in this document supersede all previous East Devon Housing Monitoring Updates reports regarding the five year housing land supply position.
- 3.10 Finally, for the avoidance of doubt, the five year housing land supply assessment 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

#### **4. Housing Delivery Test**

- 4.1 Since November 2018, Councils have also had to pass the new Housing Delivery Test (HDT). 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, with delivery of the full amount resulting in a score of 100%.

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

- 4.2 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*

4.3 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.

4.4 The results of the Fifth HDT (covering 2019/20 to 2021/22) were released in December 2023. East Devon District Council passed the test with a score of 126%, meaning no action is required.

4.5 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%
Fifth HDT (2019/20 to 2021/22)	126%

4.6 The result of the sixth HDT (covering 2020/21 to 2022/23) are anticipated at time of writing.

4.7 In the absence of the sixth HDT measurement being published by Government, the Council continues to use the previously published fifth 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.*"

4.8 East Devon passed the fifth Housing Delivery Test with a score of 126%. This means that no buffer is required in the five year housing land supply calculation for the 2024 Monitoring Point in this document.

4.9 Figures used in the calculation of the Fifth Housing Delivery Test can be found in the full 2024 HMU report.

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

5.2 The table below breaks down the net completions recorded in the ten years running from 2013 to 2024 in both the West End (*Cranbrook and other big strategic housing sites on the Western side of the District*) and the Rest of East Devon excluding adjustments for care homes.

**Table 4: Net Total Completions 2013 to 2024**

	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	Apr 23 to Mar 24
West End	486	531	403	335	326	392	560	455	568	518	358
Rest of East Devon	344	498	624	389	540	537	505	417	479	443	276

5.3 Applying the five year housing land supply calculations in Table 3 with data from Table 4, the two sub areas results in the following five year housing land supply positions:

- West End 3.90 years supply
- Rest of East Devon 4.55 years supply

5.4 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:

- Planning permissions have been issued in outline for the Treasbeare (1,035 homes) and Cobdens (1,435 homes) expansion areas at Cranbrook;
- There are also resolutions to grant the Bluehayes (870 homes) expansion area and Land west of Gribble Lane (180 homes).

## 6. Conclusion in respect of current requirements

6.1 At 31 March 2024, East Devon District Council can demonstrate a **4.15** year housing land supply against the Local Housing Need of 893 dwellings, with the total number of dwellings deemed deliverable in the 5-year period being 3,706 dwellings. The supply of 3,706 deliverable homes falls short of the five year housing requirement of 4,465 by 759 dwellings.

6.2 EDDC **can** demonstrate a 4 year housing land supply with a housing land supply of 4.15 years. however, EDDC **cannot** demonstrate a 5 year housing land supply.

6.3 The likely withdrawal of the 4 year housing land supply requirement upon publication of the new NPPF will lead to the tilted balance in favour of sustainable development being applied. It is also worth noting that if the housing land supply position is to be calculated using the new housing requirement figures set out in the consultation on the new NPPF in future then the housing land supply position would fall to 3.24 years based on current calculations. Whether this would become the position post publication of the new NPPF will depend on the final transitional arrangements set out in the NPPF when published.

## 7. Key considerations looking forward

7.1 This report majors on five (and four) year land supply considerations applicable at the current point in time. It applies housing numbers set out in policy of the pre-July 2024 elected Government. These figures remain Government policy until they may be formally superseded.

7.2 The clear expectation is however that the Government elected in July 2024 will change the Local Housing Requirements for East Devon. The consultation started by the Government in the summer of 2024 showed increased numbers for East Devon, alongside new numbers for across the whole of England. For most local authorities, including for East Devon, numbers were proposed to go up (for England as a whole they go up quite substantially). If higher housing numbers are established by Government for East Devon, then the housing land supply figure would go down. Furthermore if the Government, as may be expected, remove the rules allowing for application of a four-year requirement in the determination of planning applications then the Council will need to review very carefully how planning applications are determined in the absence of an appropriate qualifying number of years of housing land supply.

7.3 In the very short-term future there may be a need to attach far more weight to a likely lack of appropriate housing land supply in the determination of planning applications. Looking only slightly longer into the future the Council will need to be able to demonstrate to a planning inspector at plan examination that there will be a five-year land supply at the point of local plan adoption, this is projected to be in late 2026. To get to this position we will be on vulnerable ground if we are to seek to argue that allocated sites, without a planning permission, will rapidly gain permission and start accommodating development at a rapid rate and such make a substantive contribution to the future five-year land supply. As such there is a very real vulnerability in the ability to secure a positive report from an inspector on the local plan, allowing for plan adoption, unless we start to grant additional planning permissions for development.

7.4 To illustrate the nature of the concerns we may be facing the housing monitoring report, Table 12, shows the following housing delivery trajectory for future years.

Year	Total projections
2024/25	1,192
2025/26	759
2026/27	660
2027/28	641
2028/29	454
2029/30	813
2030/31	700

7.5 Whilst projected completions may look on the high side for next year, 2024/24, they are significantly below target figures for the six years that follow. Based just on these projections, noting that we would be building up a progressive shortfall up to plan adoption (year ending or part way into 2026/27) and a shortfall for each of the first four years of plan

adoption (2027/28 to 2030/31) it is not going to be possible to show a five-year land supply at the point of adoption without taking swift action. To get to the five-year land supply we need to see new local plan allocated sites (or other sites not proposed for allocation) that are ready to develop and with likely early start dates securing planning permission in the near future. It is vital that the Council seeks to bolster its housing supply position by granting consents for new homes where the benefits of doing so are not significantly and demonstrably outweighed by the planning harm that would result.

7.6 The issue of bolstering our housing land supply position was also raised in a report to the committee meeting of the 15<sup>th</sup> July 2024 where it was resolved:

“That Members advise Planning Committee that in considering planning applications for housing developments that would deliver homes within the next 5 years in a sustainable way, significant weight should be given to the need to bolster the council’s housing land supply position. This is to ensure that the Council has a robust housing land supply and as a result a sound Local Plan in respect of housing land supply for examination of the Local Plan.”

It is clearly important that Planning Committee act on this advise particularly as the Regulation 19 plan moves forward and starts to carry weight.

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### **Financial implications:**

There are no specific financial implications impacting the council in this report.

### **Legal implications:**

There is a legal requirement for the Council to monitor housing completions and the impact on the ‘Five Year Housing Land Supply’ of sites for future housing. This report advises Members of the fact that a ‘Five Year Housing Land Supply’ cannot be demonstrated at present but that a ‘Four Year Housing Land Supply’ can be demonstrated in line with the transitional provisions set out within the NPPF. It also advises what actions need to be taken to address the current shortfall. Other than those set out in the report, there are no other legal implications requiring comment (002533/22 November 2024/DH).