

**Report to:** **Strategic Planning Committee**

**Date of Meeting:** Tuesday 27 November 2018

**Public Document:** Yes

**Exemption:** None



**Review date for release** Further reviews will be published in 2019.

**Agenda item:** 8

**Subject:** **Housing Monitoring Report to Year Ending 31 March 2018**

**Purpose of report:** This report provides a summary of house building monitoring data to the year ending 31 March 2018. Looking forward, the report establishes that in East Devon we have a greater than five year land supply and the report also advises on the initial implementation of a new database that has assisted with current work and will speed up future housing monitoring work.

**Recommendation:** **That committee note the residential completion data and future projections in the District.**

**Reason for recommendation:** To keep members informed of:

1. Work on land supply to the year ending 31 March 2018; and
2. Improvements to housing monitoring systems.

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**Financial implications:** No specific financial implications

**Legal implications:** There is a legal requirement for the Council to monitor housing completions and demonstrate an ongoing 'Five Year Land Supply' of sites for housing. This reports ensures that the Council is complying with its duties and can demonstrate an adequate supply of housing. Other legal implications are covered in the report.

**Equalities impact:** Low Impact  
Low direct impacts are identified in respect of this report.

**Risk:** Low Risk  
The report itself does not generate direct risk considerations. Should, however, housing completion levels fall in the future then there could be risks associated with a failing five year land supply and/or inability, in a more general sense, to meet housing needs and house the population.

**Links to background information:**

- [Schedule of Sites in the Housing Monitoring Update for the Year Ending 31 March 2018](#)
- Further information on Council monitoring can be found at: <https://eastdevon.gov.uk/planning/planning-policy/policy-work-whats-new/monitoring>

**Link to Council Plan:** The council priorities that this report and housing monitoring most directly link to are encouraging communities to be outstanding and continuously improving to be an outstanding council.

## **1 Introduction**

- 1.1 Through the planning policy team the Council produce an annual housing monitoring report (the latest Housing Monitoring Update is appended). This report to Committee forms the annual monitoring report for the year ending 31 March 2018. Ideally the monitoring report would be produced much sooner after the March end date of the monitoring year. Strata, on behalf of the Council, have been building a new database to greatly speed up and enhance the monitoring process which, has only recently reached a useable state.

## **2 Housing Need and Housing Supply in East Devon**

- 2.1 The East Devon Local Plan, specifically in respect of housing supply and monitoring purposes, covers the 18 years running from 1 April 2013 to 31 March 2031 (it is though relevant to note that the plan will be superseded by new plans before this end date). For this 18 year period the plan establishes an objectively assessed need for 17,100 new homes to be built in East Devon. This averages out at 950 homes a year.
- 2.2 The table below shows the net number of homes that have been recorded as built in the five years running from 2013 to 2018.

**Table of housing completions for 2013/14 to 2017/18**

<b>Year</b>	<b>2013 to 2014</b>	<b>2014 to 2015</b>	<b>2015 to 2016</b>	<b>2016 to 2017</b>	<b>2017 to 2018</b>	<b>Five year total</b>	<b>Annual Average</b>
<b>Totals</b>	<b>830</b>	<b>1,029</b>	<b>1,027</b>	<b>724</b>	<b>866</b>	<b>4,476</b>	<b>895</b>

- 2.3 The table illustrates that the number of housing completions in East Devon increased in 2017/18 when compared to the previous monitoring period but were lower than in both 2014/15 to 2015/16. With an annual average level of completions of 895.2, the actual supply is currently falling below annual average projected needs.
- 2.4 However, the total of 866 completions actually exceeded the 2017/18 projection of 814, and numbers are also predicted to rise for 2018/19 onward. The table below this paragraph shows site availability to support the projected housing building levels for 2018/19 through to 2030/31.

**Table of projected housing completions for 2018/19 to 2030/31**

Year	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026	2026 - 2027	2027 - 2028	2028 - 2029	2029 - 2030	2030 - 2031
<b>Totals</b>	<b>1,101</b>	<b>1,001</b>	<b>1,005</b>	<b>1,219</b>	<b>1,700</b>	<b>1,285</b>	<b>1,566</b>	<b>1,207</b>	<b>1,113</b>	<b>967</b>	<b>824</b>	<b>709</b>	<b>475</b>
	6,026 ←					Projected five year housing delivery for 2018/19 to 2022/23							

2.5 The future rise in projected completions, as illustrated in the table above, is partly a product of new sites, especially large scale strategic sites (including the Cranbrook expansion areas), starting to deliver significant housing numbers, but it also reflects, more generally, site availability. It should be noted that future projected housing completion figures are primarily based on the potential expectation of sites to deliver housing in accordance with the methodology set out for the Housing and Employment Land Availability Assessment (HELAA). Though also, for a number of sites, projected levels of building reflect more detailed local assessment and understanding of predicted future housing delivery. The HELAA process, which forms an assessment undertaken in conjunction with the development industry, includes a methodology for defining the levels of development that might be expected on sites, on a year-by-year basis, dependent on the size of the site and also:

- whether a site has extant permissions;
- is already seeing development occurring; or
- whether it is otherwise identified or allocated for development.

### 3 Five Year Land Supply Assessment

3.1 A key reason for keeping a careful record of housing completions and the ability to deliver houses in the future is to ensure that the ability exists to maintain future land supply to match needs and expectations for housing delivery. The Council is required to assess five year housing land supply; 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 expected by or through the local plan for the next five years.

3.2 The equations tabled below, with associate explanation, establish the calculated housing land supply in East Devon at a base position of 1 April 2018.

**Table of Housing Five Year Land Supply Assessment**

Ref	Stage of Work	Numbers	Commentary (with formulas used in calculation)
<b>A</b>	<b>Local Plan Requirement from 2013 to 2031</b>	<b>17,100</b>	This is the objectively assessed need for housing as set out in the local plan
<b>B</b>	Annual Requirement	950	This is the annual average number of houses that need to be built in order to meet local plan requirements <b>(Number = A / 18)</b>
<b>C</b>	Five Year Requirement	4,750	This is the number of houses that should be built over every five year period <b>(Number = B x 5)</b>
<b>D</b>	Requirement to have been delivered by 31 March 2018	4,750	This is the number of houses that should have been built in the five years from 1 April 2013 (local plan start date) to 31 March 2018 <b>(Number = B x 5)</b>
<b>E</b>	Completions 1 April 2013 - 31 March 2018	4,476	This is the actual dwellings recorded as being built from 1 April 2013 (local plan start date) to 31 March 2018 <b>(see table earlier in this report for this number)</b>
<b>F</b>	Shortfall	274	This is the level of shortfall between what should have been built and what actually was built <b>(Number = D - E)</b>
<b>G</b>	5 Year target (excluding buffer)	<b>5,024</b>	This is a forward looking assessment that takes into account a standard five year requirement (i.e. it provides for the five years looking forward) and adds to it the shortfall figure <b>(Number = C + F)</b>
<b>H</b>	5 Year Target (including 5% buffer)	<b>5,275</b>	Government guidance requires that the Council not only provide a calculated need figure but that they also add a 5% buffer to this number (whilst it is not applicable to East Devon, the 5% buffer increases to 10% where the local planning authority wishes to demonstrate a five year supply through an annual position statement / recently adopted plan, and 20% in cases of persistent under delivery) <b>(Number = G + 5% of G)</b>
<b>I</b>	Annual Target	<b>1,055</b>	The 5 year target is divided by 5 to create an annual average target <b>(Number = H / 5)</b>
<b>J</b>	Total Deliverable Supply from 1 April 2018 to 31 March 2023	<b>6,026</b>	To understand if we are projected to meet the five year need we look to the projected supply of housing over the period from 1 April 2018 to 31 March 2023 <b>(see table earlier in this report for this number)</b>
<b>K</b>	Surplus Supply	<b>751</b>	By knowing the projected supply and comparing this against the 5 year requirement we can calculate if there is a shortfall or a surplus <b>(Number = J - H)</b>
<b>L</b>	<b>Years of Land Supply With a 5% Buffer</b>	<b>5.71</b>	The final calculation records the supply of housing in terms of meeting/exceeding five year needs <b>(Number = J / I)</b>

3.3 The above assessment shows that we retain, in East Devon, a five year housing land supply.

## **4 Housing Monitoring Database**

- 4.1 The assessment work that underpins this report has utilised a new database that has been built for the Council, and specifically the Planning Policy team, by Strata. Housing monitoring work, in the past, has drawn heavily on a range of records and systems held and used by the Council. The work has, however, mostly entailed opening up these systems and specifically standalone records on computer screens and extracting or copying data from them into a standalone spreadsheet to build up a record of what has been built and what is projected to be built. The exercise was very time consuming.
- 4.2 Strata have, however, worked on a new system (a database) that directly interrogates other systems and records held by the council to ease and assist in the monitoring work. Whilst the system is not fully automated, and it is highly questionable whether it could be or, indeed, if this would be desirable, the new system saves a considerable amount of officer time and should provide more reliable outputs with information recorded, managed and reported on in a more consistent manner.
- 4.3 The new database should allow for a monitoring report to be undertaken for the year ending 31 March 2019 in the summer of 2019. Moving forward, it should provide scope for considerably more assessment of sites and schemes going through the planning process to development and occupation of homes, including data on affordable homes.

## **5 The Housing Delivery Test**

- 5.1 In addition to a five year land supply assessment, the Government is also in the process of introducing an annual Housing Delivery Test. The test is a measurement of net homes delivered against the number of homes required over a rolling three year period. The number of net homes delivered is calculated using the new Housing Flows Reconciliation, which requires data on the number of new builds, conversions, changes of use, mobile dwellings, temporary dwellings, demolitions and other losses/gains. Information on student and other communal accommodation is also required.
- The Housing Delivery Test Measurement Rule Book can be viewed at:  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/728523/HDT\\_Measurement\\_Rule\\_Book.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/728523/HDT_Measurement_Rule_Book.pdf)
- 5.2 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 under delivery and identify actions to increase delivery in future years.
- 5.3 Where under delivery is recorded and, when using the Housing Delivery Test results published in November 2018, it is indicated that delivery was below 25% of housing required over the previous three years, action will be required to improve delivery with a presumption in favour of development if/where house building falls below need levels.

- More information on the Planning Policy consequences of not meeting the Housing Delivery Test are set out in the revised National Planning Policy Framework, which can be viewed at:  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/740441/National\\_Planning\\_Policy\\_Framework\\_web\\_accessible\\_version.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/740441/National_Planning_Policy_Framework_web_accessible_version.pdf)

5.4 The Housing Delivery Test will apply from the day following the publication of the Housing Delivery Test results in November 2018. Until we receive the results from the government we do not know for sure how we are considered to have performed but our own assessment suggests that we may fall just short of the 95% of housing requirement for the last 3 years. The consequence of this would be the requirement to prepare an action plan to assess the causes of under-delivery and identify actions to increase delivery in future years. In many respects preparing an action plan would seem like good practice and something officers were considering doing anyway. It is likely that many local authorities will be in a similar position.

## **6 Jobs and Employment Land Monitoring**

6.1 It should be noted that this monitoring report is specifically concerned with housing delivery monitoring. The Local Plan sets out monitoring requirements for a range of considerations and these specifically include employment land development. A full Employment Monitoring Update report to the year ending 31 March 2018 is currently being produced. As part of the employment monitoring work we will also seek to gather information and data on employment and job levels in the district.