

Report to: **Strategic Planning Committee**

Date of Meeting: 22 October 2019

Public Document: Yes

Exemption: None

Review date for release None



Subject: **Housing Monitoring Update to year ending 31 March 2019**

Purpose of report: This report provides a summary of house building monitoring information to the year ending 31 March 2019. The report confirms that, looking forward, we have a greater than Five Year Land Supply in East Devon.

Recommendation:

- 1). That the committee notes the residential dwellings completion data and future projections for the district;**
- 2). That the committee notes the confirmation of a Five Year Land Supply but also that the 5YLS figure has dropped since the last report.**

Reason for recommendation: To keep members informed of housing completions and forward projections.

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Financial implications: In facilitating and encouraging housing and business growth in the district the council has benefitted financially both through the growth itself in council tax receipts as well as through government incentive schemes such as New Homes Bonus. The continued growth of the district and the future incentives form a vital element in the mitigation of the future financial pressures anticipated from 2020/21 as detailed in the financial plan.

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 than those set out in the report here are no legal implications from this update report.

Equalities impact: Low Impact

Climate change: Low Impact

The delivery of new houses has a significant impact on climate change, however the purpose of this report is to record the number of homes delivered against targets. The residential developments referred to in this report have all been previously granted consent and in making those decisions their impact on climate change has been considered.

Risk: Low Risk

Links to background information:

- <https://eastdevon.gov.uk/planning/planning-policy/monitoring>
- [Housing Monitoring Update to year ending 31 March 2019](#)

Link to Council Plan: [Encouraging communities to be outstanding;](#)
[Continuously improving to be an outstanding council.](#)

1. Introduction

1.1 Through the Planning Policy team the Council 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 2019.

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 new plans will supersede it 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.

2.2 The table below shows the net number of homes that have been recorded as built in the five years running from 2014 to 2019.

Table of housing completions for 2014/15 to 2018/19

| Year | 2014 to 2015 | 2015 to 2016 | 2016 to 2017 | 2017 to 2018 | 2018 to 2019 | Five year total | Annual Average |
|---------------|--------------------|--------------------|--------------------|--------------------|--------------------|-----------------------|-------------------|
| Totals | 1,029 | 1,027 | 724 | 866 | 929 | 4,575 | 915 |

2.3 The table illustrates that the number of housing completions in East Devon increased in 2018/19 when compared to both the previous monitoring period and 2016/17, but was lower than in both 2015/16 and 2014/15. With an average level of completions of 915, the actual supply is currently falling below annual average projected needs.

2.4 The total of 929 completions was slightly less than the projected figure of 1,101, however numbers are anticipated to rise from 2019/20 onwards. The table below shows site availability to support projected building levels from 2019/20 through to 2030/31.

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

| Year | 2019 to 2020 | 2020 to 2021 | 2021 to 2022 | 2022 to 2023 | 2023 to 2024 | 2024 to 2025 | 2025 to 2026 | 2026 to 2027 | 2027 to 2028 | 2028 to 2029 | 2029 to 2030 | 2030 to 2031 |
|--------------|--------------------|--------------------|--------------------|--------------------|--------------------|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total | 1,207 | 1,167 | 1,079 | 1,151 | 1,221 | 1,367 | 1,165 | 1,118 | 1,139 | 989 | 788 | 668 |
| | 5,825 | | | | | Projected five year housing delivery for 2019/20 to 2023/24 | | | | | | |

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 zones and Axminster Masterplan area), starting to deliver significant housing numbers, but it also reflects, more generally, site availability.

- 2.6 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.
- 2.7 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.
- 2.8 It should also be noted that the latest edition of the National Planning Policy Framework (NPPF) includes a new definition of a “deliverable” site:
- 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.*
- 2.9 This means, unlike in the previous Housing Monitoring Update, some allocated sites and sites with acknowledged development potential have not been included in projections for the Council’s updated Five Year Land Supply.
- 2.10 Projections are based on the status of sites and extant planning permissions at 01 April 2019 unless pertinent additional information has arisen since that date to aid understanding of delivery (e.g. commencement information) such as Goodmores Farm, Exmouth which has now been approved.

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 examine its 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 required by the local plan for the next five years.
- 3.2 The equations below, with associated explanation, establish the calculated housing land supply in East Devon at a base position of 1 April 2019.

Table of Housing Five Year Land Supply Assessment

| Ref | Stage of Work | Numbers | Commentary (with formulas used in calculation) |
|-----|--|---------|--|
| A | Local Plan Requirement from 2013 to 2031 | 17,100 | This is the objectively assessed need for housing as set out in the local plan |

| | | | |
|----------|---|--------------|---|
| B | Annual Requirement | 950 | This is the annual average number of houses that need to be built in order to meet local plan requirements (Number = A / 18) |
| C | Five Year Requirement | 4,750 | This is the number of houses that should be built over every five year period (Number = B x 5) |
| D | Requirement to have been delivered by 31 March 2019 | 5,700 | This is the number of houses that should have been built in the six years from 1 April 2013 (local plan start date) to 31 March 2019 (Number = B x 6) |
| E | Completions 1 April 2013 - 31 March 2019 | 5,405 | This is the actual dwellings recorded as being built from 1 April 2013 (local plan start date) to 31 March 2019 |
| F | Shortfall | 295 | This is the level of shortfall between what should have been built and what actually was built (Number = D - E) |
| G | 5 Year target (excluding buffer) | 5,045 | 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 (Number = C + F) |
| H | 5 Year Target (including 5% buffer) | 5,297 | 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) (Number = G + 5% of G) |
| I | Annual Target | 1,059 | The 5 year target is divided by 5 to create an annual average target (Number = H / 5) |
| J | Total Deliverable Supply from 1 April 2019 to 31 March 2024 | 5,825 | 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 2019 to 31 March 2024 (see table earlier in this report for this number) |
| K | Surplus Supply | 528 | By knowing the projected supply and comparing this against the five year requirement we can calculate if there is a shortfall or a surplus (Number = J - H) |
| L | Years of Land Supply With a 5% Buffer | 5.50 | The final calculation records the supply of housing in terms of meeting/exceeding five year needs (Number = J / I) |

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

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.

- 4.2 The HDT compares the delivery of housing over the past three years against a historic requirement figure (rather than higher total of 950 per year as stipulated by the Local Plan), with delivery of the full amount resulting in a score of 100%.
- 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 (as a transitional provision, the threshold in the third element was set at 25% for last year's test and will be 45% for this year's, the results of which are scheduled to be published in December).
- 4.4 The results of the first Housing Delivery Test (covering 2015/16 to 2017/18) were released in February 2019. East Devon District Council passed the test with a score of 149%. It is understood that the Housing Delivery Test results for 2016/17 to 2018/19 will be released in November.

5. Jobs and Employment Land Monitoring

- 5.1 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 Review report to the year ending 31 March 2019 is currently being produced.