

East Devon District Council Response to Housing Questions on 5 Year Land Supply and Delivery (Numbers 5 to 6) - June 2015

This Paper provides a response to questions 5 and 6 set by the Inspector. Tabled below is the full set of new evidence and supporting documents submitted to the Inspector and available on the Council web site. Key documents are referred to in response to the questions.

Ref No	Title	Lead Author	Date	Web Link
PSD 2015 a	Tracked Changes draft of the Local Plan	East Devon District Council	March 2015	http://eastdevon.gov.uk/media/1060693/PSD2015a-Local-Plan-Tracked-Changes-Consultation-Apr-2015.pdf
PSD 2015 b	Summary schedule of Plan Changes	East Devon District Council	March 2015	http://eastdevon.gov.uk/media/1060696/PSD2015b-Table-of-Changes-to-Local-Plan-Final-Version.pdf
PSD 2015 c	Report and Minutes to Council Committees	East Devon District Council	March 2015	http://eastdevon.gov.uk/media/1059802/DMC230315andCouncil260315.pdf
PSD 2015 d	Strategic Housing Market Assessment (SHMA)	David Coultie Associates	2015	http://eastdevon.gov.uk/media/996504/Exeter-SHMA-Final-Report-16-03-15.pdf
PSD 2015 e	Employment Projections report for East Devon	Ash Futures	Feb 2015	http://eastdevon.gov.uk/media/996504/Exeter-SHMA-Final-Report-16-03-15.pdf
PSD 2015 f	East Devon 'Policy-on' Demographics Report	Edge Analytics	Feb 2015	http://eastdevon.gov.uk/media/962208/Edge-Analytics-Ltd-Policy-on-Housing-Figures.pdf
PSD 2015 g	Housing Monitoring Update Report to 30 Sept 2014	East Devon District Council	March 2015	http://eastdevon.gov.uk/media/990740/Housing-monitoring-update-to-30-Sept-2014-ver02.pdf
PSD 2015 h	Employment Land Review 2013-2014	East Devon District Council	July 2014	http://eastdevon.gov.uk/media/990761/Employment-Land-Review-2014.pdf
PSD 2015 i	Small Towns and Villages Development Suitability Assessment 2014	East Devon District Council	Sept 2014	http://eastdevon.gov.uk/media/990902/Small-Town-and-Village-Assessment-2014.pdf

PSD 2015 j	Sustainability Appraisal Addendum for East Devon's Local Plan Additional Options	LUC	Feb 2015	http://eastdevon.gov.uk/media/990764/SA-Addendum-for-Additional-Options-Feb-2015.pdf
PSD 2015 k	Habitat Regulations Assessment of the Exmouth Town Centre and Seafront Masterplan	Footprint Ecology	June 2014	http://eastdevon.gov.uk/media/990743/Exmouth-Masterplan-HRA-2-6-14-final-report.pdf
PSD 2015 l	Draft Economic Development Strategy for Cranbrook	Ash Futures	2015	http://eastdevon.gov.uk/media/990961/Cranbrook-Econ-Devt-Strat-draft-Doc-2015.pdf
PSD 2015 m	Joint duty to cooperate update statement on cross boundary issues at Uplyme/Lyme Regis	East Devon District Council and West Dorset District Council	Nov 2014	http://eastdevon.gov.uk/media/999097/West-Dorset-and-East-Devon-Final-141118.pdf
PSD 2015 n	River Axe SSSI/SAC Diffuse Water Pollution Plan	Environment Agency and Natural England	Dec 2014	http://eastdevon.gov.uk/media/1015926/Axe-DWP-Plan-post-QA-final-10-02-15.pdf
PSD 2015 o	Devon Partnership Gypsy and Traveller Accommodation Assessment 2015	RRR Consultancy Ltd	2015	http://eastdevon.gov.uk/media/1072089/PSD2015o-DevonPartnership2015GTAA-Final-Report.pdf
PSD 2015 p	East Devon Local Plan: Proposed Changes Sustainability Appraisal Addendum	LUC	April 2015	http://eastdevon.gov.uk/media/1059184/SA-Addendum-for-Proposed-Changes.pdf
PSD 2015 q	East Devon Local Plan - Schedule of Local Plan Land Allocations	East Devon District Council	April 2015	http://eastdevon.gov.uk/media/1060702/PSD2015q-Status-of-allocation-sites-in-the-plan.pdf

5. *Assuming the Plan is sound, would it, on adoption make provision for 5 years' worth of supply?*

Introduction

- 5.1 The SHMA is an appropriate assessment of objectively assessed housing needs for the Exeter Housing Market Area from 2013 to 2033. The Local Plan has been revised to translate this need into a housing requirement. Against this robust requirement there will be more than five years worth of supply of land for housing upon adoption. The question of previous under supply and how this has been dealt with are addressed by the Council's response to the Inspector's question 1b.
- 5.2 The Housing Monitoring Update Report to 30 September 2014 (PSD2015g) clearly sets out how upon adoption the Council will have 6.08 years supply of land for housing. In fact, it shows that the Council is already capable of doing so even without including allocations that had not yet gained permission at 30 September 2014.

Build out rates – general

- 5.3 Housing monitoring has applied the conservative market conditions model of the SHLAA methodology (as agreed between all parties specifically including developers). In reality this is at times being exceeded. Clearly, more houses are being built now than at the peak of the recession. In 2008-09 224 homes were built in East Devon. In the last full monitor year (2013-14) 824 were built with 338 of these outside of the West End. If the normal conditions model were used instead then the five year supply would be met even further.

Site specific delivery

- 5.4 Delivery has been assessed for all individual sites (even though only large sites appear in the monitoring report – small sites were grouped together for brevity, however attached to this paper is a schedule of all small site projections). The SHLAA methodology only requires sites of 15 or more dwellings to be assessed in detail. East Devon's monitoring therefore goes into more detail than required by the methodology.
- 5.5 Concerns that not all sites will be built out has led to suggestions that an percentage of sites should be discounted from the overall projections. This is

not appropriate as it conflicts with paragraph 47, footnote 11 of the NPPF which states that it is reasonable to consider any site with planning permission to be deliverable until permission expires “unless there is clear evidence that schemes will not be implemented within five years”.

- 5.6 Where issues with the deliverability of a site are known about they are either removed from the projections altogether or pushed beyond the first five years if appropriate. For example Land adjacent to North Star, Otterton (planning application 11/1597/MFUL) has a resolution to grant planning permission from January 2012 and has previously been assumed that the S106 would be agreed and the site would be able to deliver within the first five years. It is now considered that it is unlikely the agreement will be signed and so the site has been removed from the calculations at the latest monitor. Other sites benefiting from full planning permission have also been removed from calculations as they are not considered likely to deliver including six dwellings at Land adjacent to The Firs in Talaton (10/1792/FUL) on which a restrictive covenant is known to exist, and Shute Arms Hotel (08/0012/COU) which has permission for conversion into five flats – three of these were completed in 2012 but no further progress has been made on the remaining two. These may well be built out at any time as permission is implemented but conservatively it is assumed that they will not be.

Cranbrook

- 5.7 Cranbrook is principally being built out by a consortium of developers and land agents known as the East Devon New Community Partners (EDNCPs) which includes Taylor Wimpey, Persimmon (including Charles Church and Westbury brands as well), Bovis and Hallam Land. However, there are other developments in the area (Land opposite Oriental Promise – Wainhomes and Jack in the Green – Cavanna Homes both have permission as well as a third party owned portion of land within the expansion areas).
- 5.8 Concerns have been raised in representations over the assumed delivery rate at Cranbrook. The Plan and Housing Monitoring Update to 30 September 2015 assume an annual delivery rate of 467 dwellings for EDNCP sites plus additional on sites owned or being developed by third parties. This rate is fully justified and can be evidenced as follows:
- 5.9 The first completions on EDNCP Cranbrook sites came through in summer 2012. The first year of housing development (2012-13) saw 187 dwellings completed, with 419 completed in 2013-14. The first six months of 2014-15 (to 30 September 2014) saw 151 completions which is slightly down on anticipated delivery rates, however this was principally due to certain housebuilders running out of plots on phase 1 and the planning approval of

phase 2 being delayed. It is anticipated that this will prove to have been a temporary dip in completions with a projected 234 completions in the second half of the monitoring year (to 31 March 2015) to mean that approximately 385 dwellings will have been delivered in 2014-15. Indeed, the latest quarterly build return from the consortium (extract below) backs this up showing a total of 938 completions by the end of February 2015.

Developer: **Summary (All developers)**

Update: To End Feb 15

Ref	Month	Starts	Watertight	Completed	Cumulative
1	May-12	49	6	0	0
2	June	38	23	1	1
3	July	47	4	0	1
4	August	71	19	0	1
5	Sept	42	38	12	13
6	Oct	35	34	12	25
7	Nov	16	36	41	66
8	Dec	14	31	68	134
9	Jan-13	38	43	4	138
10	Feb	46	42	15	153
11	Mar	22	17	43	196
12	Apr	80	27	35	231
13	May	41	39	33	264
14	June	74	61	45	309
15	July	33	61	12	321
16	August	51	60	22	343
17	Sept	40	29	29	372
18	Oct	16	43	50	422
19	Nov	9	20	50	472
20	Dec	7	41	99	571
21	Jan-14	17	8	11	582
22	Feb	12	15	13	595
23	Mar	10	6	11	606
24	Apr	58	34	26	632
25	May	23	38	34	666
26	June	37	24	65	731
27	July	40	18	13	744
28	August	29	21	13	757
29	Sept	25	24	23	780
30	Oct	21	31	11	791
31	Nov	23	55	46	837
32	Dec	18	54	77	914
33	Jan-15	35	9	10	924
34	Feb	31	20	14	938
Totals		1148	1031	938	

5.10 Therefore, assuming the 234 homes projected to be delivered in the second half of 2014-15 is reflected in future years then 467 (roughly double this) is a reasonable build out rate to assume for the EDNCP sites at Cranbrook.

5.11 This rate is used to project completions on EDNCP controlled sites (whether with planning permission, resolution to grant permission subject to S106 or just proposed allocations) at Cranbrook for the remainder of the plan period. This is a reasonable approach to take, one which was supported by the consortium in paragraph 1.18 of their statement for the housing session of the initial Local Plan Examination hearings. Indeed the Council's Housing Topic

Paper prepared for the initial hearing sessions set out in paragraphs 7.2 to 7.6 how 467 is in fact an intentionally conservative estimate.

- 5.12 In addition to this, the 2012 SHLAA report which is agreed by an independent panel (which includes development industry specialists) suggested a rate of 480 dwellings per annum would be appropriate for Cranbrook after three years. Cranbrook is now in its third year of development. The 467 per annum used in the housing monitoring report is below this rate.
- 5.13 Non consortium sites at Cranbrook are projected to deliver at SHLAA compliant rates. For example, the Wainhomes site on Land opposite Oriental Promise had 12 completions in 2013-14 and 14 completions in the first half of 2014-15. It is assumed that the remainder will be built out at the SHLAA methodology market conditions model rate for sites of 16-500 dwellings (25 per annum from the second year onwards) which means that 12 (approximately half) will be delivered in the second half of 2014-15 and the remaining 17 in 2015-16. In reality, this site now appears to be complete with all dwellings either Council Tax banded or awaiting banding at the time of writing this report.

Blackhorse

- 5.14 Land North of Blackhorse is comprised of two interlinked sites (Tithebarn Green and Mosshayne) which the developers (Eagle One) anticipate building out as a single site. Tithebarn Green has planning permission for 580 dwellings within East Devon (linked to a further 350 dwellings within Exeter City Council boundaries). Mosshayne is proposed as an allocation in the revised Local Plan and has a resolution to grant planning permission subject to S106, although at the monitoring date of 30 September 2014 it had not even been submitted as an application.
- 5.15 Correspondence from Eagle One states that they envisage delivery across the two sites to be in the order of 100-150 units per annum once both sites are serviced. The projections for these sites therefore take a reasonable 140 (or 70 for each site) per annum.
- 5.16 The SHLAA methodology market conditions model assumes that for sites of 501-1000 dwellings (where two developers are assumed) a maximum of 12 dwellings might be completed in year 1 and 50 dwellings per year from year 2 onwards (within the first five years). However, these are general guidelines. The methodology clearly allows for the panel to allow adjustments to this if they are “aware of circumstances likely to affect the rate [at which] particular

sites are constructed”. The 2011 SHLAA panel assessment suggested that this site could build out at 25 in year one followed by 150 per annum in subsequent years therefore an assessment of 140 per year is conservatively within this limit.

Old Park Farm, Pinhoe

- 5.17 Old Park Farm was an allocation in the Local Plan as submitted for Examination (now removed as it has planning permission as per comments by the Local Plan Inspector). The site is being built out by David Wilson Homes and Barratt Homes and the first completions came through in summer 2013. The first year of development (2013-14) saw 55 dwellings completed with a further 60 dwellings completed in the first six months of 2014-15. That being the case it is projected that a further 60 dwellings will be completed over the following six month period to 31 March 2015.
- 5.18 In fact by 31 March 2015 a further 75 dwellings had been completed (Council Tax banded or are awaiting banding) since the Housing Monitoring Report base date of 30 September 2015 so 60 dwellings is reasonable as a projection (its an under-estimate). At the date of writing this report a total of 206 dwellings are Council Tax banded or awaiting banding at Old Park Farm.
- 5.19 Looking forward, the report projects 100 dwellings to be completed in 2015-16 and in 2016-17 with the remaining 64 to be completed in 2017-18. This is above the rate set out in the SHLAA methodology market conditions model which suggests that for a site of 16-500 dwellings from year two onwards a maximum of 25 dwellings may be built per annum. However, this assumes one developer whereas the site has two plus Old Park Farm 2 now has planning permission for a further 350 homes taking the total for the site up to 789 dwellings so the methodology actually suggests a maximum of 50 per annum from year two onwards. In addition, completions are already outstripping the guideline build rate and the developers have signalled their intention to build out within four years of commencement. In addition to this, the 2011 SHLAA panel assessed the site as capable of delivering 150 per annum from year two onwards so 100 per annum is conservatively low.

West End delivery capacity

- 5.20 It has been suggested that with so many sites at the West End of East Devon potentially delivering alongside one another that projected build out rates per

development will suffer because there is only a finite capacity in that geographical area. This point is refuted by the Council.

- 5.21 The various West End sites cater for different markets. Cranbrook is a brand new settlement and will attract a certain market of house buyer. People want to move there because of the upfront investment in education (primary and secondary schools) and transport solutions (station and bus services) and the promise of local shops in the near future, plus the general excitement of being part of something entirely new from its beginning. On the other hand, the Pinhoe sites offer a more traditional urban extension to Exeter and Blackhorse offers something in between with excellent access to employment opportunities at Science Park, Skypark, Exeter Airport and Sowton as well as immediate access to the motorway network.
- 5.22 The Plan's investment in jobs and infrastructure at the West End alongside housing means that there is a real pull to the area. Indeed, the West End is part of the Exeter and East Devon Growth Point and it is therefore intended and expected to experience significant growth at a rate higher than other surrounding areas.

6. *As submitted the Local Plan sought to deliver around 15,000 new dwellings between 2006 and 2026 (20 years x 750 pa). That target is now proposed to be around 17,100 between 2013 and 2031 (18 years x 950 pa). Assuming 17,100 is the right number, does the Plan make adequate provision for its delivery?*

Introduction

- 6.1 As at 30 September 2014, the revised draft New Local Plan proposes 18,303 dwellings to be built from 1 April 2013 to 31 March 2031. This figure can be broken down as follows:
- 1,287 dwellings completed from 1 April 2013 to 30 September 2014;
 - 6,315 dwellings with planning permission or under construction;
 - 2,010 dwellings with a resolution to grant planning permission subject to S106 or acknowledged development potential;
 - 6,781 dwellings allocated by the Local Plan
 - 1,910 dwellings projected to come through as windfalls.
- 6.2 However this figure erroneously includes an additional 50 dwellings at Winslade Park which were removed from the Plan late in the day and accidentally not reflected in the overall numbers. This being the case the Plan really proposes 18,253 dwellings. Please note that in Strategy 2 this means that the “Villages & Rural Areas – Totals” row should have “156” in the “Strategic Allocations” column and subsequently “1,073” in the “Total” column. Subsequently, the “Grant total” row should have “6,731” in the Strategic Allocations” column and “16,353” in the “Total” column. Windfalls are in addition to these totals. Also in Strategy 2 (point 6), the total including windfalls is incorrectly identified as 18,241. This should read 18,253.
- 6.3 A figure of 18,253 (which includes an inherently conservative figure for future windfalls – see paragraphs 3.20-3.24 of the Housing Monitoring Update for how these were calculated) means that the Plan target is exceeded and allows a buffer in case of sites stalling / unforeseen circumstances.
- 6.4 The increase in requirement is addressed primarily by formalising the 1,550 dwelling future expansion of Cranbrook in policy as well as allocating Mosshayne and Winslade Park for housing development.
- 6.5 Mosshayne and Winslade Park are both expected to deliver in the early to middle years of the Plan and have been subject to recent planning

applications (Mosshayne has a resolution to grant permission subject to S106 and Winslade Park is still a current planning application). These sites are suitable, available and achievable making them deliverable.

Delivery at Cranbrook

- 6.6 The future expansion of Cranbrook is to be defined through the Cranbrook Plan DPD. There is a commitment to deliver around 1,550 homes beyond the proposed East and West expansion allocations, however the precise location of this growth is not yet determined.
- 6.7 The East Devon New Community Partners (EDNCPs) have a current planning application promoting land to the South of the former A30 to deliver this number, however the Cranbrook Plan is considered to be the appropriate vehicle for understanding where and how this additional future growth should occur. It is projected for development on the final 1,550 dwellings currently planned at Cranbrook to take place from 2026 onwards meaning that it is in years 11-15 of the Plan.
- 6.8 For years 11-15 (as per NPPF paragraph 47) sites or broad locations for growth should be identified where possible and these have to be developable. According to footnote 12, developable means that “sites should be in a suitable location for housing development and there should be a reasonable prospect that the site is available and could be viably developed at the point envisaged”.
- The Cranbrook Plan area is in principle a *suitable* location for housing development (although there may be locations within it that are not suitable due to constraints such as airport noise, flooding etc).
 - A number of sites within the Cranbrook Plan area have come forward either as SHLAA sites or planning applications over recent years. In addition to this, the Cranbrook Plan may well look to intensify the development of existing permitted areas and proposed expansion allocations and it is clear that these are available. There is therefore a reasonable prospect that *available* sites can be found within the broad area of search.
 - In terms of ensuring that sites can be viably developed beyond 2026, it is difficult to know what the economic climate will be like by then. The affordable housing and CIL viability studies both considered a notional Cranbrook site (rather than specific) for modelling purposes and assumed very low edge of Exeter values as little existed in the way of evidence at the time. In reality, now that significant development has already commenced and indeed started to thrive in the area values might be considerably higher. In addition, by 2026 it is expected that

much of the infrastructure that ‘sells’ a location (such as schools, leisure centre, town centre, sports facilities, employment and other services) will be in place and established. If that were the case, the future expansions to Cranbrook may in fact be more viable than current developments by virtue of the fact that they may benefit from these investments without necessarily having to contribute towards so much of them financially.

Annual deliverability

- 6.9 The Plan makes provision to meet the 17,100 Plan target and in fact exceed it. However this means projected delivery rates far exceeding anything delivered in recent years with a maximum projected delivery of 1,549 dwellings in 2020-21. This is a marked increase on previous years, however, the Government has specifically required local authorities to provide for a “step change” in housing delivery and the Plan precisely aims to do so.
- 6.10 An average of 950 per annum is absolutely achievable. 824 dwellings were delivered in 2013-14, with 463 in the first six months of 2014-15. If the first six months were doubled this would mean that 2014-15 would deliver 926 (just 24 short of the 950 target and this is before a number of large sites with permission/resolution or allocated get started. In fact, it is projected for 2014-15 to deliver 1,210 dwellings. As shown in paragraphs 5.10 and 5.19 of this report, two of the key sites for delivery (Cranbrook and Old Park Farm) are meeting and even exceeding projections.
- 6.11 Paragraphs 5.8-5.20 above address the ability of West End sites to deliver their projected numbers per annum. The West End is an entirely new strand of supply. Therefore looking back at previous years delivery is not relevant as to how many homes can be delivered in this area. It is part of a Growth Point and it is therefore intended and expected to experience significant growth. Previous delivery rates are only relevant to delivery within the rest of East Devon
- 6.12 Looking over the past twenty years, the highest annual delivery in East Devon (excluding West End sites) was 629 in 2002-03. The projections for the 2013-2031 Plan period presume a maximum of 942 completions in one year in the rest of East Devon in 2015-16 (see page 38 of the Housing Monitoring Update) and this in itself is a reasonable step up from the historical maximum achieved. However, this reflects the fact that all small sites with planning permission are projected to be built out by 2016-17. In reality, some of these sites may well build out in the years 2017-2019 (still within the five year period). If the 5,204 dwellings projected to be delivered in the rest of East

Devon over the remaining Plan period were averaged out over the remaining 16.5 years this would equate to just 315.4 dwellings per annum. If all of the 1,910 projected windfalls were also built in the rest of East Devon then combined this would give an average of 431.2 dwellings per annum, still easily achievable over the course of the Plan period. If the rest of East Devon projections for the next five years were averaged out, this would equate to 610.4 dwellings per annum for the first five years (693.4 per annum if windfalls were included). This is only just higher than the highest historical annual delivery in the East Devon (excluding the West End) and as such can reasonably be projected to be achieved.

- 6.13 The Plan evidently provides for the required step change in housing delivery, but does so in a deliverable and achievable way.

