East Devon Local Plan Examination
Further Evidence Paper of East Devon District Council – August 2015 - Housing trajectory

1. Introduction

1.1 At the reconvened Local Plan Examination Hearing Sessions in July 2015 the Inspector requested that the Council produce an additional housing paper responding to concerns over the projected delivery for certain sites, subsequently revised five year land supply calculations and an affordable housing trajectory.

1.2 In addition to this, the Inspector had concerns over the delivery of SANGS (Suitable Alternative Natural Green Space) linked to Habitat Regulations Assessment of housing sites affecting the Exe Estuary and Pebblebed Heaths. The Inspector requested that the Council discuss this with Natural England and report back with additional information so that he can be confident that the SANGS can be delivered in a timely fashion and not delay housing delivery. Linked to this, the Inspector requested that the Council show what the five year land supply position would be if any sites affecting the Exe Estuary and Pebblebed Heaths were removed from the first five years of the plan.

1.3 This report responds to the above concerns regarding housing trajectories and five year land supply. And includes three appendices:

- Appendix 1 – shows projected delivery at large sites;
- Appendix 2 – shows affordable housing projected delivery; and
- Appendix 3 – is an updated housing monitoring report to a base date of 31 March 2015.

2. Monitoring update

2.1 In Local Plan representations a number of sites with planning permission, resolution to grant permission or allocations in the plan were assessed and suggested to be incapable of delivering at the rates projected in the Council's Housing Monitoring Update to 30 September 2014 (HMU).

2.2 A new housing monitoring update for East Devon has now been completed for the year ending 31 March 2015 and this is to be reported to Development Management Committee in September 2015. This new updated report forms Appendix 3 to this paper. This updated assessment shows the five year land supply upon adoption and at the current time (excluding allocation sites) (see section 4 – pages 42 to 44). In both instances the five year land supply requirement of the plan (based on a requirement averaging 950 dwellings per year) exceeds the five year requirement. The following specific levels are recorded:

- **Years supply including emerging allocation sites: 5.86**
- **Years supply excluding emerging allocation sites: 5.39**

2.3 At the oral hearing sessions in July 2015 the specific sites over which delivery concerns were raised were large (10 units plus). This report provides specific commentary on this sector of the overall supply. Appendix 1 to this report details the projected completions on the large sites contained within the September 2014 HMU with revised projections dated to a 30 September 2014 base but with updated information. This is purely an academic exercise to enable comparison with previously submitted data on these sites. The new HMU to 31 March 2015 (see appendix 3) should be taken as the definitive position.

2.4 The monitoring work shows that completions on large sites have exceeded projections for the last six months. Previous work projected 534 completions on large sites between 1 October 2014 and 31 March 2015. In fact there were 565 new homes built. Some sites have completed less than projected, whilst others have completed more. But as a whole it is important to note that on large sites the conservative estimates of overall projected build rates are now exceeded.

2.5 Looking in more detail, Cranbrook was projected to complete 234 dwellings in this period but has in fact completed 205. During the Examination Hearing Sessions, the East Devon New Community Partners (EDNCPs) suggested that house building projections for consortium promoted / owned sites at Cranbrook is likely to level out at around 400 dwellings per annum and so 205 in six months may therefore be fairly representative looking forwards.

2.6 All other large sites in East Devon (including other West End sites) completed 360 dwellings in comparison to a projection of 300.

2.7 The new monitoring report includes revised figures for actual completions and also for projected future development. Refined assessment has shown that whilst some sites may deliver less houses than previously predicted others are predicted to deliver more.

2.8 As an example; Land South of Exeter Road (Island Farm) in Ottery St Mary was projected to deliver 13 homes in 2018-19 (a full year) when in fact that figure should have been 25. In addition the developers (Bovis) are now on site and already starting construction of new homes so the first completions are likely to come through in 2015/16 rather than the previously assumed year of 2016/17. This site alone therefore has an increase of 38 dwellings within the five year period as from 1 October 2014.

2.9 Projected completion rates applied in this work, unless compelling evidence to the contrary is demonstrated, are generic standards set out in the Strategic Housing Land Availability Assessment (SHLAA) methodology market conditions model. The SHLAA panel (local representation of the housing industry initially established site build rates, though subsequently reduced these through the market conditions model to reflect an industry lack of confidence in development happening. This work applies the suppressed low industry confidence rates. Whilst suppressed SHLAA compliant rates are being used, recent completions suggest higher rates are frequently occurring. Cloakham Lawn in Axminster, Land adjacent Louvigny Close in Feniton, Land East of Butts Road in Ottery St Mary and others are good examples of where build rates exceed the SHLAA panel estimates and this highlights once more the conservative nature of the projections used by the Council.

3. Updated housing trajectory

3.1 Drawing on the data in Appendix 3 also impacts on the overall housing trajectory meaning the total number of homes projected to be delivered in the plan period (including windfalls) is now 18,318. Excluding projected additional future windfalls (of 1,780) this figure drops to 16,538 so the plan is actually only reliant on 562 windfalls coming through over the remaining plan period to meet the 17,100 requirement.

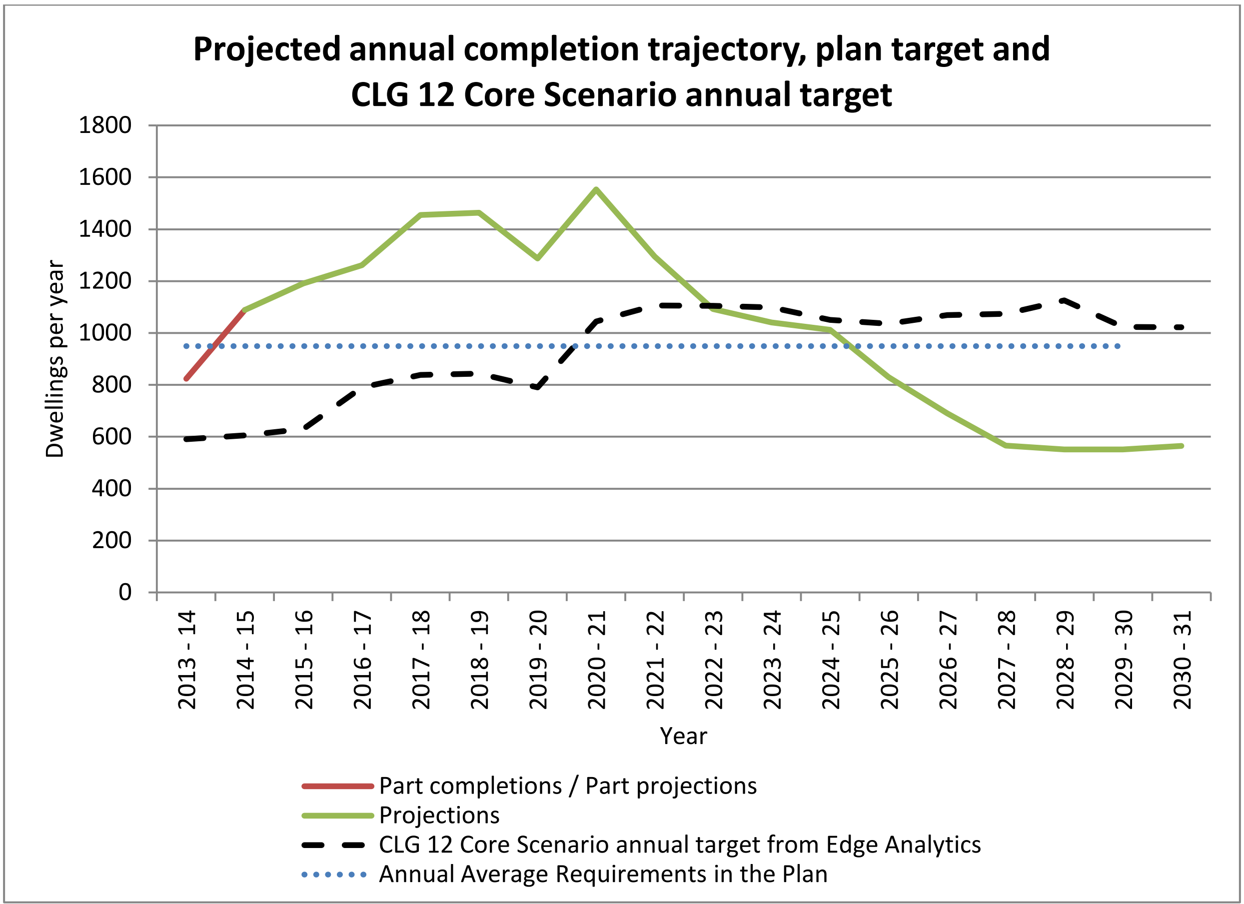
3.2 It is relevant to note, as well, two significant issues from the August 2015 work by Edge Analytics and in the August 2015 Understanding Data report:

a) the new work from Edge Analytics establishes a lower annual average housing requirement than that previously calculated – down from 950 per year to 943.
b) More significantly, however, the Edge Analytics modelling, as reported in the Understanding Data report, shows year on year housing requirements and these show much lower needs in the early years and higher needs in the later years.

3.3 This report does not calculate five year land supply assessment against these now lower requirement figures but if it did it would show even higher years worth of land supply.

3.4 Figure 1 below sets out the updated housing trajectory for the plan period including windfalls.

Figure 1 – Projected annual completion trajectory and annual requirement figures



3.5 In Figure 1 the projected development is set out by the solid green line. It shows a very high rate of housing deliver in the early years of the local plan. For the first half of the plan period housing completions are projected to far outstrip the 950 per annum plan target, dotted blue line, peaking at over 1,500 a year in 2020/21. The assessment against requirement is, however, far more stark when set against the Edge Analytics year on year requirement figure shown by the dashed black line. The year on year requirement figure up to 2020 falls well below the annual average 950 homes per year level, generating even a far greater level of supply against requirement.

3.6 This assessment highlights the fact that housing delivery is being addressed in the early years of the plan and that housing delivery is being brought forward from the end of the plan period as suggested by paragraph 47 of the NPPF. It should be noted that early year housing delivery is occurring across all parts of East Devon. This will address potential concerns that some parts of the District may lack a local supply for the near future years. Plan review will allow for reassessment of need and supply well before the 2020s.

3.7 Strategy 2 of the new Local Plan contains a table showing the scale and distribution of residential development for the entire plan period. With refreshed assessment of housing numbers this will, in due course, need adjustment but amendments will be minor.

4 Accounting for concerns over delivery of sites within 10km of the Exe Estuary and/or Pebblebed Heaths

4.1 At the Examination Hearing Sessions the Inspector raised concern that if the adequate mitigation against impacts of new housing on the Exe Estuary and Pebblebed Heaths Special Protection Areas (SPAs) could not be delivered in a timely manner then that may impact upon the five year land supply.

4.2 The Council remain committed to the delivery of mitigation under Habitat Regulations Assessment (HRA). Mitigation will be delivered alongside new housing with an update HRA.

4.3 However, it is still seen as relevant to present the five year land supply calculation should the Inspector continue to have concerns.

Map 1 – Map showing the 10km buffer zones for each HRA charging zone

4.4 As shown in Map 1 above, a significant proportion of the district is within 10km of either the Exe Estuary and/or the Pebblebed Heaths including Exmouth, Sidmouth, Ottery St Mary and the West End including Cranbrook. The catchment areas are shown shaded in green (Pebblebed Heaths) and blue (Exe Estuary) on the map above.

4.5 A critical factor to note is that much of the development due to take place within the next five years already has planning permission or a resolution to grant permission. That being the case these sites will not be impacted on as they have already contributed financially towards their mitigation or signed up to mitigate through provision of SANGS etc or have been resolved to be permitted subject to these elements being agreed through S106. The Inspector's concerns over delivery of mitigation measures therefore really impacts on sites that have not yet gained permission or a resolution and are expected to deliver within the five year period.

4.6 This means any allocations or sites purely with acknowledged development potential plus windfalls within the areas shown in the map above and due to deliver within the five year period.

4.7 This actually only refers to the following sites as shown below in Table 1:

Table 1 – Projected five year supply on sites within 10km of the SPAs that do not yet have planning permission

Site	**Settlement**	**Projected 5 year supply**
Former Rolle College Campus	Exmouth	37
Goodmores Farm	Exmouth	62
Winslade Park	Clyst St Mary	62
Lympstone Nurseries	Lympstone	6
The Knowle	Sidmouth	62
Manstone Depot	Sidmouth	20
Port Royal	Sidmouth	30
Cranbrook expansion areas	Cranbrook	112
Total		**391**

4.8 Of the Cranbrook expansion areas only the Farlands site within the Eastern expansion area, which is owned by a third party (ie not the EDNCPs) is expected to deliver within the five year period. The remainder of the expansion areas are expected to deliver from 2021/22 onwards.

4.9 In addition to the above, windfalls make up a total of 350 dwellings within the five year period and some of these will be in the areas on the above map. These areas make up just shy of half of the district so it is reasonable to suggest that 175 of these windfalls are projected to deliver within 10km of either the Exe Estuary or the Pebblebed Heaths.

4.10 Removing the 391 dwellings from the table above plus 175 windfalls (566 in total) would result in 5.36 years of supply of land for housing upon adoption over the period 1 April 2015 to 31 March 2020. However, the surplus would be reduced to just 408 dwellings as shown in the calculation below.

I	**5 Year Target (including 20% buffer)**	**Gx1.20**	**5,684**
J	**Annual Target (assuming 20% buffer)**	**I/5**	**1,137**
O	**Total deliverable supply**	**6,772 - 518**	**6,092**
R	**Surplus/Deficit**	**I-O**	**- 408**

U	Years of land supply	O/J	5.36

4.11 Therefore, even with concerns regarding the delivery of mitigation against the impacts of future development within 10km of the Exe Estuary and Pebblebed Heaths SPAs the Council can still demonstrate a five year land supply upon adoption. It is important to note, however that the Council maintains that all mitigation can and will be delivered in a timely manner rendering this assessment academic and also, of course, noting that some sites could provide mitigation directly.

5 Affordable housing trajectory

5.1 During the Examination Hearing Sessions the Inspector requested a trajectory for the delivery of affordable housing over the plan period.

5.2 Appendix 2 to this report details the sites (including those with extant permission, acknowledged development potential and allocations) that have or will have a requirement to deliver affordable housing and projects when those units might be delivered. The appendix shows that 281 affordable houses were built between 1 October 2014 and 31 March 2015 giving an annual delivery to the end of March 2015 of 355 affordable dwellings.

5.3 Projecting the trajectory for affordable housing delivery is difficult because it is hard to know when the affordable element of the site will be built out. Often there will be an affordable element frontloaded for delivery ahead of market housing, however this is not always the case and indeed sometimes developments need the income from the market housing to enable the affordable homes to be delivered and so it can be pushed back in the site's phasing programme. For this reason and across all sites the percentage affordable housing for the site as a whole is applied to the total projected completions for each year.

5.4 As an example: a site has permission for 300 dwellings, 25% of which will be affordable. 12 dwellings will be delivered in 2016/17, 25% of which will be affordable (3), 25 will be delivered in 2017/18, 25% of which will be affordable (6.25). Where this approach results in part of an affordable house (e.g. the 6**.25**) then the figure will be rounded up or down accordingly.

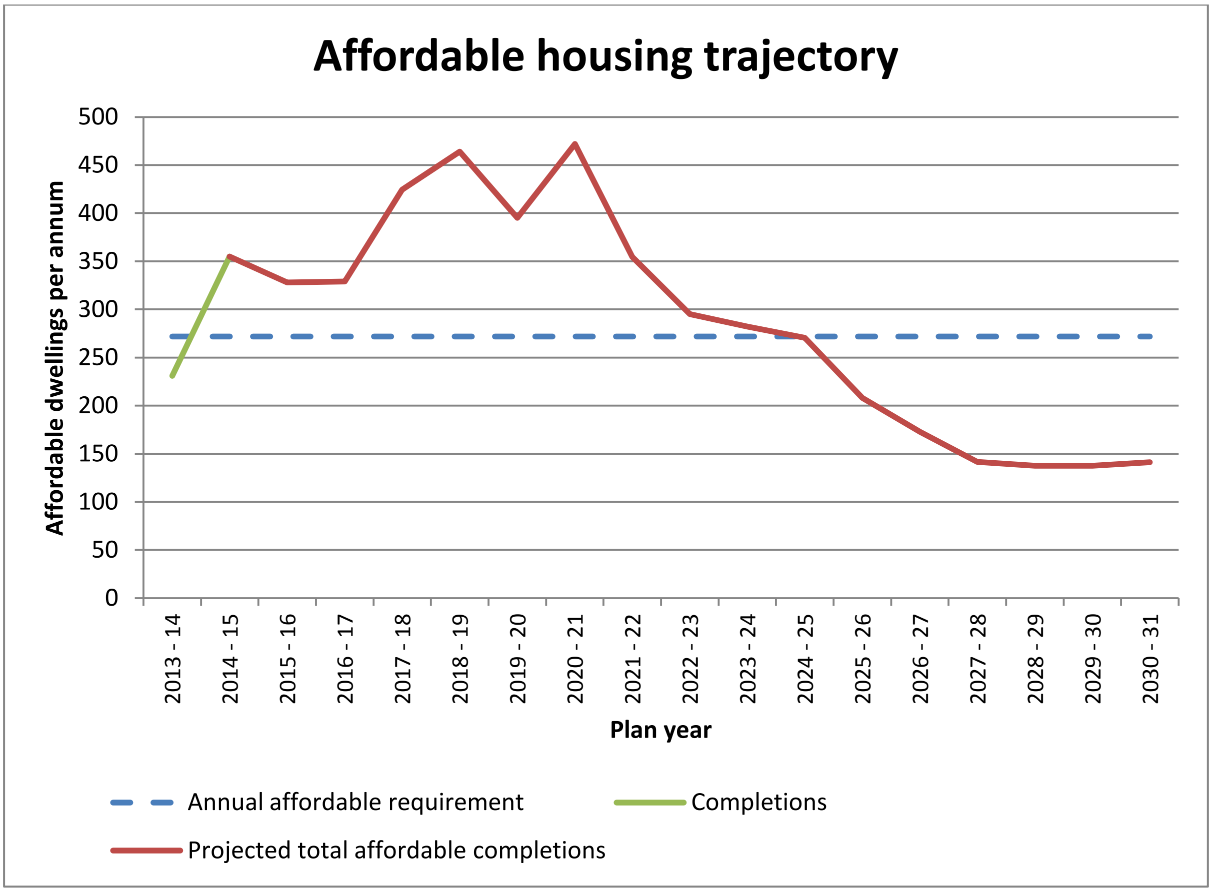
5.5 For sites that are already under construction and have already completed homes the number of affordable dwellings remaining to be built on site is given as a percentage of the overall number of remaining dwellings. So for example if a site had an overall 25% affordable requirement it might be a number had been frontloaded and had already been delivered so the remaining affordable percentage is reduced to 16% of all remaining dwellings.

5.7 A windfall affordable element has also been assumed as being 25% of the total projected 1,780 windfalls (445). 25% is a conservative estimate based on all windfalls being in lower affordable percentage contributing areas whereas in reality a number of sites will come forward in the higher 50% areas and as exception sites at 66%. Following the recent High Court judgement in West Berkshire District Council and Reading Borough Council v Secretary of State for Communities and Local Government which led to the revocation of paragraphs 012-023 of the National Planning Practice Guidance (PPG), it is appropriate to assume that all future windfalls (one net new dwelling upwards) will contribute towards affordable housing.

5.8 Figure 2 below shows the affordable trajectory for the plan period against the affordable requirement as set out in the SHMA (272 per annum). The graph shows that the early years of the plan are projected to deliver significantly more than the required 272 per annum, peaking at a projected 472 in 2020/21.

5.9 Overall, 5,140 affordable dwellings are projected to be completed over the plan period (2013-2031). This is comfortably above the 4,896 affordable requirement based on 272 per annum as set out in the SHMA.

Figure 2 – Affordable housing trajectory



5.10 Using the total annual affordable projections found in Appendix 2 it is possible to calculate the five year supply of land for affordable housing. Appendix 2 projects a total of 1,941 affordable dwellings to be delivered in the five year period from 1 April 2015 to 31 March 2020.

5.11 Row R shows that over the next five years it is projected that there will be a surplus of 359 affordable dwellings delivered. This highlights the fact that the affordable backlog taken into account by the SHMA is being frontloaded in the plan to be delivered in the first five years.

	Item	Calculation	Affordable
A	Requirement		4,896
B	Annual requirement (basic)	A/18	272
C	5 Year requirement (basic)	Bx5	1,360
D	Requirement to have been delivered by 31 March 2015	Bx2	544
E	Completions 1 April 2013 - 31 March 2015		586
F	Shortfall/Surplus	D-E	-42
G	5 Year requirement (excluding buffer)	C+F	1,318
H	5 Year Target (including 5% buffer)	Gx1.05	1,384
I	**5 Year Target (including 20% buffer)**	**Gx1.20**	**1,582**
J	**Annual Target (assuming 20% buffer)**	**I/5**	**316**
	Supply element at 30 Sept 2014 expected to deliver 1 April 2015 - 31 March 2020		
K	Extant permissions (including under construction)		1,430
L	Sites with resolution to grant permission		261
M	Strategic allocations		162
N	Future windfalls		88
O	**Total deliverable supply**	**K+L+M+N**	**1,941**
P	Total deliverable supply (excluding allocations without permission or windfalls)	K+L	1,691
Q	Total deliverable supply (excluding allocations without permission but including windfalls)	K+L+N	1,779
R	**Surplus/Deficit**	**I-O**	**-359**
S	Surplus/Deficit (excluding allocations without permission or windfalls)	I-P	-110
T	Surplus/Deficit (excluding allocations without permission but including windfalls)	I-Q	-197
U	**Years of land supply**	**O/J**	**6.14**
V	Years of land supply (excluding allocations without permission or windfalls)	P/J	5.35
W	Years of land supply (excluding allocations without permission but including windfalls)	Q/J	5.62