

Matter 14 – Housing supply

Issue – Does the Plan provide an appropriate supply of deliverable and developable sites to meet identified needs and align with national policy?

[Supply tables 2 to 45 in the Allocations Document Update]

[Appendix A Existing residential commitments]

[Appendix B Housing requirement and supply summary]

[Please note – current evidence on housing supply is set out in the Council's Housing Land Supply Position Statement 2022 (S-EB21-01), Housing Trajectory 2023 (EXAM1D) and document EXAM1A. The Council is due to update its housing supply evidence shortly, to take account of new monitoring data for the year 2022/23. Respondents should check the Council's website for the latest available data when responding to the questions below]

Questions

a) What does the Council's latest evidence show regarding total housing supply and five-year supply? In particular:

i. Does the Local Plan Update provide a sufficient total supply of homes to meet identified requirements over the Plan period?

1. The Local Plan¹ identifies a total net housing requirement 2020/21 to 2038/39 of 20,900 dwellings. It also identifies that at April 2020 there were 11,402 dwellings with planning permission.
2. Table 2 of the Housing Delivery Background Paper (October 2022, Update March 2023) states that there are 11,402 dwellings with planning permission as of April 2020, and that there is a capacity of 10,547 dwellings on allocated sites and also suggests an allowance of 1,500 dwellings for Villages and Countryside.
3. Table 1 of the Council's response to the Inspector's Pre-Hearing Note 1 (June 2023) sets out the following supply:
 - Gross completions 2020/21 to 2021/22 – 3,366 dwgs
 - Sites with planning permission (as at 1 April 2022) – 10,462 dwgs
 - Local Plan Update Allocations without planning permission – 8,131 dwgs
 - Windfall – 4,973 dwgs
 - Total Gross supply – 26,932 dwgs
 - Potential net losses (10%) – 2,693 dwgs
 - Total net supply – 24,239.
4. The Local Plan Update Housing Trajectory (June 2023) sets out the housing supply it provides the following totals:
 - Allocations sub-total – 8,131 dwgs
 - Non-major sites sub-total – 1,048 dwgs
 - Windfall allowance – 4,973 dwgs
 - Gross Completions 2020/21 to 2021/22 – 3,366 dwgs

¹ Local Plan Table 4, page 60

Home Builders Federation response to the
East Riding Local Plan Update Examination
Inspector's Matter, Issues and Questions

- Potential losses – -2,693 dwgs
- Total net supply – 24,239 dwgs

5. This trajectory suggests that there is sufficient supply to meet the housing requirement of 20,900 dwellings. However, this supply does include a windfall allowance of 4,973 dwellings, which includes 1,061 dwellings for the first five years, taken from the 2022 Housing Land Supply Position, followed by an average of 326 dwellings per annum (dpa). The HBF considers that the windfall allowance of 1,200 dwellings, 100 dpa from 2026/27, needs to be robustly evidenced, as national policy only permits an allowance for windfall sites if there is compelling evidence that such sites have consistently become available and will continue to be a reliable source of supply.

ii. What is the total supply for each year of the Plan period and how does this break down in terms of supply sources?

6. The HBF considers this is a question for the Council to answer.

iii. How many additional dwellings are anticipated to be delivered beyond the Plan period and on which sites?

7. The HBF considers this is a question for the Council to answer.

iv. Does the Local Plan Update facilitate a minimum five-year supply of housing land from the Council's anticipated date of Plan adoption in 2024?

8. The HBF has not considered in detail the deliverability of the individual sites that make up the supply, and therefore cannot confirm if the requirement can be met. However, the HBF would expect the Council to be able to provide evidence to support the assumptions that they have made in relation to each site.

9. The Housing Land Supply Position Statement (HLSPS) (2022/23 to 2026/27) (September 2022) states that the Council have a five-year housing land supply of 8,816 dwellings, which is equivalent to 9 years. The Council's response to the Inspector's Pre-Hearing Note 1 (June 2023) considers the estimated five-year supply position at 1st April 2024, and suggests that there would be a net supply of 7,427 dwellings, compared to a 5-year housing land requirement of 5,775 dwellings, this would translate to 6.4 years of supply.

v. Is the Council's approach to calculating five-year housing land supply, including use of buffers and treatment of oversupply, robust and in line with national policy and guidance?

10. The NPPF² makes it clear that a buffer is required as part of the supply of specific deliverable sites, the 5% requirement is the minimum requirement and applies where the Council is not wishing to demonstrate a five-year supply of deliverable sites through a recently adopted plan (where a 10% buffer would apply) and there has not been a significant under delivery of housing over the previous three years (where a 20% buffer would apply). The NPPF³ states that under delivery will be measured against the

² Paragraph 74 of the NPPF 2021

³ Footnote 41 of the NPPF 2021

Home Builders Federation response to the
East Riding Local Plan Update Examination
Inspector's Matter, Issues and Questions

Housing Delivery Test (HDT), where this indicates that delivery was below 85% of the housing requirement. The 2021 HDT score for East Riding was 173%, therefore the 20% buffer would not apply.

b) Is the estimated supply from extant permissions reasonable?

11. The HBF does not wish to comment upon the acceptability or otherwise of individual sites. However, the HBF considers it is important that all the sites contained within the plan are deliverable over the plan period and planned to an appropriate strategy. The HBF would expect the Council to have the evidence to support the proposed delivery of these sites.

c) Are the standard lead-in times and build rates used for extant permissions and allocations justified? (as set out in Tables 5 and 6 in S-EB021-01 or successor document)

12. Table 5 of the HLSPS suggests that Local Plan allocations without planning permission have a lead in time of 36 months, outline permissions a lead in time of 30 months and reserved matters / full permissions have a lead in time of 18 months. The HBF considers that these lead in times seem particularly short and would suggest that potentially if there is not clear evidence that these lead in times are suitable that it may be appropriate to apply a more cautious approach. Particularly for the larger sites where research⁴ by Lichfields suggests that for sites of 500+ that the average time taken from outline to first dwelling completions is circa 3 years. The HBF would strongly recommend that the Council works closely with developers and the homebuilding industry to ensure that the lead in rates reflect the realities of the sites included in the supply.

13. Table 6 of the HLSPS sets out the annual build rates, these start at 12dpa for sites of between 10 and 49 units and increase to 90dpa for sites of 400 or more units. The HBF considers that the Council's assumptions on sites in relation to build out rates may be an appropriate starting point, but it should be ensured they are realistic and based on evidence supported by the parties responsible for housing delivery and sense checked by the Council based on local knowledge and historical empirical data. They may also need to take into account current market conditions, and local trends.

d) Have reasonable density assumptions have been used to estimate capacity on allocation sites?

14. Paragraphs 3.5-3.7 of the HLSPS appears to suggest that a density of 30dph or 35dph will be applied, although more commonly the density will be dictated by a planning application. Table 2 in the same document sets out the net developable areas. The HBF considers it will be important for the Council to be realistic in their consideration of density and developable areas, this may mean that more site-specific considerations are needed and that the Council needs to work closely with the applicant, developer or promoter.

e) Is the windfall allowance justified? Does the inclusion of non-major historical windfall sites risk double-counting with proposed allocations?

⁴ Start to Finish (Second Edition, 2020) <https://lichfields.uk/content/insights/start-to-finish>

Home Builders Federation response to the
East Riding Local Plan Update Examination
Inspector's Matter, Issues and Questions

15. The HLSPS sets out how the windfall allowance has been calculated. It states that of the 12,442 gross completions in the last 10 years, 4,896 have been on windfall sites. However, it highlights that the number of windfall developments have reduced since the adoption of the Local Plan, with an average close to 370 dpa in recent years. The Plan currently includes a windfall allowance of 4,973 dwellings, which includes 1,061 dwellings for the first five years, taken from the 2022 Housing Land Supply Position, followed by an average of 326 dwellings per annum (dpa).
16. The HLSPS states that non-major sites are distinct from the windfall allowance. Non-major sites with permission are known, identifiable sites that already have permission, whilst the windfall allowance accounts for sites that are not known. Table 9 and Figure 1 show how the Council have considered their windfall allowance and the non-major sites.
17. The HBF continues to consider that the windfall allowance needs to be compelling evidence that windfalls will continue to provide a reliable source of supply. There needs to be not only consideration of the historic windfall delivery rates but also assessment of the expected future trends and consideration of the realism as identified by the SHLAA. The Council also need to ensure that they have considered all of their supply sources and ensured that the windfall allowance does not create any double counting between any of the sources, particularly as it is a significant proportion of the annual requirement.

f) Does the Local Plan Update provide appropriate and clear information regarding estimated total housing supply and five-year housing supply? Should a housing trajectory, total supply summary table and five-year supply table be included in the Plan?

18. The HBF considers that the Local Plan Update should include a housing trajectory, and a total supply summary table. It should also ensure it has appropriate monitoring in place to ensure that homes are being delivered as expected, and that a five-year supply is being maintained.

g) Do the supply tables within each settlement chapter and the commitment lists in Appendices A and B need updating to reflect the Council's latest data on housing completions and outstanding commitments?

19. The HBF considers this is a question for the Council.

h) Does the Local Plan Update make provision for the delivery of at least 10% of housing on small sites, in line with paragraph 69 in the NPPF?

20. The HBF considers that it is important that at least 10% of the housing requirement is provided for on sites no larger than 1ha, this can help to provide a good mix of sites for a variety of developers. The HBF considers it is for the Council to demonstrate that this can be achieved or to identify the strong reasons why this cannot. It is noted that the supply includes a non-major sites commitments figure and a windfall sites allowance. However, the HBF does not consider that this would be entirely consistent with the NPPF⁵ which is looking to promote a good mix of sites by identifying through the development plan land to accommodate housing on sites no larger than 1ha.

⁵ Paragraph 69 of the NPPF 2021