

PROOF OF EVIDENCE
of
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FIVE YEAR LAND SUPPLY
APPENDICES

APPENDIX EH4
BACKGROUND INFORMATION ON THE HOUSING
REQUIREMENT

Local Plan Target: Evidence

- 1.1. The Eastleigh Borough Local Plan 2016-2036 was adopted at Full Council on 25th April 2022. Adopted strategic Policy S2 (Approach to New Development) sets out that the Council will promote the delivery of a minimum of 14,580 new dwellings 2016-2036. The adopted Local Plan Monitoring Framework (Appendix C) states that reports on five-year land supply will be published annually, with a target net additional dwelling completions figure of 729 per annum (14,580/20 years).

- 1.2. Several documents explain the calculation of the housing requirement and are published online in the Local Plan Examination Library:
www.eastleigh.gov.uk/planning-and-building/planning-policy-and-implementation/local-plan/local-plan-examination/examination-library/housing-hou:
 - Objectively Assessed Needs Background Paper (June 2018) (ref HOU004)
 - Housing Trajectory Update (June 2019) (ref. HOU020) **(CD15.1)**
 - Housing Trajectory Appendices (Update doc 1b) (June 2019) (ref. HOU021)
 - Post hearing housing trajectory amendments (July 2020) ONLINE: www.eastleigh.gov.uk/media/9306/ed101-housing-supply-update-july-2020.pdf (ref: ED 101)

- 1.3. This Proof does not rehearse the housing need or housing supply justifications examined as part of the Local Plan examination process. The above evidence documents how the housing target of 14,580 was arrived at for the 20-year period 2016-2036. This Proof does consider the number of completions that are to be expected if the annualised figure is used in the five-year land supply calculation for the duration of the Plan period. It should be noted that this level of land supply delivery would be higher than the target figure of 14,580 dwellings.

Housing Requirement and the housing trajectory (expected supply)

- 1.4. The Local Plan housing target as set out in Policy S2 of the submitted Local Plan is for the delivery of a minimum of 14,580 net additional dwellings over the 20-year period 1st April 2016 to 31st March 2036. Annualised over a 20-year period this equates to an average rate of delivery of 729 dwellings per year (dwellings *per annum*). But that annualised figure is not the target; the target is 14,580 dwellings over the Plan period.

- 1.5. The target is to meet housing needs over the Plan period in circumstances in which completion rates vary year on year (and this is to be expected over a long-term Plan period which will pass through several economic / housing market cycles). What is important in terms of the Local Plan, therefore is that at least 14,580 net additional dwellings are delivered between 1st April 2016 and 31st March 2036.
- 1.6. The Local Plan Inspector acknowledged that the Local Plan trajectory was ‘front loaded’ in that most of the Plan period’s land supply (11,234 dwellings) had either been completed since 2016 or will be delivered by sites which already have planning permission. This is set out in the adopted Local Plan Strategic Policy S3 (Location of new housing).
- 1.7. The Local Plan Inspector concluded that there will be a shortfall over the Plan period housing requirement of some 2,614 dwellings towards the end of the Plan period, specifically from 2032 onwards. This follows the Main Modification and deletion of the Strategic Growth Option in the submitted Plan. Paragraph 48. of the Inspector’s Report states: *“Even with this shortfall the Plan is therefore consistent with the Framework and in any event the Council have committed to an early review”*.
- 1.8. ***The effect of this strategy is that 729 dwelling completions are not expected annually during the whole Plan period 2016-2036.*** To illustrate this, Table 1 below shows how 11,966 dwelling completions are expected to be distributed during the Plan period (the trajectory). Assuming 729 per annum from 2002/23, combined with the completions to date, results in a total supply of 15,552, which is greater than the residual number of completions planned in the Local Plan trajectory.
- 1.9. Whilst in accordance with the NPPF’s definition of housing requirement therefore, it should be noted that the use of 729 dpa for the five-year land supply target is more than the Local Plan planned housing delivery trajectory.

Comparisons with other housing need calculations

- 1.10. The Local Plan trajectory (extract below in Table 1) shows the annual completion figures of the planned supply which forms the basis of adopted the Local Plan from 2022/23 onwards. Table 2 shows how the expected supply for 2022- 2027 (the next five-year period in the trajectory) is 3,484 completions, which is a lower target than using the 729 annual target (with or without a 5% buffer).
- 1.11. This is useful context because even using the higher annualised figure of 729 dwellings per annum (as per the NPPF), and an appropriate buffer, the Council is still

able to demonstrate a five-year land supply, due to a committed supply which exceeds the planned supply at the end of 2026/27.

1.12. Five-year housing Land Supply calculations prepared prior to adoption of the housing requirement in the Eastleigh Borough Local Plan (April 2022), measured supply against a local housing need figure using the standard method, in accordance with NPPF paragraph 74. For comparison, Table 2 also includes a local need figure using the standard methodology.

1.13. The standard method was released during 2018 (see figure below for 2018/19 as calculated). The subsequent figures (2019/20 onwards) are the figures previously used in the Quarterly Reports. These demonstrate that over recent years the local need figure calculated using the standard method in accordance with the NPPF, has ranged between 671-721 (and average 691 *per annum*).

1.14. The Standard Method using 2022 to 2032 from the ONS 2014-based household projections and the ONS 2021 affordability ratio (released in 2022) would give a figure of 671, which is a reduction of 4 from the 2021 Standard Method which was 675.

- 2018/19 - 694
- 2019/20 - 721
- 2020/21 - 694
- 2021/22 - 675
- 2022/23 – 671

1.15. The purpose of this comparison is again for context. The Council can demonstrate a five-year land supply using the Housing Requirement (the annualised figure from the Local Plan target). If the Local Plan was not yet adopted, the Council would calculate five-year housing and supply using the standard method, and evidently would be able to demonstrate 5.6 years' supply.

Table 1 Trajectory Figures from Eastleigh Borough Local Plan 2016-36 Housing Trajectory Updated Post Inspector's Letter April 2020 (ref: ED 101)

Completions	2016-2022	2022/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35	35/36	TOTAL
Trajectory (expected)	5,880 (expected)	665	663	719	653	784	522	375	345	325	310	260	155	155	155	11,966
'Annualised target'	5,346 (actual)	729	729	729	729	729	729	729	729	729	729	729	729	729	729	15,552

Table 2 Comparison of calculated five-year land supply using different requirement figures

	2022-23	2023-24	2024-25	2025-26	2026-27	'Requirement figure'	Annual average	5YLS using this figure
From Post Hearing Housing Trajectory Amendments (July 2020) (ref: ED 101)	665	663	719	653	784	3,484	697	5.6
Per annum figure used in 5YLS (from Local Plan policy S2) (with 5% buffer)	765.5	765.5	765.5	765.5	765.5	3,827	766 (rounded up)	5.1
For comparison: standard method (local need figure of 671) (with 5% buffer)	704	704	704	704	704	3,520	704	5.6