# Understanding the Housing Delivery Test and Implications for Essex Councils

Welcome and Housekeeping









## **Agenda**

- National policy background the importance of housing delivery
- The Housing Delivery Test
- Workshop



## The Importance of Housing Delivery

**EPOA Learning Event** 

5 March 2020

Jeremy Potter – Spatial Planning Services Manager Chelmsford City Council



#### **Contents of Presentation**

- What are the Government's objectives
- What does the new NPPF and PPG say?
- How is five-year land supply calculated?
- The role of plan-making and decision-taking
- Examples of different approaches



## **National Context**

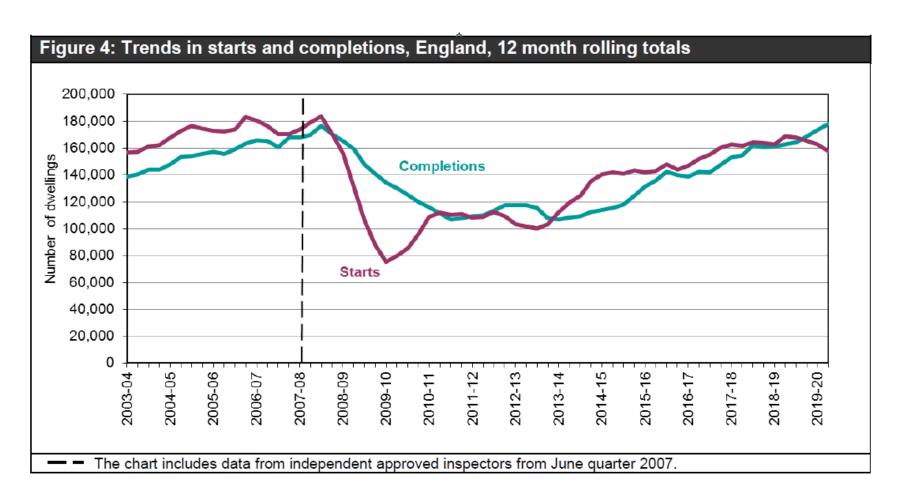


## The Magic Number





## How's it been Going





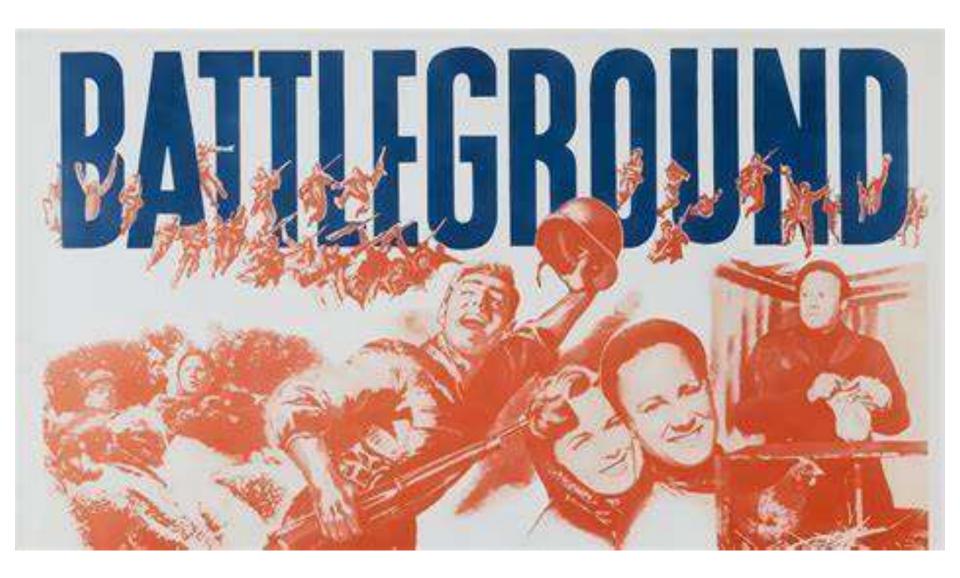
## What does the NPPF say

- Para 59 Significantly boost housing supply
- Para 60 Housing numbers floors not ceilings
- Para 73 Strategic policies to show rate of delivery
   over whole plan period (minimum of 15
   years) with specific deliverable sites for rolling
   first five years
- Para 74 Demonstrate 5YLS recent Local Plan or annual position statement



## **Five-Year Land Supply**















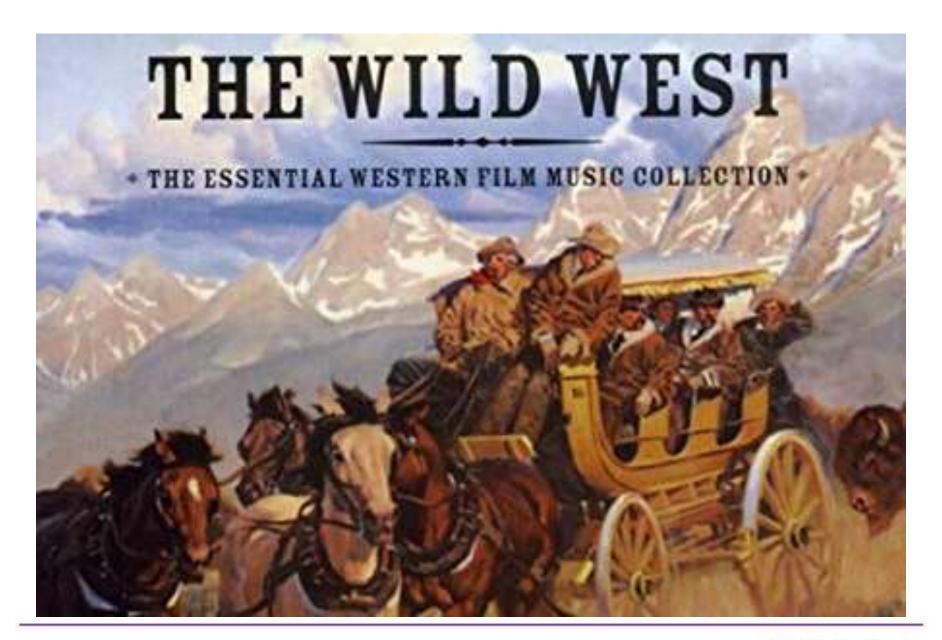




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## Five Year Land Supply – The Basics

Local Planning Authorities should identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five years worth of housing against their housing requirement set out in adopted strategic policies, or against their local housing need where the strategic policies are more than five years old. The supply of specific deliverable sites should in addition include a buffer.



## Five Year Land Supply – The Basics

- 1) Multiple housing requirement by 5 years
- 2) Add any historic surplus or deficit
- 3) Apply appropriate buffer to get total
- 4) Determine total deliverable supply for next 5 years
- 5) Divide housing requirement (with buffer) with total deliverable supply



## Five Year Land Supply – Terminology

- What is the Housing Requirement
- What are the adopted strategic policies
- What is Local housing need
- What is the Buffer 5%, 10% or 20%
- What are specific deliverable sites



## **Local Housing Need**

#### Local Plan submitted using transitional arrangements

Objectively Assessed Need (OAN) in Housing Market

Areas

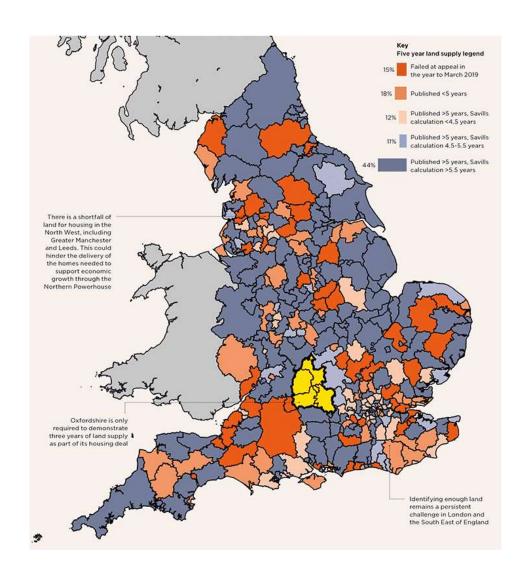
#### Local Plan submitted after 24 January 2019

Standard Methodology

$$Adjustment\ factor = \left(\frac{Local\ affordability\ ratio\ -4}{4}\right)x\ 0.25 + 1$$







Source: Savills 2019



## Confirming a 5YLS

- Local Plans tested under 2019 NPPF can request Inspector confirm 5YLS application of minimum 10% buffer
- Confirmed Annual Position Statement supported with evidence submitted to PINs
- Continue with LPA statement



## **Local Plans**



#### **Local Plans**

- Plan-led process easier to project housing delivery
- Site allocations evidenced as deliverable and viable
- New Local Plans can confirm 5YLS
- Up-to-date Local Plans guard against speculative unwanted development



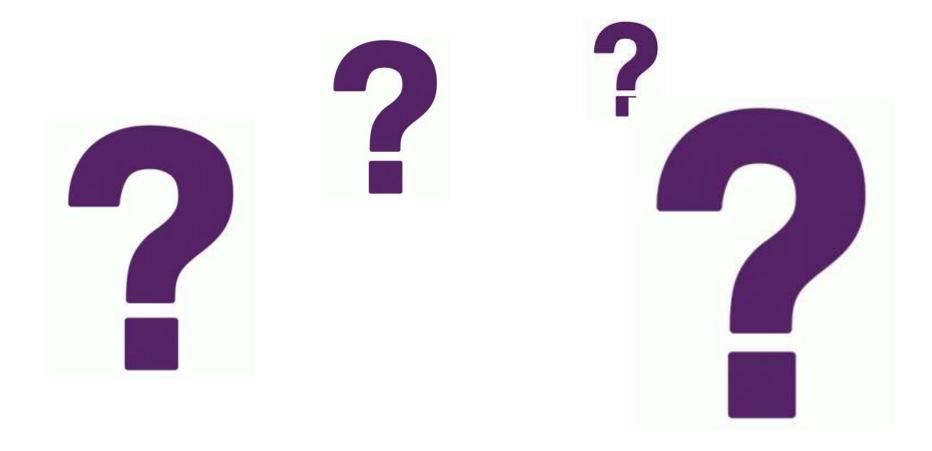
## **Different Approaches**

Stepped delivery i.e. different annual housing requirements

 Shared delivery i.e. Housing delivery shared over with joint Local Plans



## **Questions/Discussion**









## The Housing Delivery Test

4th March 2020 - EPOA Planning Skills



#### **Contents**

- What is the Housing Delivery Test?
- How does it work?
- What do the results mean?
- What are the wider implications?
- How are people responding?





#### What is the HDT

- 2019 NPPF introduces requirement for HDT to speed up plan-making and housing delivery
- The HDT assesses annually the last three years of completions to test whether housing delivery has matched need
- Where housing delivery is not matching need planning policy sanctions are imposed on Local Planning Authorities.



#### The HDT Formula



#### **Housing Delivery Test (%)**

=

Total net homes delivered over three year period

Total number of homes required over three year period



## What need numbers are used

#### No up-to-date Local Plan:

Household projections used 2015-18 with standard methodology from 2018/2019

#### With up-to-date Local Plan

Household projections used 2015-18 with Local Plan requirement number from adoption with transitional process



## Timing is key

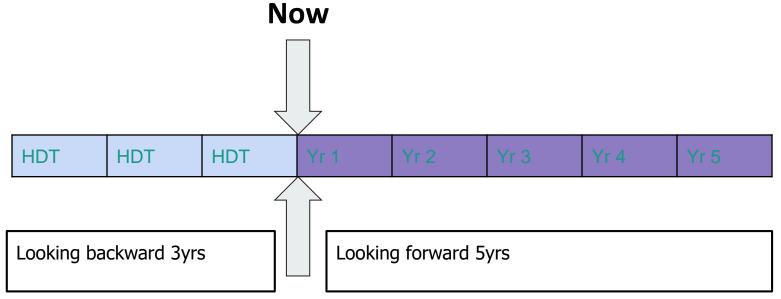


- Came into force in November 2018
- NPPF says HDT published by MHCLG annually in November
- Actual test results not published until in February 2019 and February 2020 - 3 months late
- Sanctions for not meeting HDT ramp up
- Predictions for November 2020



#### HDT and 5YHLS





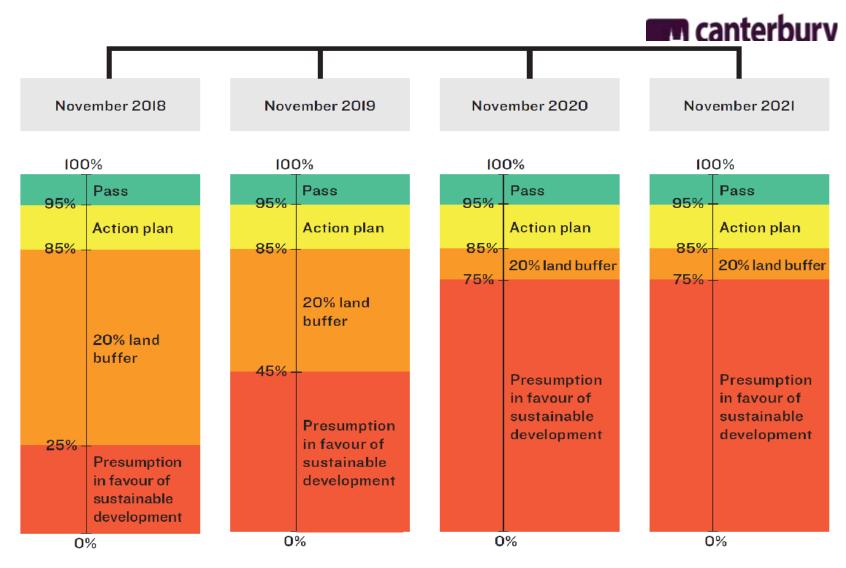


#### How does it work?

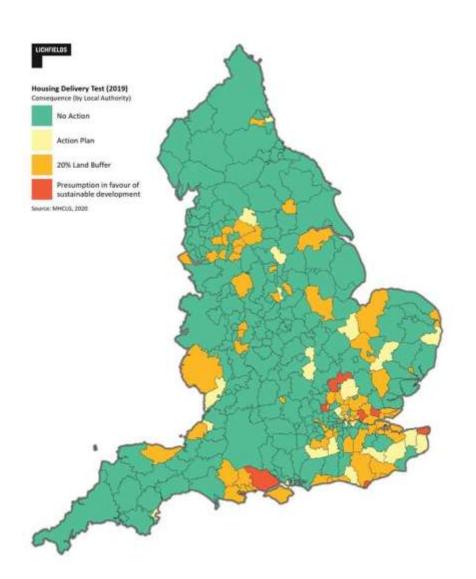


Pass or Fail and ramping up the sanctions

95% or above	No Sanctions							
85% - 95%	Produce an Action Plan							
45% - 85%	Add 20% buffer to the 5YHLS							
Below 45% (rising to 75% in Nov 2020)	Presumption in favour of Sustainable Development							



Source: MHCLG; Lichfields







## HDT 2019 Results



#### **Essex and Kent Results**







### What are the implications?



- Action Plans What they are and what they aren't.
   What's happened and happening? What are the tangible actions
- 20% Buffer Is that a change for you? Does this tip you into presumption?
- Presumption Throw your Local Plan away
- We're doomed, we're all doomed but does that really matter?



### What are LPAs doing?



HDT is designed to be a 'wake up call'

LPA's are proactively engaging with delivery stakeholders

Producing an Action Plan (or broader land supply statement/AMR)

#### Good action plans

- addressing both general and site-specific issues/barriers and providing solutions tailored to those
- critical evaluation of current council led processes
- acknowledgement of issues that are outside of council's control but still attempting to influence
- providing estimated timelines for further steps
- communication with neighbouring local authorities with better HDT results for advice
- feedback gathering from the communities and developers





Based upon 2018 Measurement



GREAT YARMOUTH BOROUGH COUNCIL

AUGUST 2019

















**Published August 2019** 





**Housing Delivery Test** Action Plan

August 1816





## EPOA and KPOG What are Essex and Kent LPA's doing?

- Provide Government feedback on implementation
- Assessing consequences of HDT sanctions
- Collating Essex and Kent LPAs housing pipeline
- Using housing pipelines create accurate HDT Projections for each Essex and Kent LPA
- Gathering information on delivery performance by developers in Essex and Kent





### **Questions?**









## Break



## **Workshop Session**



## Workshop

In small groups, can you think about:

- What interventions can we employ to accelerate housing delivery whilst retaining quality
- Are there sites that have been delivered more quickly in your areas, have there been any negative implications?
- Should the HDT trump the Green Belt?



## **Workshop Feedback**

