

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

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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

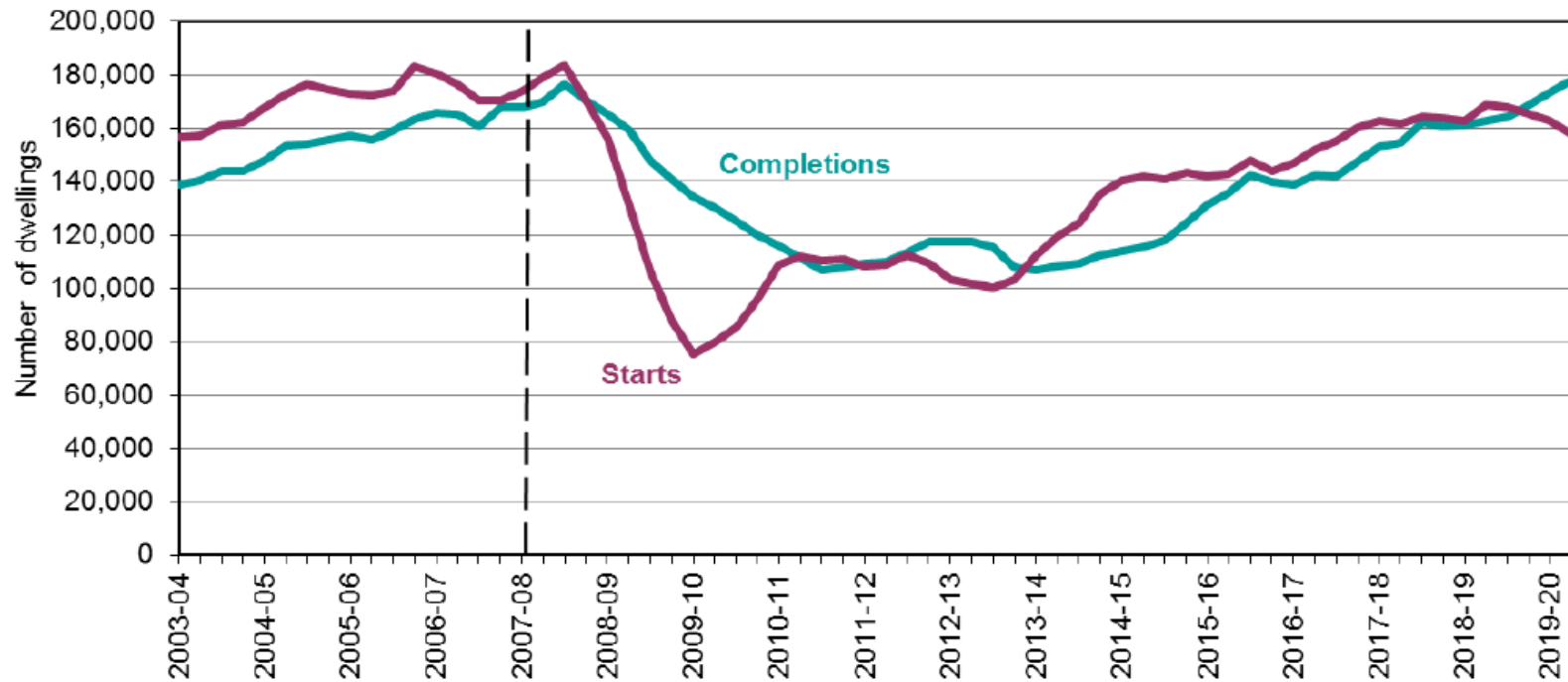
National Context

The Magic Number



How's it been Going

Figure 4: Trends in starts and completions, England, 12 month rolling totals



— The chart includes data from independent approved inspectors from June quarter 2007.

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

BATTLEGROUND



Villagers say:
 We've had
 enough of
 housing plans

Kids get
 sporty at
 centre



Street party
 called off...
 but Great War
 parade goes on

RESIDENTS WIN VICTORY IN 110 HOMES BATTLE

Object to
 Grange Rd
 plan
 NOW



Council says
 'No' to developer's
 plan for housing on
 controversial site

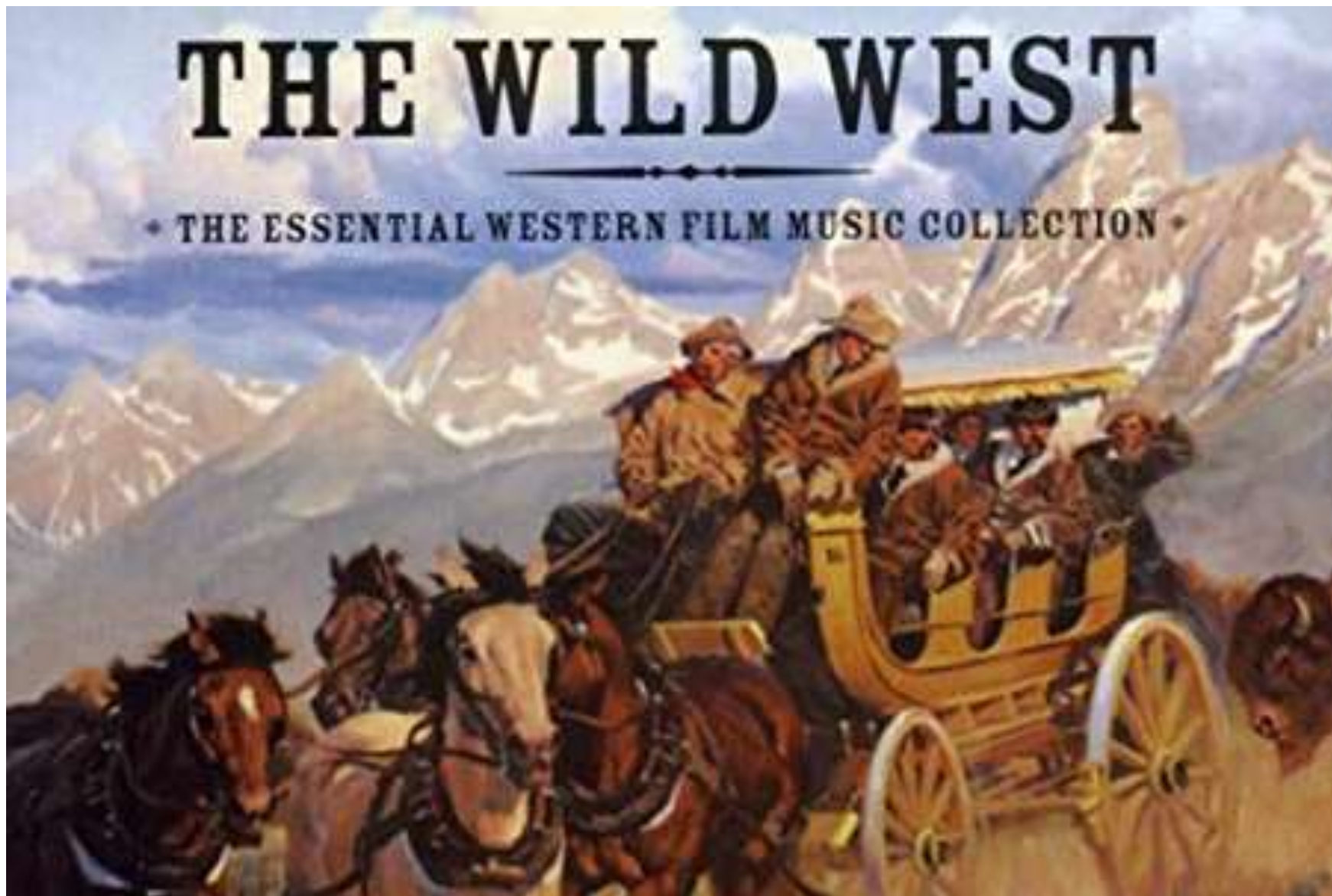
Hundreds of
 residents joined
 campaign against
 Gladman's scheme





THE WILD WEST

• THE ESSENTIAL WESTERN FILM MUSIC COLLECTION •





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

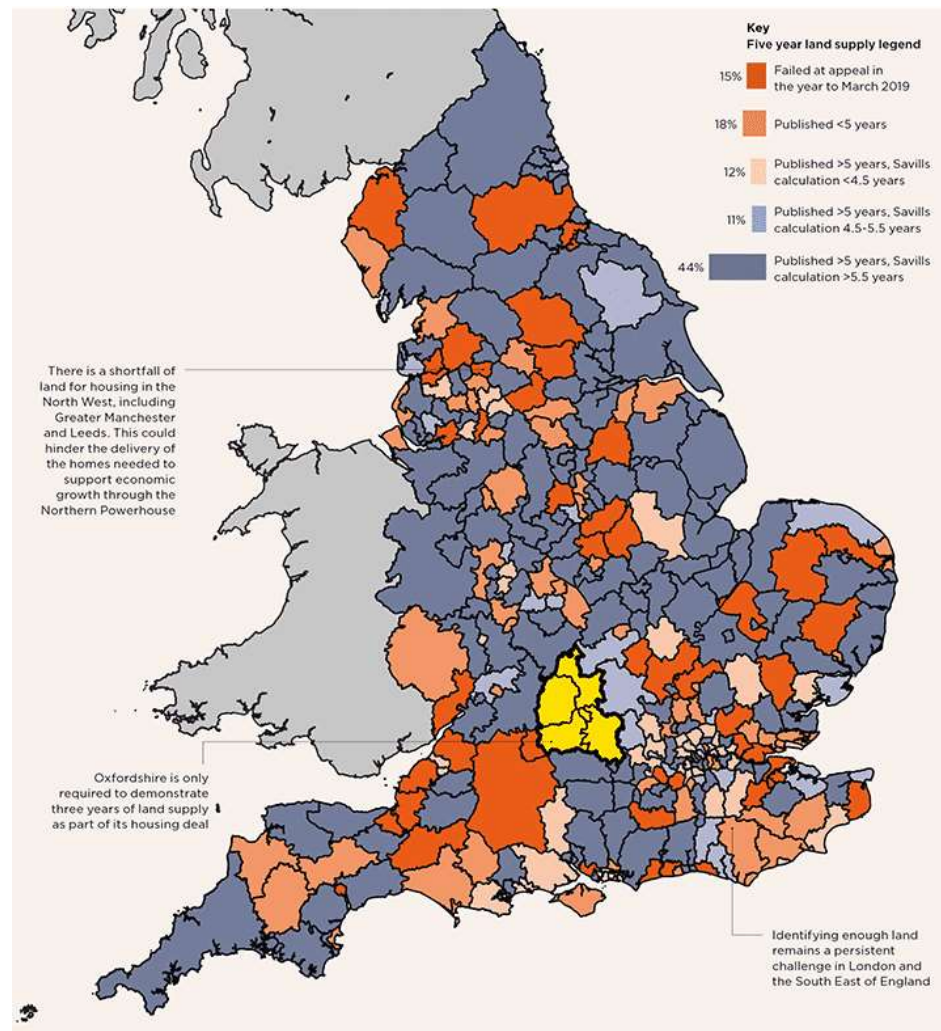
Local Plan submitted using transitional arrangements

Objectively Assessed Need (OAN) in Housing Market Areas

Local Plan submitted after 24 January 2019

Standard Methodology

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



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

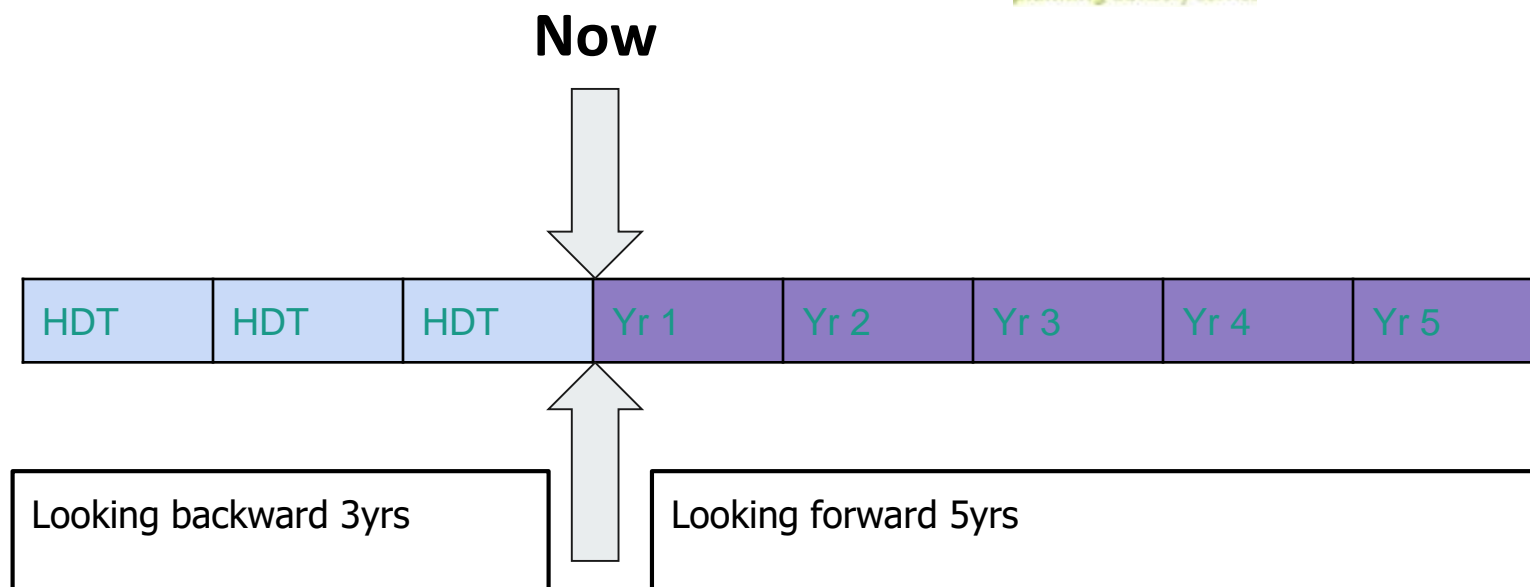
With up-to-date Local Plan

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

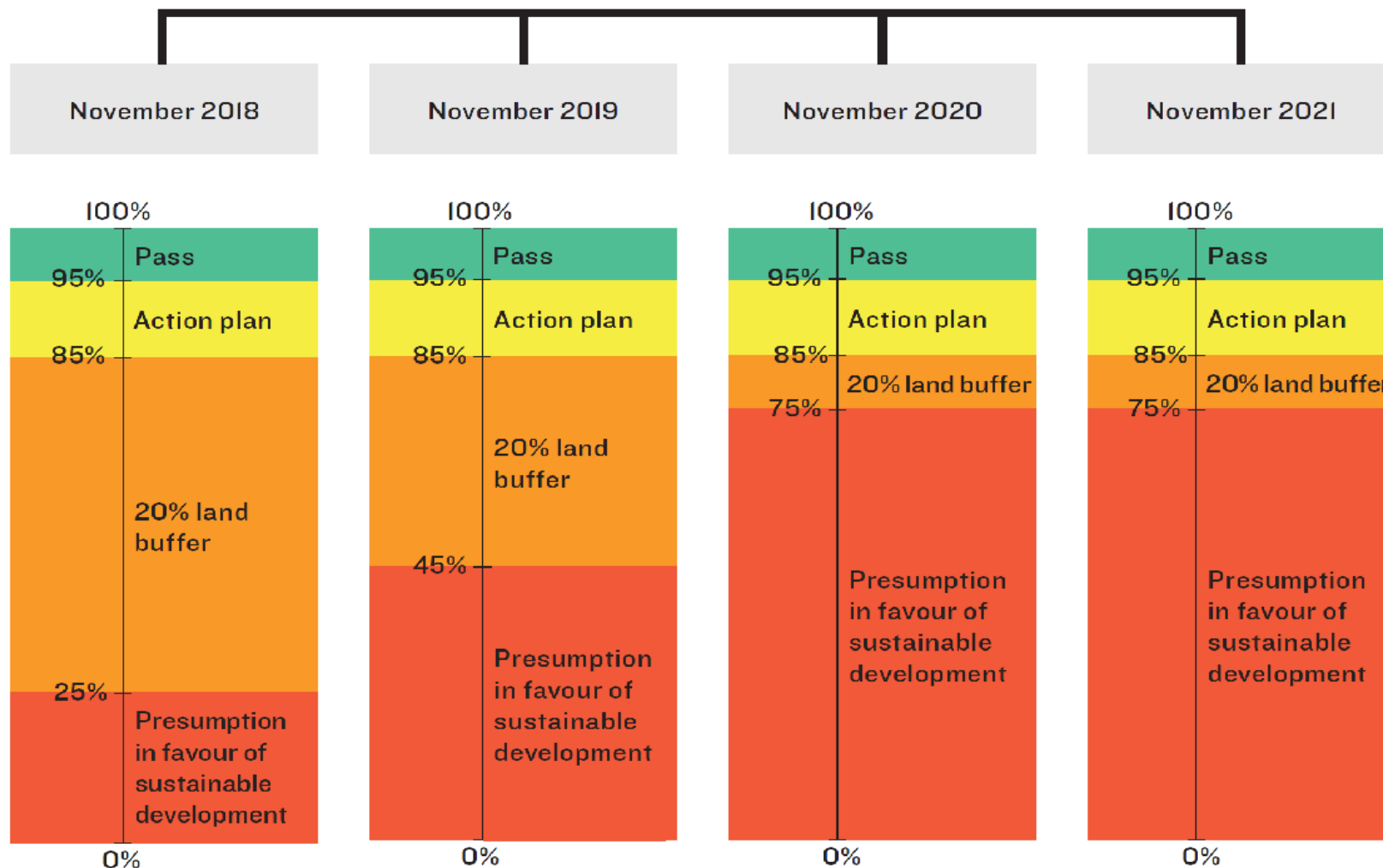
HDT and 5YHLS



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



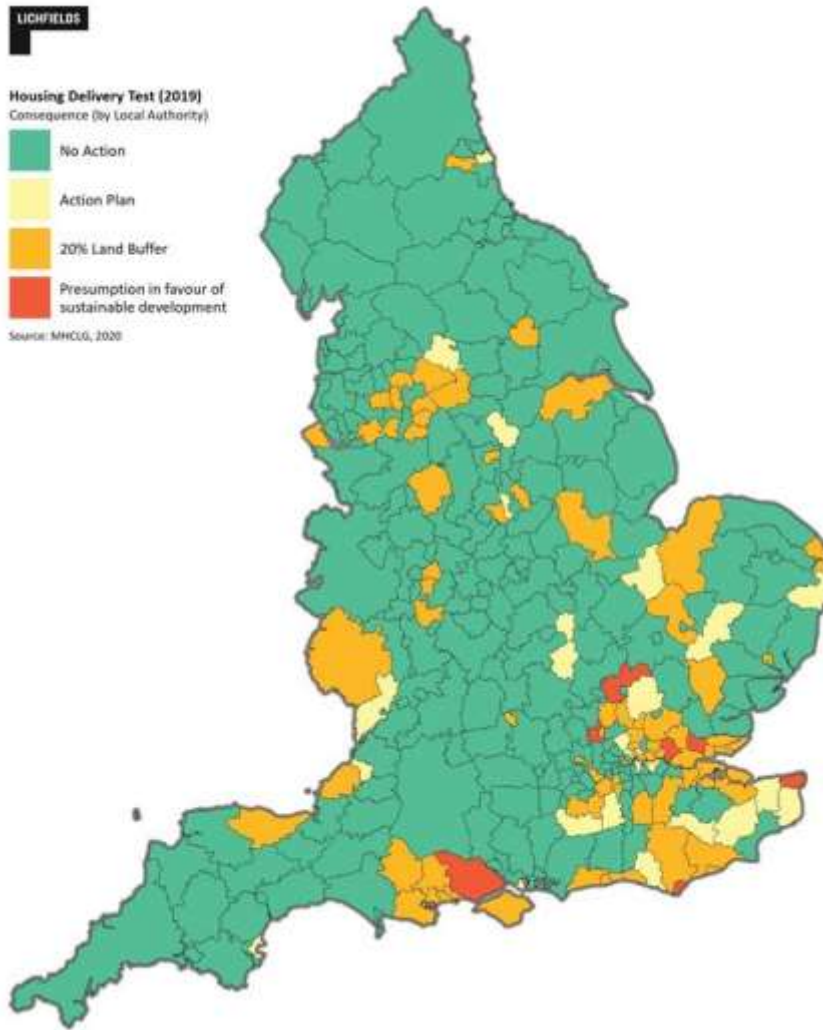
Source: MHCLG; Lichfields



Housing Delivery Test (2019)
Consequence (by Local Authority)

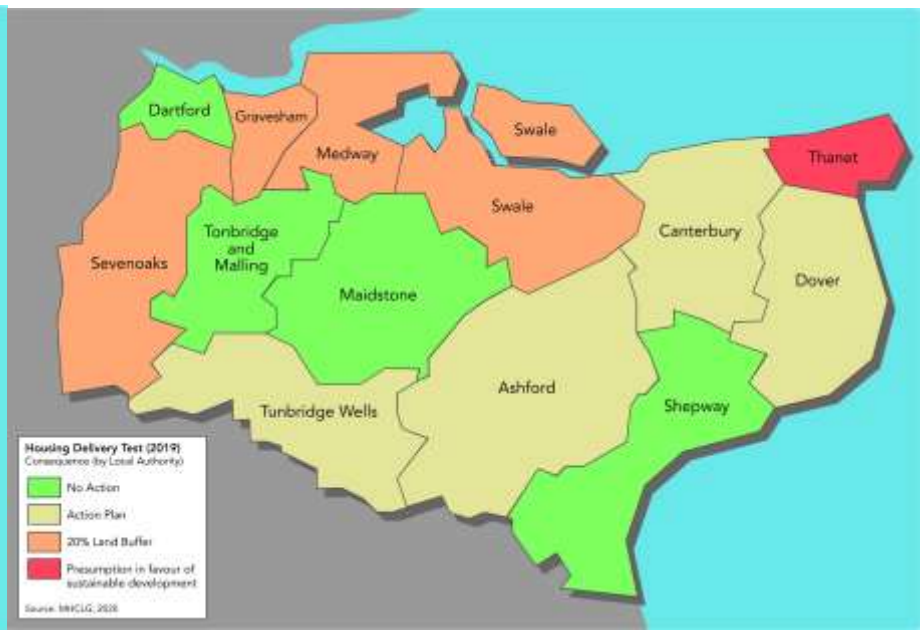


Source: MHCLG, 2020



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



South Holland District Council Housing Delivery Test – Action Plan Based upon 2018 Measurement



Published August 2019



Bracknell Forest Council

Housing Delivery Test
Action Plan

August 2019



GREAT YARMOUTH
BOROUGH COUNCIL

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

