

INTERIM HOUSING DELIVERY TEST ACTION PLAN

1. RECOMMENDATIONS

- 1.1 That the Cabinet agree
- i. to publish the Interim Housing Delivery Test Action Plan for 2017-18 and 2018-19, attached as Appendix 1;
 - ii. that there be focused industry consultation on the Interim Housing Delivery Test Action Plan after the Local Plan 2016-2036 Part 1: Planning Strategy is formally adopted; and
 - iii. to update the Interim Housing Delivery Test Action Plan after the Housing Delivery Test result is recalculated following formal adoption of the emerging Local Plan 2016-2036 Part 1: Planning Strategy.

2. INTRODUCTION

- 2.1 The Housing Delivery Test (HDT) is an annual measurement of housing delivery published annually by the Government at local authority level. It is calculated as follows.

$$\frac{\text{Total net homes delivered over the three-year period}}{\text{Total number of homes required over the three-year period}}$$

- 2.2 NFDC is one of around 100 local planning authorities where the HDT result falls below 95% of the housing delivery requirement, a result requiring preparation of a Housing Delivery Test Action Plan (HDTAP).
- 2.3 The purpose of a HDTAP is to outline the challenges facing an area in terms of housing delivery and identify actions to address under delivery against the housing requirement, thereby reducing the risk of further under delivery. A HDTAP must set out measures to maintain or improve levels of delivery.
- 2.4 If a local planning authority HDT result falls below 85% it is also required to add a 20% buffer to its housing land supply to improve delivery prospects, and (after the transition period) a result below 75% would trigger the 'presumption in favour of sustainable development'. The Council already applies a 20% buffer to its five-year housing land supply, including to the housing target in the emerging Local Plan 2016-2036 Part 1: Planning Strategy.

3. BACKGROUND

- 3.1 The Housing Delivery Test (HDT) was introduced in 2018 by national Government as part of its agenda to deliver a step change in housing delivery across the country. It complements the (forward-looking) five-year housing land supply requirement by looking back at actual delivery performance in the preceding three years.
- 3.2 The HDT calculation is based on adopted local plan housing targets, provided that the Local Plan has been adopted within the last five years. Where the adopted Local Plan is more than five years old, as is the case with NFDC for the months remaining before the updated Local Plan Part 1 is adopted, the HDT calculation includes a three-year

transition period 2015/16- 2017/18. From 2018/19 onwards in the absence of a recently adopted Local Plan target the housing requirement would be based on the government's standard housing methodology calculation, which for NFDC generates a requirement significantly higher than household growth.

- 3.3 In the transition period national household growth projections are used instead of 'out-of-date' local plan targets to calculate the HDT. As a consequence, whilst NFDC has met and exceeded delivery of the adopted 2009 Core Strategy housing target, it inevitably fails the HDT in the transition period. This is because the 2009 housing target was deliberately set well below the level of household growth to protect the environment (following independent examination reflecting national and regional planning policies in place at that time, the latter directing regional growth to less environmentally sensitive locations).
- 3.4 In 2019, MHCLG published the result of the first test which covered the three-year period to 2018. For the reasons noted above the result for NFDC was 35% (fail). The results for the second HDT period to 2019 are due to be published shortly, and a result of around 40% is anticipated, also requiring preparation of HDTAP. The appended HDTAP accordingly covers both these periods.
- 3.5 Upon adoption of the emerging Local Plan 2016-2036 Part 1: Planning Strategy the Council can apply to MHCLG to recalculate the HDT using the actual adopted housing target rather than the transitional or default housing requirement figures. Officers project that the recalculation would generate a 'pass' result of 108% for the 2019 period and that the Council should also pass in the HDT in 2020 period.
- 3.6 However, preparation of a HDTAP is still a formal requirement currently. It is in any event prudent and best practice to identify a range of other steps and mechanisms that the Council has and will apply, working with developers and other delivery partners as appropriate, to ensure that the replacement Local Plan continues to deliver sufficient housing and thus that the HDT can continue to be met.

4. THE NFDC HOUSING DELIVERY TEST ACTION PLAN

- 4.1 Following introductory sections, the key part of the HDTAP is Table 7 (pp.8-13 of the appended HDTAP document) which sets out a range of housing delivery-focused actions under the following headings, briefly summarised below.
 - 1) **A proactive approach to sites with delivery risks**, based on the assessment in Annex A. This will include a reviews of existing allocations and consents (including a risk register of sites currently comprising around 500 homes that are not being delivered in the timeframe expected).
 - 2) **Effective Development Management Processes**, through improved engagement with developers and streamlining working practices and arrangements.
 - 3) **Proactive engagement with Stakeholders**, in particular infrastructure and funding providers who can help unlock delivery blockages.
 - 4) **Increasing development diversity** in the District by encouraging new developers to build in the district, and by promoting provision of a greater mix and range of housing types.
 - 5) **Ensuring the delivery of strategic greenfield sites** in line with predictions, though pre-application engagement and collaborative working with site promoters.

- 6) Where appropriate, **delivering strategic solutions to environmental constraints** by preparing and/or updating mitigation strategies and identifying offsetting solutions, and by strategic working on regionally significant issues (in particular those that affect international nature conservation sites engaging the Habitats Regulations).
- 7) **Identify and explore the housing delivery of potential regeneration area(s)**, including town centre areas. This may include working collaboratively with Town and Parish Councils and/or Neighbourhood Plan working groups.
- 8) **Ensuring a variety of suitable development sites** through ongoing work on the Local Development Plan including on Neighbourhood Plans.
- 9) **Accelerated Affordable Housing Delivery** in particular through the work of the Council's Housing Strategy and Development service.
- 10) Addressing external factors such skills shortages by working with local suppliers/providers.

4.2 It is proposed that the Interim HDTAP is published and that targeted consultation with house building interests is undertaken following the adoption of the replacement Local Plan Part 1. Whilst the recalculated HDT based on the emerging Local Plan target is expected to generate a pass result, it will remain useful and best practice to have an agreed, published basis for monitoring and supporting housing delivery informed by industry engagement, to help ensure that the Council continues to pass the HDT.

4.3 Interim HDTAP Annex A summarises the status and progress of sites in the planning pipeline (with a permission and/or allocation), totalling 1,577 homes. Almost a third or about 500 homes are or appear likely to be significantly delayed and will be a priority for delivery investigation and action. A further 9% / 150 homes appear to be sufficiently at risk to merit quarterly monitoring. The targeted consultation proposed is also an opportunity to explore why such delays are arising

5. CONCLUSIONS

5.1 Cabinet is recommended to agree to publish the Interim Housing Delivery Test Action Plan, and that it be updated following targeted industry consultation once the Local Plan is formally adopted.

6. FINANCIAL IMPLICATIONS

6.1 No additional costs.

7. CRIME & DISORDER, ENVIRONMENTAL AND EQUALITY & DIVERSITY IMPLICATIONS

7.1 Nothing additional to the matters already considered in the Local Plan review including examination.

8. DATA PROTECTION IMPLICATIONS

8.1 None

9. PORTFOLIO HOLDER COMMENTS

9.1 The Portfolio Holder would highlight paragraph 3.3 of this report. The Council has exceeded housing delivery targets set in the adopted 2009 Core Strategy which defined planning objectives for the period to 2026 and articulated a deliberate policy of restraint in order to direct regional housing growth to less environmentally sensitive

locations. This policy of housing growth restraint was endorsed by the Government appointed Inspector in his Examination Report of the 10th September 2009. While it is accepted that current Government planning policy seeks to increase new housing provision, there are significant environmental constraints to the delivery of development within the Council's planning area and it has been both necessary and reasonable to bring forward a new draft Local Plan in a considered and sustainable way. As outlined in paragraph 3.5 of this report, once the emerging 2016-2036 Local Plan Part 1 is adopted it is projected that the Council will meet its Housing Delivery Test requirements.

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Background Papers:

**Published government and Local Plan
review documents**