

Housing Delivery Test

Introduction

On Tuesday 19 February 2019, the Government published the inaugural Housing Delivery Test (HDT) results after a three-month delay.

What is the HDT?

The HDT is an annual measurement of housing delivery in the area of relevant plan-making authorities, which includes non-metropolitan districts, metropolitan boroughs, London boroughs and development corporations with plan-making and decision-making powers. The HDT does not apply to National Park Authorities, the Broads Authority or to development corporations without full plan-making and planning decision making powers.

The HDT sets out the percentage of net new homes that have been delivered in a local authority area when measured against that authority's housing requirement, over a rolling three year period. It utilises authorities' housing requirements that are less than five years old. In the event that the requirement within a Local Plan or Joint Local Plan is more than five years old, the Standardised Method figure will be used (with the base date for the calculation of 1 April) and with the application of the affordability ratio¹, unless the strategic policies have been reviewed and found that it does not require updating.

The HDT's objective

The HDT's aim is to boost the supply of homes across all authorities. Where housing delivery falls below the requirement in a local authority area, the Government requires the following actions to be pursued, as set out in footnote 6 and paragraphs 73 and 75 of the updated NPPF (February 2019):

< 95% of annual requirement

In areas where delivery is less than 95% of the identified requirement, the local planning authority must formulate an Action Plan to address the shortfall. The content of an Action Plan is specified within the NPPG and in summary, will:

- identify the reasons for under-delivery
- explore ways to reduce the risk of further under-delivery, and
- set out measures the authority intends to take to improve levels of delivery.

Authorities are responsible for producing the Action Plan and can decide which stakeholders to involve. They are expected to be produced within six months of the publication of the HDT results (which are to be published each November) and before the publication of the next year's results. Given the concise timescales, extensive public consultation is not required.

On review of the HDT data, 21 authorities are required to publish an Action Plan:

- Arun
- Babergh
- Bexley
- Braintree
- Bromsgrove
- Derbyshire Dales
- Enfield
- Huntingdonshire
- King's Lynn & West Norfolk
- Milton Keynes*
- Peterborough
- Rotherham
- Sevenoaks
- Slough
- Stroud
- Tamworth
- Thurrock
- Torbay
- Tunbridge Wells
- Welwyn Hatfield
- Worthing

*Action Plan already prepared and published

The Government require authorities to assess reasons for under-delivery, however, there are no details of the status of the Action Plan and where it will sit within the context of the adopted Development Plan. Further, the Government fails to disclose how authorities are expected to allocate land to boost the short-term supply of housing to meet their delivery target in full.

Notwithstanding the above, the Government has not specified the consequences that authorities will face in the event that an Action Plan is not produced in time for the forthcoming year's HDT results.

¹ As published by the Office for National Statistics - <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedial>

< 85% of annual requirement

For those authorities where delivery is less than 85% of the identified requirement, a 20% buffer needs to be applied to their housing requirement when calculating their five-year housing land supply. The application of this buffer will mean that many local authorities cannot demonstrate the required five-year supply of housing, thereby providing an opportunity for landowners and developers to secure housing allocations in development plans or secure planning permission on unallocated sites.

In addition to the 21 authorities above, 87 authorities (including a joint authority and a development corporation) are required to prepare an Action Plan and face the application of the 20% buffer:

- Adur
- Barking and Dagenham
- Barnet
- Basildon
- Basingstoke & Deane
- Blackburn w/Darwen
- Bolton
- Bournemouth
- Bracknell Forest
- Bradford
- Brentwood
- Brighton & Hove
- Broxbourne
- Broxtowe
- Bury
- Calderdale
- Castle Point
- Chesterfield
- City of London
- East Cambridgeshire
- East Hertfordshire
- Eastbourne
- Elmbridge
- Epping Forest
- Epsom and Ewell
- Erewash
- Gateshead
- Gedling
- Gravesham
- Great Yarmouth
- Guildford
- Hackney
- Haringey
- Harlow
- Havering
- Herefordshire
- Hounslow
- Ipswich
- Isle of Wight
- Islington
- Kingston upon Thames
- Kirklees
- Lewes
- Medway
- Melton
- Mid Suffolk
- Mole Valley
- New Forest
- Newham
- North Dorset
- North Hertfordshire
- North Lincolnshire
- North Somerset
- Oldham
- Pendle
- Poole
- Redbridge
- Rochford
- Rossendale
- Rother
- Sandwell
- Sefton
- South Cambs
- South Holland
- South Kesteven
- Southend-on-Sea
- Southwark
- Spelthorne
- St Albans
- Staffordshire
- Stockport
- Swale
- Tameside
- Tandridge
- Tendring
- Thanet
- Three Rivers
- Trafford
- Warrington
- Waveney
- Waverley
- West Devon
- Wigan
- Wirral
- Christchurch and East Dorset
- London Legacy Development Cooperation

< 25% of annual requirement

In areas where delivery falls below 25% of the requirement, local authorities face 'the presumption in favour of sustainable development' (the presumption) whereby planning permission should be granted unless the land is protected under the NPPF (2019) or the adverse impacts of development outweigh the benefits. This is the most severe sanction authorities may face and echoes the default position in cases where authorities are unable to identify a five-year housing land supply. Through the transitional arrangements detailed within the HDT Measurement Rule Book², this percentage (25%) rises to 45% in November 2019, 65% in November 2020 and 75% in November 2021.

Whilst the HDT data reveals that no authority is currently subject to the application of the presumption, the following seven authorities have delivered less than 45% of their requirements and therefore would be subject of the presumption in November 2019 if delivery does not improve:

- Adur (41%)
- Barking & Dagenham (43%)
- Calderdale (36%)
- City of London (42%)
- New Forest (35%)
- Redbridge (38%)
- Thanet (44%)

The opportunity

The HDT offers a useful tool to view the areas in England where housing delivery is lagging behind the housing requirement and where local authorities will clearly be under pressure to allocate more land for housing within development plans and/or grant planning permission for more dwellings on suitable sites. It therefore provides a useful guide as to areas in England where developers should seek to acquire and promote suitable land for residential development.

Terence O'Rourke has an excellent track record of advising clients on the prospects of securing planning permission across the UK, and during 2018, we achieved a 98% success rate. If you have or are looking to acquire land and you wish to know whether it would be suitable for residential (or other) development and/or how to go about promoting it, please contact:

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² https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/728523/HDT_Measurement_Rule_Book.pdf