

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Approval of Housing Delivery Test Action Plan

Meeting/Date: Cabinet – 18th July 2019

Executive Portfolio: Executive Councillor for Growth

Report by: Planning Service Manager (Growth)

Wards affected: All

Executive Summary:

The Housing Delivery Test (HDT) is a new indicator for housing delivery introduced in the 2018 National Planning Policy Framework (NPPF). The aim of this test is for Local Planning Authorities (LPAs) to meet at least 95% of their housing requirement over the previous 3 years. HDC achieved 92% so in line with national requirements, are encouraged to produce an action plan within 6 months of the publication of the HDT results. The results were published on 19th February 2019, meaning the deadline is 19th August 2019. The action plan highlights the key issues that have affected housing delivery across the District and the actions that can be pursued to reduce these. Not meeting the 95% threshold has no impact on the Council's 5 year housing land supply going forward. In addition, with the adoption of the Local Plan and anticipated completions in the 2018/2019 monitoring year, it is expected that Huntingdonshire will pass the HDT when the next set of results are published in November 2019 so will not have to produce an action plan next year, unless the Government introduced further legislative changes.

Recommendation:

That Cabinet:

- Endorses the Action plan at Appendix 1 for submission.

1. PURPOSE OF THE REPORT

- 1.1 This report sets the background to the Housing Delivery Test (HDT), what it is, why it is necessary, how it is calculated and the result for Huntingdonshire District Council (HDC). The attached action plan sets out the key issues that have impacted housing delivery as well as the key actions and responses which have been identified to lessen the impact of these issues on future housing delivery. The report also addresses the requirement of producing the action plan, and the future position of housing delivery in the District.

2. WHY IS THIS REPORT NECESSARY/BACKGROUND

- 2.1 The National Planning Policy Framework (NPPF) published in July 2018 introduced the Housing Delivery Test (HDT) as a new indicator for net housing delivery over the previous 3 years against the housing requirement of the area.
- 2.2 It is the Government's aim that Local Planning Authorities (LPAs) should achieve a housing delivery rate of at least 95%. This is measured by a 3 year requirement which is based on either household projections or the latest adopted housing requirement, whichever is lower. The annual requirement of either of these over 3 years is totalled to give an overall 3 year requirement. To assess if an LPA has achieved at least 95% or not, the net completions of C3 dwelling houses and a multiplier of C2 student and communal accommodation for those 3 years are divided by the requirement to give a delivery percentage. Details are set out on pages 9 to 11 of the Ministry of Housing, Communities and Local Government's (MHCLG) Measurement Technical Note (February 2019).
- 2.3 Paragraph 75 of the NPPF states that a delivery rate of at least 95% over the past 3 years' worth of net completions against the requirement should be achieved. Paragraph 062 (reference ID: 3-062-20180913) of the Planning Practice Guidance (PPG) identifies that if the housing requirement is not delivered, the following consequences are imposed:
- the publication of an action plan if housing delivery falls below 95%;
 - a 20% buffer on LPA's 5-year land supply if housing delivery falls below 85%;
 - the presumption in favour of sustainable development if housing delivery falls below 75%, once transitional arrangements have ended.
- 2.4 The consequences of the test will apply until the subsequent results are published or a new requirement is adopted.
- 2.5 Paragraph 215 of the NPPF states that the presumption in favour of sustainable development only applies to the 2018 HDT results when the delivery of housing was below 25% of housing required over the previous three years. The November 2019 results will see this increase to delivery below 45% and in November 2020 will see this rise to delivery below 75%.
- 2.6 The results of the first HDT were expected to be published in November 2018, however they were delayed due to a consultation on the appropriate methodology that should be used in order to calculate housing requirement figures. The results were instead published on 19th February 2019. HDC achieved 92%; this is only 3% short of the 95% threshold. HDC's result was calculated by using the household projection figures, as at the time of publication, the Local Plan had not yet been adopted and the previous Development Plan target was over 5 years old. The methodology used to calculate this

is on pages 3 and 4 of MHCLG's Technical Note and also in paragraph 12 of MHCLG's Housing Delivery Test Measurement Rule book (referred to as the Measurement Rule book). As a result, HDC are encouraged to publish an action plan within 6 months of the publication of the HDT results (by 19th August 2019) to meet the requirements of paragraph 073 (reference ID: 3-073-20180913) of the PPG.

- 2.7 Since HDC adopted the new Local Plan to 2036 in the period after the HDT results were calculated, the option of a re-calculation was available. However, using the methodology set out in paragraph 12 of the Measurement Rule book, the result would be unchanged as the identified housing requirement of 804 is higher than the household projections. This is due to the transitional measures in place over the next 3 years. These transitional measures do not include the affordability ratio to the household projections; this instead will be added gradually each year so that by 2021 household projections will cease to form any part of the HDT. This is stated in footnote 18 and paragraph 23 of the Measurement Rule book.
- 2.8 The Action Plan is attached as an Appendix to this report. Page 5 sets out the previous trends in delivery across the District since the start of the Local Plan period (2011) against the identified annual target of 804 dwellings. The planning policy context at the time the HDT results were calculated in February 2019 is also set out so that the issues and actions stated later have greater context.
- 2.9 The action plan identifies a number of key issues that have impacted past housing delivery. These have been identified from a range of sources including housing trajectory responses from developers/agents/landowners for the 2018 Annual Monitoring Report (AMR), discussions with planning officers and through the Local Plan examination hearing sessions held in July and September 2018. The issues identified have been grouped into four categories: site constraints; supply issues; the planning process and infrastructure and services.
- 2.10 From these issues, key actions and responses have been identified to address housing delivery. These stem from discussions with planning officers, and feedback received from the housing trajectory responses and the Local Plan examination. Many of the key actions identified are actions that are already underway or within the work program of the Local Plans Team and wider Development service. Other actions are already underway from HDC's delivery partners (such as the A14 improvement works and several of the projects identified by the Combined Authority). Other actions have already been actioned, the outcomes of which are still to be seen, for example, the adoption of the Local Plan and the implementation of its policies. Monitoring the impact of these policies is important to assess how the policies relate to decision making but also how they impact on housing and employment provision. By working proactively and collaboratively with internal and external delivery partners, this action plan identifies ways that housing delivery can be increased. Other actions include HDC's involvement with the Combined Authority and cooperation with partners to deliver various strategic priorities and transport improvements. This demonstrates that HDC are already being proactive in boosting housing supply and addressing historic under-delivery.
- 2.11 There is no impact on HDC's 5 year housing land supply position following the publication of the HDT results as a 20% buffer only applies if the delivery rate was below 85%. Furthermore, it is anticipated that HDC will pass the HDT next time the results are published in November 2019 based on the anticipated levels of completions for the 2018/2019 year. These are evidenced in the projections made in the AMR (December 2018) on page 63 and housing trajectory found in Appendix 1 of the AMR.

3 KEY IMPACTS / RISKS / OPTIONS

- 3.1 The key risk to not meeting the requirement and publishing the action plan by the 19th August as set out in the PPG includes the possibility of the Council potentially being vulnerable at appeals and having to defend their position on housing delivery, particularly addressing historic under-delivery.

4 OVERVIEW AND SCRUTINY COMMENTS

- 4.1 The Overview and Scrutiny Panel (Performance and Growth) received the Approval of Housing Delivery Test Action Plan Report at its meeting on 9th July 2019.
- 4.2 Members recognised that the delivery of housing is beyond the control of the Council and ask if there is anything the Council can do to ensure developers build out the houses approved. In response, the Panel was informed that the Council do not have any legal mechanisms available to ensure developers deliver housing in a timely manner after the grant of planning permission. It was noted that the Development Management Panel might be able take into account 'past behaviours' when considering applications however, permission is given to the land as opposed to the developer, and there is no mechanism to enable this to work in practice.
- 4.3 The Panel recommends that the Cabinet endorses the Housing Delivery Test Action Plan.

5 LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES AND / OR CORPORATE OBJECTIVES

- 5.1 The production of the Housing Delivery Test Action Plan and its key actions relates to the strategic priority of Enabling Sustainable Growth and specifically two associated strategic objectives.

- 5.2 The first objective under the strategic priority is as follows:

“Support development of infrastructure to enable growth.”

Our work programme includes:

- *“Influencing the development of the Highways and Transport Infrastructure Strategy;*
- *Facilitating the delivery of infrastructure to support housing growth.”*

- 5.3 The second related objective under the strategic priority is as follows:

“Improve the supply of new and affordable housing, jobs and community facilities to meet current and future need”

Our work programme includes:

- *“Ensuring an adequate supply of housing to meet objectively assessed needs;*
- *Planning and delivering the provision of decent market and affordable housing for current and future needs;*
- *Ensuring there are the right community and leisure facilities to support new housing developments.”*

6 LEGAL IMPLICATIONS

- 6.1 Paragraph 75 of the NPPF states that Local Planning Authority's should prepare an action plan in line with national guidance to assess the causes of under-delivery and identify actions to increase delivery in future years.
- 6.2 Paragraph 073 (reference ID: 3-073-20180913) of the PPG states that the action plan should be published within 6 months of the release of the Housing Delivery Test results. The results were released on 19th February 2019 meaning the deadline for the publication of the action plan is the 19th August 2019.
- 6.3 There are currently no sanctions in place if an action plan is not produced to this timescale or at all. HDC have decided to produce one to meet the above requirements and proactively increase housing delivery.

7 RESOURCE IMPLICATIONS

- 7.1 The actions identified consist of ones that are already being undertaken or already planned by HDC or their delivery partners.

8 REASONS FOR THE RECOMMENDED DECISIONS

- 8.1 To meet government requirements as set out in the NPPF and PPG.

BACKGROUND PAPERS

Annual Monitoring Report (AMR) (December 2018)

<http://www.huntingdonshire.gov.uk/media/1220/annual-monitoring-report.pdf>

Huntingdonshire Local Plan to 2036 (May 2019)

<http://www.huntingdonshire.gov.uk/media/3872/final-adopted-local-plan-to-2036.pdf>

Ministry of Housing, Communities and Local Government (MHCLG) Housing Delivery Test Measurement Rule book (July 2018)

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

Ministry of Housing, Communities and Local Government (MHCLG) Housing Delivery Test 2018 Measurement Technical Note (February 2019)

<https://www.gov.uk/government/publications/housing-delivery-test-2018-measurement>

National Planning Policy Framework (NPPF) – Chapter 5: Delivering a sufficient supply of homes and Annex 1: Implementation

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/807247/NPPF_Feb_2019_revised.pdf

Planning Practice Guidance (PPG) – Housing and Economic Land Availability Assessment

<https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment#housing-delivery-test>

APPENDICES:

Housing Delivery Test Action Plan

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