

HOUSING DELIVERY TEST AND ACTION PLAN

Executive Summary

The report requests the Members of the Planning Committee to note the 2021 Housing Delivery Test published by the Government with Officers' response and to recommend to the Executive to give authority to publish the Action Plan setting out how the planned housing requirement of 292 dwellings per year would be achieved by the Council in future years. The Action Plan is in Appendix 1.

The Government published the latest Housing Delivery Test (HDT) on 14 January 2022. The Housing Delivery Test is an annual measurement of housing delivery against the planned housing requirement (or housing need if you have not got an up-to-date local plan). The HDT is measured and published by the Department for Levelling Up, Housing and Communities (DLUHC). It is calculated by the total net homes delivered over 3 years divided by the total number of homes required over the three-year period. In the case of Woking Borough, the expectation is to deliver the planned housing requirement of 292 dwellings per year in full, equivalent to 100%. Sanctions are applied if a local authority failed to deliver the required number of homes. The sanctions mainly involve identifying more land to improve the prospect of achieving the planned housing supply.

According to the Government's figures, this year, Woking scored 78%, which comes with a sanction to identify 20% buffer of housing land supply to improve the prospect of achieving the planned supply. The Council will also have to prepare an Action Plan to demonstrate how the planned growth (100% or average of 292 dwellings per year) can be achieved. The Action Plan should be completed and published within 6 months from the date the HDT was published, in this case, by 14 July 2022.

Although the Government's calculations will be challenged, the requirement of the Housing Delivery Test (HDT) to identify a 20% buffer of housing land supply will apply and the report demonstrates that it can be met from existing allocations and commitments. The Site Allocations DPD already builds in sufficient headroom and cushion to mitigate against the risk of non-implementation, and this would be sufficient to address the requirements of the HDT.

Whilst there are many positive things to encourage housing supply, the challenge to translate land into housing completions cannot be underestimated. The Council will need to work in partnership with stakeholders to sustain housing land delivery into the future. This includes making sure that policy compliant proposals that meets detailed requirements are determined as soon as possible.

Recommendations

The Planning Committee is requested to:

RECOMMEND TO THE EXECUTIVE That

- (i) the Housing Delivery Test published by the Government on 14 January 2022 with Officers' response be noted;
- (ii) delegated authority be given to the Strategic Director of Place in consultation with the Portfolio Holder for Planning to publish an Action Plan setting out how the Council would improve the prospect of achieving the planned supply of homes. A draft Action Plan is in Appendix 1.

Reasons for Decision

Reason: To ensure that Members of the Planning Committee are informed about the Housing Delivery Test and the actions that the Council must take to address the failure to meet its planned housing requirement and to ensure that the Planning Committee is aware of the need to deliver new sustainable homes in accordance with the Local Plan.

Background Papers: None.

Reporting Person: Giorgio Framalico, Strategic Director of Place
Email: giorgio.framalico@woking.gov.uk, Extn: 3440

Contact Person: Ernest Amoako, Planning Policy Manager
Email: ernest.amoako@woking.gov.uk, Extn: 3427

Portfolio Holder: Councillor Liam Lyons
Email: cllrliam.lyons@woking.gov.uk

Shadow Portfolio Holder: Councillor Gary Elson
Email: cllrgary.elson@woking.gov.uk

Date Published: 26 May 2022

1.0 Introduction and background

- 1.1 The Government published the latest Housing Delivery Test (HDT) on 14 January 2022. The Housing Delivery Test is an annual measurement of housing delivery against the planned housing requirement, in this case 292 dwellings per year (or a housing need of 431 per year if you have not got an up-to-date local plan). The HDT is measured and published by DLUHC. The expectation is to deliver the planned housing requirement in full, in this regard 100%. Sanctions are applied if a local authority failed to deliver the required number of homes. The sanctions mainly involve identifying more land to improve the prospect of achieving the planned housing supply. According to the Government's figures, this year, Woking scored 78%, which comes with a sanction to identify 20% buffer of housing land supply to improve the prospect of achieving the planned supply. The Council will also have to prepare an action plan to demonstrate how the planned growth (100% or average of 292 dwelling) can be achieved.
- 1.2 Officers have completed an initial analysis of the figures used to calculate the HDT to fully understand the assumptions used by the Government to calculate the Housing Delivery Test to be sure that they are correct. Based on the initial assessment, Officers are of the view that the Government's score for Woking could be wrong and should have been 88% (instead of 78%). Consequently, subject to the recommendations of the Executive when it considers the report on 16 June 2022, Officers will be writing to the Government to query the figures and assumptions. Based on what the Government's response would be, Officers would respond accordingly. For information, the assumptions/figures used in last year's calculation were also challenged by Officers. Full details of the Housing Delivery Tests *are available here: [2021 HDT Final Results .ods \(live.com\)](#)*. It is emphasised that the 88% whilst better than the Government's score is still not acceptable and all effort should be undertaken to improve the prospect of meeting the annual average housing requirement of at least 292 dwellings.

2.0 Officers' response

- 2.1 The initial action to check whether the Government's score for the Borough is correct has been completed. Unless otherwise explained by the Government, Officers believe that the score should be 88% (instead of 78%). Consequently, the intention is to query the figure and assumptions used by the Government to calculate the Housing Delivery Test. If the Government insist on its figure and assumptions, a formal request would be made to challenge the score as a matter of principle.
- 2.2 Regardless of the outcome of the Government's response to any potential challenge, Officers are satisfied that the requirement of the Housing Delivery Test (HDT) to identify a 20% buffer of housing land supply would apply and the report demonstrates that it can be met. The Site Allocations DPD already builds in sufficient headroom and cushion to mitigate against the risk of non-implementation, and this would be sufficient to address the requirements of the HDT. Land can be identified to meet the additional 20% buffer.
- 2.3 The National Planning Policy Framework (NPPF) with reference to paragraphs 73 to 76 provide the national planning policy context for local authorities to meet the requirements of the Housing Delivery Test (HDT). Detailed guidance is provided in the Planning Practice Guidance and the Housing Delivery Test Rule Book. The Planning Practice Guidance can be accessed by: [Planning practice guidance - GOV.UK \(www.gov.uk\)](http://www.gov.uk). The HDT Rule Book can be accessed by: [Housing Delivery Test measurement rule book - GOV.UK \(www.gov.uk\)](http://www.gov.uk).
- 2.4 Paragraph 73 of NPPF requires local planning authorities to 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 housing need where the strategic policies are more than five years old. The supply of specific deliverable sites should in addition include a buffer (moved forward from later in the plan period) of 20% where there has been significant under delivery of housing over the previous three years, to improve the prospect of achieving the planned supply. Where the Housing

Housing Delivery Test and Action Plan

Delivery Test indicates that delivery has fallen below 95% of the local planning authority's housing requirement over the previous three years, the authority should prepare an Action Plan in line with national planning guidance, to assess the causes of under-delivery and identify actions to increase delivery in future years. According to the guidance, even if the Council's revised score is to prevail, the Council will still have to prepare an action plan in line with national planning guidance to assess the causes of under delivery and identify actions to increase delivery in future years.

- 2.5 The Planning Practice Guidance and the Housing Delivery Test Rule Book provides further clarification regarding how the number of homes required should be calculated. Where the housing requirement is set out in a local plan, the requirement should continue to be used until it is more than five years old, or the requirement has been reviewed and found not to require updating. Where a housing requirement figure becomes older than five years (unless the relevant strategic policies have been reviewed and found not to require updating) during the HDT period, this will be used for the HDT measurement up to the 5th anniversary of its adoption. Where this anniversary is part way through the year, the housing requirement will be apportioned based on the number of days in the year. If the figure has not been reviewed, or requires updating, the remainder of the year and subsequent years, will be based on the minimum annual local housing need figure, until a new housing requirement is adopted.
- 2.6 Woking Borough Council has a Core Strategy, which was adopted in October 2012. In accordance with paragraph 33 of the NPPF, the Core Strategy was reviewed in October 2018. The review confirmed that the annual average of 292 dwellings per year housing requirement of the Core Strategy does not need updating. The Core Strategy should therefore continue to provide an up to date strategic policy context for the housing requirement for the area and the basis upon which the HDT figure should be calculated up to October 2017 and since October 2018.

3.0 Evidence to demonstrate that the requirements of the Housing Delivery Test will be addressed

- 3.1 The Government has calculated the HDT for Woking to be 78% with a requirement for a 20% buffer (moved forward from later in the plan period) on the Council's 5 year housing land supply to improve the prospect of achieving the planned supply in accordance with paragraph 73 of the NPPF. Using this as the basis for the assessment, the average annual housing requirement for Woking is **292** dwellings. Projected and calculated over 5 years, adding on a figure to compensate for the undersupply since 2006 (216 dwellings) and applying the 20% buffer to the figure gives a total housing requirement of 2,011.
- 3.2 The Site Allocations DPD identifies deliverable sites to enable the delivery of **3,023** net additional dwellings by 2026/27. By this assessment, there would still be over supply of land to deliver about 1,012 dwellings to mitigate against any risk of non-implementation. As demonstrated, there is significant headroom built into the Site Allocations DPD to meet the requirements of the Core Strategy, the NPPF and the HDT. Officers are satisfied that the requirements of the HDT can be met through the delivery of the Site Allocations DPD, in particular, there would be no further need to identify further land to address the buffer. It is worth noting that the supply of 3,023 *[or 2,629 if looking at the supply to 2026]* comprises only the indicative numbers on allocated sites and excludes non-allocated permitted sites (which notably include Victoria Square). All those numbers would further secure our over-supply.
- 3.3 Even in the extreme and an unlikely scenario of projecting the relevant timeframe to 6 years, which is the entire plan period for the Site Allocations DPD, the Site Allocations DPD still builds in sufficient scope to mitigate against the implications of the HDT. The requirement would be 2,361 against a supply of 3,023.

4.0 Proposed measures to improve future housing provision - the housing supply pipeline

- 4.1 The following has informed the preparation of the Action Plan. The main cause of under delivery of housing has been mainly the impacts of the pandemic on the national economy. However, the economy has started to grow and housing supply for this year and subsequent ones looks positive. As at end of March 2022, the completion figure of 386 dwellings had already exceeded the housing requirement of 292 dwellings per year. There is also the completion of Victoria Place (the Marches) this year, which would add to housing completions for future years. Other significant pipeline schemes include Sheerwater and Broadoaks. There is the likely prospect that the HDT would be passed next year.
- 4.2 There are other positive things that the Council has done and/or is putting in place to accelerate housing growth. This includes:
- The adoption of the Site Allocations DPD to identify specific deliverable land to enable the delivery of the Core Strategy housing requirement. It provides certainty to developers by establishing the principle of development for certain uses on specific sites.
 - The emerging Town Centre Masterplan will provide a meaningful framework for sustainable development at the Town Centre, which is earmarked for significant housing growth.
 - The Council has invested significantly to improve the town centre environment to make it attractive for inward investment. This includes the Victoria Place development (£700M+), integrated transport package (about £25M). Further investments are proposed in infrastructure including the replacement of Victoria Arch (grant of £95M) and walking and cycling infrastructure.
- 4.3 Whilst there are many positive things to encourage housing supply, the challenge to translate land into housing completions cannot be underestimated. The Council will need to work in partnership with stakeholders to sustain housing land delivery into the future. This includes making sure that policy compliant proposals that meets detailed requirements are determined as soon as possible. It would mean ensuring good quality decisions that are sufficiently robust to withstand scrutiny at appeals. Overall, it would mean an efficient development management process that delivers sustainable development where people would like to live, work and visit.
- 4.4 Given the pipeline schemes and projected housing trajectory, a meaningful Action Plan has been prepared to demonstrate that the housing requirement would be met in future years. This is attached as Appendix 1. The Action Plan should be completed within 6 months of publication of the HDT, in this case by 14 July 2022. Officers will ensure that this deadline is met, and all statutory requirements are followed regarding the preparation of the Action Plan. Delegated authority has been sought for the Director of Planning in consultation with the Portfolio Holder for Planning to make sure that the Plan is published accordingly.

5.0 Working for all strategy 2022 - 2027

- 5.1 Healthier Communities – provision of high-quality homes for all. The HDT report identifies clear actions for housing provision to meet future housing needs and requirements. This will consequently help promote investment in the nature and type of housing the community needs and enhances the health and wellbeing of the community.

6.0 Implications

Finance and Risk

- 6.1 There are no financial implications for preparing the report.

6.2

Equalities and Human Resources

6.3 There are no equalities and/or human resources implications for this report.

Legal

6.4 National planning policy requires the Council to meet its housing requirement. The HDT is a measure of how this requirement is being achieved. Given that the Council scored only 78% against the requirement, it has a policy duty to prepare an Action Plan to demonstrate how the requirement would be met in future years. The actions should include identifying 20% buffer of housing land supply to improve the prospect of achieving the planned supply.

7.0 Engagement and Consultation

7.1 The Portfolio Holder for Planning, the Shadow Portfolio Holder for Planning and the Chair of the LDF Working Group have been appropriately briefed. The Leader of the Council has received a briefing note. The report will be considered by the Executive at its meeting on 16 June 2022.

REPORT ENDS