

HOUSING DELIVERY TEST AND ACTION PLAN

Executive Summary

The purpose of the report is to request the Executive to note the 2021 Housing Delivery Test published by the Government with Officers' response and to seek authority to publish an Action Plan setting out how the planned Core Strategy housing requirement of 292 dwellings per year would be achieved by the Council in future years. The draft Action Plan is attached as 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. 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 housing requirement. 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 Executive is requested to:

RESOLVE That

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

Reasons for Decision

Reason: To ensure that Members of the Executive 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.

The Executive has the authority to determine the recommendation(s) set out above.

Background Papers: None.

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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 the local plan were to become out of date). The HDT is measured and published by the Department for Levelling Up, Housing and Communities (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 housing requirement. The Council will also have to prepare an action plan to demonstrate how the planned growth (100% or an annual average of 292 dwellings) can be achieved.
- 1.2 Officers have completed an initial analysis of the figures used by the Government to calculate the HDT to fully understand the assumptions used, and to be sure that they are correct. Based on the initial assessment, Officers are of the view that the Government's score for Woking should have been 88% (instead of 78%). Consequently, subject to the recommendations of the Executive, Officers will be writing to the Government to query the figure and assumptions. Subject to what the Government's response would be, Officers would respond accordingly. For information, the assumptions/figure used in last year's calculation were 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 an acceptable score 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 work to check whether the Government's HDT figure for the Borough is correct has been completed. As set out above, Officers believe that the figure 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 figure as a matter of principle.
- 2.2 Regardless of what the outcome of the Government's response to any potential challenge might be, Officers are satisfied that the requirement of the Housing Delivery Test (HDT) to identify a 20% buffer of housing land supply would apply. Officers believe that this requirement 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 with the review of the Core Strategy or the Site Allocations DPD.
- 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 Housing Delivery Test Rule Book and the Planning Practice Guidance. The document can be accessed by the following links respectively.

[Housing Delivery Test measurement rule book - GOV.UK \(www.gov.uk\)](#).

[Planning practice guidance - GOV.UK \(www.gov.uk\)](#).

- 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

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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 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. Given these requirements, the importance of having an up to date local plan and an efficient development management process to determine planning applications cannot be over-emphasised.

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 can be addressed with the Action Plan

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 current 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 provision 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 additional 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).

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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 headroom 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 – Summary of the Action Plan

4.1 The main cause on under delivery of housing in Woking has been mainly the impacts of the pandemic on the national economy and associated problems with the construction industry such as shortage of skilled labour and supply chain blockages. However, the economy has started to grow and trajectory of 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, providing about 429 dwellings, which would add to housing completions for future years. Other significant pipeline schemes include developments at Sheerwater and Broadoaks. There is the likely prospect that the HDT would be passed next year or subsequent years.

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. The adoption of the SA DPD provides certainty to developers by establishing the principle of development for certain uses on specific allocated sites.
- The emerging Town Centre Masterplan will provide a meaningful framework for sustainable development at the Town Centre, which is a location earmarked for significant housing growth. The Masterplan has been prepared with community and stakeholder involvement and is scheduled to be adopted by the end of the year.
- The Council has invested significantly to improve the town centre environment to make it attractive for inward investment. This includes the Victoria Place development (£700+), integrated transport package (about £25M). Further investments are proposed in infrastructure including the replacement of Victoria Arch (Grant of £95M) and the provision walking and cycling infrastructure.

4.3 Whilst there are many positive things to encourage housing supply, the challenge to sustain the delivery of the housing requirement year on year cannot be underestimated. The Council will need to work in partnership with stakeholders to sustain housing delivery into the future. The development management process needs to be continually effective, efficient and adequately resourced to ensure high quality decision taking.

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 Strategic Director - Place in consultation with the Portfolio Holder for Planning to make sure that the Action Plan is published accordingly.

5.0 Woking for all strategy – 2022 - 2027

5.1 Healthier Communities: the provision of high-quality homes for all. The HDT Action Plan identifies clear actions for housing provision to meeting future housing needs and requirements. This will help create a sense of place where people would want to live and will also have a positive bearing on 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 There is the risk of the Council not meeting its statutory obligations if it failed to meet the requirements of the HDT.

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 and a statutory 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 Corporate Leadership Team have received a briefing note. The Planning Committee has also received a report on the HDT at its meeting on 7 June 2022.

REPORT ENDS