

Housing Delivery Test – Action Plan (June 2022)

The Housing Delivery Test was introduced by the Government in July 2018 and revised in February 2019. It is since published every year. 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in the case of Woking Borough 292 dwellings per year (or a housing need of 431 per year if the Core Strategy becomes out of date).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.

Local planning authorities are required to take appropriate actions where certain delivery target thresholds are not met. The specific consequences for local planning authorities who do not meet such targets are set out below:

- Where housing delivery falls below 95% of the local planning authority's housing requirement, they should prepare an Action Plan in line with the Planning Practice Guidance (PPG), to assess the causes of under delivery and identify actions to increase delivery in future years;
- Where housing delivery falls below 85% of the local planning authority's housing requirement, a 20% buffer on the five year housing land supply position would be applied;
- Where housing delivery falls below 75% of the local planning authority's housing requirement, the NPPFs presumption in favour of sustainable development will apply in decision taking.

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 dwelling) can be achieved.

As a national planning policy context, 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 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 figure of 88% 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.

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. The Planning Practice Guidance and the Housing Delivery Test Rule Book can be accessed by the links below respectively:

[Planning practice guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/planning-practice-guidance).

[Housing Delivery Test measurement rule book - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/housing-delivery-test-measurement-rule-book).

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.

Overview of Housing delivery since the adoption of the Core Strategy

Overall, housing provision since the adoption of the Core Strategy in 2012 has broadly been in line with the Borough's housing requirement of 292 dwellings per year. In 2018/19, average housing provision since the adoption of the Core Strategy was 293 dwellings per year. In 2019/20, the annual average was 292 dwellings. A summary of housing provision since the adoption of the Core Strategy is set out in the Table below.

Year	Housing provided	Housing requirement
2010/11	146	292
2011/12	175	292
2012/13	273	292
2013/14	370	292
2014/15	66	292
2015/16	360	292
2016/17	399	292
2017/18	345	292
2018/19	231	292
2019/20	303	292
2020/21	147	292
2021/22	386	292
Cumulative	3,203	3,504

Housing completions within the Borough fell dramatically because of the pandemic and the problems of the construction industry in 2020/21, with 147 dwellings being completed, less than half the previous year's total. Over half of these were delivered on two, predominantly permitted development sites on Chertsey Road in the Town Centre. This kept the average density high, and the dwelling mix dominated by smaller dwellings, although not to the same degree as last year.

The number of permitted dwellings was significantly higher than completions at 413 dwellings. Major projects permitted with between 30 and 67 dwellings included two

redevelopment schemes and a permitted development conversion around the fringes of the Town Centre, extra care housing for the elderly in Old Woking, and another permitted development conversion in the centre of Byfleet village.

Affordable housing delivery in the year was exceptionally low, although the level of affordable housing granted planning permissions was better than in recent years, and an improvement in delivery is expected with the Broadoaks and Sheerwater schemes starting to deliver housing.

As at 1 April 2019, the borough had a total housing land supply to deliver 2,913 dwellings compared with the housing requirement of 1,619 between 2019/20 – 2023/24. This represents a surplus of 1,394 net additional dwellings against the requirement and an overall supply of 9.0 years of housing land supply. The Council has consistently over many years been able to identify a 5 year housing land supply. The supply has been strengthened by the adoption of the Site Allocations DPD.

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.

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. The Council is 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 Place development). All those numbers would further secure our over-supply.

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.

The Core Strategy directs most new development to previously developed land in the town, district, and local centres, which offers the best access to a range of service and facilities. The Town Centre has been identified as the primary focus of sustainable growth. The Council has recently carried out a Housing Market Assessment of the Town Centre (2022) to assess whether in the light of the effects of the pandemic, the Town Centre has the capacity to absorb the nature and type of development being proposed for the area during the plan period. The Study concluded that there is sufficient demand for the nature and type of homes being proposed and that the Town Centre has the capacity to absorb the proposed growth trajectory over the plan period.

Causes of under-provision in the last three years

The failure of the Housing Delivery Test in Woking Borough is not due to the availability of housing land supply. In fact, the Council has sufficient land supply to enable the delivery of 9

years' worth of housing provision against the adopted housing requirement of 292 dwellings per year. This is over and above what is needed to enable the comprehensive delivery of the Core Strategy throughout the plan period. The Site Allocations DPD identifies sufficient deliverable sites with significant over supply and cushion to cater for any non-implementation. The main cause of under provision in 2020/21 was the impact of the pandemic and the associated problems with the construction industry such as labour shortages and supply-chain blockages.

The spatial strategy for the distribution of development focuses most new development on previously development in sustainable urban locations. Development on previously developed land has its challenges regarding development viability. Often, this has implications on the provision of Affordable Housing, which is needed most in the area due to higher-than-average affordability ratio. The Council has taken positive action to minimise the impacts of development on viability. The Council has adopted Community Infrastructure Levy (CIL) as the primary mechanism to secure developer contributions towards infrastructure provision. In setting the levy, the Council has carried out a viability assessment to ensure that an effective balance is struck between the need to provide infrastructure to support development and the viability of development. Because of the varying characteristics of the borough, a differential rate for residential development has been set for various parts of the borough. The rates complement the overall spatial strategy of the Core Strategy. The Charging Schedule will carefully be monitored to assess whether changes are needed in the future. The Charging Schedule can be accessed by: <https://www.woking2027.info/infrastructure/httpwwwoking2027infoinfrastructurechargingchedule>.

The future outlook on housing provision is positive. The prediction had been that UK would emerge from the pandemic with strength. As the U.K. emerges from the economic shock of the Covid-19 Pandemic, the underlying economic strength of Woking, in particular, the Town Centre remains fundamentally positive.

There is still growing economic challenges of national and global nature to overcome. Prior to the Russia-Ukraine conflict, the UK economy was forecast by the Office for Budget responsibility (OBR) to reach pre-pandemic levels in the early part of 2022 with a healthy rebound of 6.5% growth in 2021 followed by a similar level of growth forecast in 2022. However, the latest OBR report¹ has revised this optimistic forecast as it predicts that higher inflation will erode real incomes and consumption, cutting GDP growth this year from 6.0 per cent in the October forecast to 3.8 per cent in 2022. With inflation outpacing growth in nominal earnings and net taxes due to rise in April, real livings standards are set to fall by 2.2 per cent in 2022-23 and not recover their pre-pandemic level until 2024-25. Relatively high inflation together with supply chain disruption, rising wages, tax increases and rising global energy costs will be the main contributory factors. The resultant squeeze on household incomes is likely to affect key parts of Woking's economy.

Woking has several attributes which should make it relatively resilient in the face of adverse economic circumstances. Woking was recently dubbed "Wondrous Woking" when it came top of the UK Vitality Index in 2021, not only scoring highly on the dynamism of its economy, wage growth and commercial investment, but also scoring particularly strongly on health and environment. Woking also scored well on the internationally recognised Legatum Institute,

2021 UK Prosperity Index and was placed 4th out of 379 local authority areas vs. 5th in 2020 and 13th in 2011.

Woking has a strong and vibrant economy with a strength in new business creation as well as in innovative, technology-intensive, and knowledge-based industries which tend to do better in an economic downturn. These industries include concentrations in Motor Vehicles, Information Technologies, Pharmaceuticals and Aerospace. Leading companies in high value sectors choose to locate in Woking due to its excellent connections, highly skilled workforce, range of affordable premises and quality of life. They include McLaren in automotive, Capgemini in financial services, Nuvias in technology distribution, Cubica in artificial intelligence and robotics R&D and several petrochemical and pharmaceuticals organisations. These will continue to generate demand for homes to meet the needs of the growing work force.

Against the above background the following specific actions are proposed to help improve the prospect of achieving the planned housing requirement in future years.

Actions to improve the prospect of housing provision

- Development in the pipeline – There are several major developments that are being implemented to deliver significant number of homes in the coming months and years. As at March 2022, 386 dwellings had been delivered against the requirement of 292 dwellings per year. The Victoria Place development (the Marches) will be completed this year and will deliver about 429 new homes. Significant number of dwellings are expected to be completed at Broadoaks and Sheerwater within the next two years. Housing delivery in the coming years are therefore very positive.
- The adoption of the Site Allocations DPD in **October 2021** to identify specific deliverable land to enable the delivery of the Core Strategy housing requirement strengthens the prospect of future housing delivery in the area. It provides certainty to developers by establishing the principle of development for certain uses at specific allocated sites.
- The Council has committed to prepare a Town Centre Masterplan, which it is anticipated to be adopted by the **end of 2022**. It will be considered by the Council's Executive on 14 July with the recommendation to seek authority to publish it for public consultation between 25 July and 19 September 2022. The Town Centre Masterplan will provide a meaningful framework for sustainable development at the Town Centre, which is earmarked for significant housing growth. It will highlight opportunities at the Town Centre to encourage inward investment. It is expected that this would be a catalyst for housing development in the area.
- Review of Affordable Housing SPD – The Council is reviewing its Affordable Housing SPD to bring it up to date. It would provide detailed guidance on Affordable Housing provision.
- The Council is committed to the continuous improvement of the Planning Service to deliver effective and efficient service to all its customers. As part of this commitment, it had worked with Local Government Association and the Planning Advisory Service to undertake a Planning Services Peer Challenge. The review was undertaken in December 2021 and the Final Report was published in March 2022. The report makes several recommendations to Improve decision taking and plan making. This includes:

- Ensuring a digitalised based local plan when the existing Core Strategy is reviewed;
- Emphasis on regeneration as a separate function to facilitate housing and infrastructure delivery;
- Improved Members/Officer training;
- Improved engagement between Officers and Members;
- Reintroduce regular Agents Forum. It should be noted that a pan-Surrey Developers' Forum has been established to facilitate partnership working between developers/agents and the local planning authorities in Surrey. The Forum is active and meets regularly.
- Develop community support, information, and training around Neighbourhood Planning.
- Other actions include
 - The Council has Compulsory Purchase Powers, which it is willing to use to assemble land to enable the delivery of sites allocated for development. The powers will be used as a last resort because the Council's preferred approach to any land assembly will be through negotiation.
 - Rationalisation of Public Sector Assets – the Council will seek to maximise opportunities for the use of public sector assets for the implementation of the Core Strategy housing requirement.
 - The Council has set up Thameswey Limited to help deliver housing, in particular, Affordable Housing. This will help contribute to meeting the housing requirement.
 - The Council is establishing a stronger commitment to embedding a culture of consultation into decision making process, empowering communities and making decisions alongside communities. This will help minimise local objection to development proposals.
 - The Council will be willing to use Article 4 Direction to protect specific sites where it is proven to be justified to enable the delivery of the housing requirement. At this stage, it is not considered necessary, but the Council will continue to monitor the situation.
 - 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 investment are proposed in infrastructure, including the replacement of Victoria Arch (Grant of £95M) and walking and cycling infrastructure.