

# Environment and Sustainability Committee



18 June 2024

<b>Title</b>	Housing Delivery Test Action Plan 2023
<b>Purpose of the report</b>	To make a decision
<b>Report Author</b>	Esme Spinks, Planning Development Manager Kathryn Banks, Senior Planning Officer
<b>Ward(s) Affected</b>	All Wards
<b>Exempt</b>	No
<b>Exemption Reason</b>	No
<b>Corporate Priority</b>	Addressing Housing Need
<b>Recommendations</b>	<p><b>Committee is asked to:</b></p> <ol style="list-style-type: none"> <li>1. Agree the Housing Delivery Test Action Plan 2023.</li> <li>2. Publish the Housing Delivery Test Action Plan 2023 on the Council's website.</li> </ol>
<b>Reason for Recommendation</b>	<p>The completion of the plan is a requirement because only 68% of the housing needs have been delivered over the last three years. This is the planning <u>quantitative</u> measurement of housing need. However, the affordable rented housing need is not being met as in the last four years, only one year had affordable rented new build completions (22 units). The plan identifies actions to address under delivery against the housing requirement in the area. The plan looks at the reasons for under delivery and the steps to be taken to drive up housing delivery in the area.</p>

## 1. Summary of the report

What is the situation	Why we want to do something
<ul style="list-style-type: none"> <li>• Only 68% of the boroughs' housing needs have been delivered over the last three years. This is the planning <u>quantitative</u> measurement of housing need. However, the affordable rented housing need is not being met as in the last four years, only one year had</li> </ul>	<ul style="list-style-type: none"> <li>• The completion of the Housing Delivery Test Action Plan is a Government requirement (we are under-delivering).</li> </ul>

affordable rented new build completions (22 units).	
This is what we want to do about it	These are the next steps
<ul style="list-style-type: none"> <li>The plan looks at the reasons for under delivery and the steps to be taken to drive up housing delivery in the area.</li> </ul>	<ul style="list-style-type: none"> <li>Adopt the Action Plan and deliver the actions to increase delivery.</li> </ul>

1.1 This report seeks to outline the content of the Housing Delivery Test Action Plan 2023. The Action Plan is a requirement because only 68% of the housing needs have been delivered over the last three years.

1.2 The Housing Delivery Test Action Plan 2023 identifies actions to address under delivery against the housing requirement in the area. The plan looks at the reasons for under delivery and the steps to be taken to drive up housing delivery in the area.

## 2. Key issues

2.1 The Housing Delivery Test (HDT) has been introduced by the Government as a monitoring tool to demonstrate whether local areas are building enough homes to meet their housing need. The HDT, which was published in December 2023, updates the previous results in 2018 - 2021. The test compares the number of new homes delivered over the previous three years with the authority's housing requirement. In the case of Spelthorne, the housing requirement is the minimum annual local housing need figure (618 per annum as of February 2022).

2.2 The calculation for Spelthorne is given as:

$$1072 \text{ (homes delivered)} / 1566 \text{ (homes required)} = 68\%.$$

It should be noted that the Government's housing delivery test only considers the **quantum** of dwellings which have been delivered, it does not reflect the acute affordable housing need which remains grossly unmet in Spelthorne.

2.3 The HDT was originally introduced in a phased approach over three years. The HDT will have the following consequences:

- Where housing delivery over the previous three years has been less than 95% of the housing requirement, LPAs should prepare an action plan setting out the causes of under delivery and the intended actions to increase delivery.
- Where delivery has been less than 85% of the housing requirement, a 20% buffer should be applied to the supply of deliverable sites for the purposes of housing delivery assessment.
- Where delivery has been less than 75% of the housing requirement, the NPPFs presumption in favour of sustainable development will apply. The three year transitional period has now ended therefore the HDT consequences will be standardized moving forward.

- 2.4 As a consequence of the HDT being 68%, the local authority falls into the category where the following apply:
- an action plan should be prepared,
  - a 20% housing buffer figure is applied to the housing requirements; and
  - a presumption in favour of development within the borough applies as the housing delivery over the last three years is less than 75%.

The proposed action plan demonstrates that Spelthorne Council is taking positive steps and is serious about housing delivery.

- 2.5 The housing test results for the last four years are set out in the following table:

Measurement Year	Total Homes Required	Total Homes Delivered	HDT score (%)	Consequence
2022	1,566	1,072	68%	Presumption + Action Plan + 20% buffer
2021	1,554	1,073	69%	Presumption + Action Plan + 20% buffer
2020	1,574	785	50%	Action Plan + 20% buffer
2019	1,509	904	60%	Action Plan + 20% buffer
2018	1,394	876	63%	Action Plan + 20% buffer

An analysis of the 2022 position in all Surrey authorities is contained in Table 11 of the Action Plan. Other Surrey Local Planning Authorities (LPAs) with the same 'consequences' are Epsom and Ewell (32%), Mole Valley (58%) and Tandridge (38%).

- 2.6 The HDT Action Plan is the Council's response to the challenge set out in the Government's National Planning Policy Framework to boost significantly the supply of homes and has four goals:
- To examine the possible causes of the 'under delivery' of new homes in the Borough.
  - To explain what the Council has been doing so far to boost housing delivery.

- To build relationships with developers, landowners and agents responsible for building homes on sites that have planning permission, allowing the Council to adopt the role of an enabler of much needed residential development ensuring housing permissions are built out as quickly as possible.
- To set out what actions the Council can take to increase the rate and number of homes built in Spelthorne.

### **3. Options analysis and proposal**

- 3.1 The first section of the report examines the action plan context. These include Spelthorne's corporate documents which play a role in housing delivery. It should be noted that this action plan does not play any role in deciding the future of the current Green Belt or proposed housing allocations. These have been dealt with completely separately as part of the of the emerging new local plan.
- 3.2 The next section is an assessment of the 'under delivery' of new homes in the Borough including a review of the potential reasons behind the housing supply deficit. This includes the local and national issues which influence housing delivery, (i.e., affordability issues, proximity to London, build costs, post Covid 19 impacts, difficulties once development has commenced). A range of data and sources have been used to inform this analysis. As part of this process, the Council has engaged with stakeholders to improve its understanding of the issues effecting housing delivery. The analysis of the issues has been used to inform what actions the Council need to take to improve its housing delivery.
- 3.3 Critically, the final section of the action plan includes a number of measures to improve decision making and also to support wider opportunities. These include, amongst many:
- working with site promoters and other stakeholders to deliver Local Plan allocations,
  - continuing to improve planning performance on speed and quality of decision making,
  - refining the Planning DM computer software and procedures to enhance agile / paperless working in DM; and to
  - constantly reviewing the discharge of planning conditions (after planning permission has been granted) to speed up the process.
- 3.4 The Action Plan identifies future actions to boost housing delivery, including the need to maintain progress on the development of the emerging Local Plan. The Council's assets offer a positive opportunity to boost housing delivery further moving forward, however barriers to development will need to be reduced.

- 3.5 Once adopted, the Local Plan will provide more certainty as to the Council's housing land supply and will help to deliver housing to meet the Borough's development needs.

#### **4. Financial management comments**

- 4.1 There is a need to progress with the Local Plan in a timely fashion to avoid further delays in meeting the Borough's housing needs and potentially costly appeals.

#### **5. Risk management comments**

- 5.1 There are no known consequences if Spelthorne fails to produce an action plan when required to. However, if the HDT remains below 75% and the presumption in favour of sustainable development remains, this will carry significant weight in the determination of planning applications for housing developments.

#### **6. Procurement comments**

- 6.1 There are no procurement issues.

#### **7. Legal comments**

- 7.1 The National Planning Policy Framework requires that, where the HDT 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 practice guidance (PPG), to assess the causes of under-delivery and identify actions to increase delivery in future years.
- 7.2 Once approved, the Action Plan demonstrates not only the council's commitment to responding positively to the challenge of increasing housing delivery but also is a measure of good practice to identify ways to support delivery. However, most importantly it provides compliance with the framework's and the PPG's requirement for an action plan.

#### **8. Other considerations**

##### Local Plan

- 8.1 The Local Plan is currently paused, but if it proceeds back to examination and is adopted, it will guide development in the Borough to 2037. Ensuring timely progress on the Local Plan will help the Council to boost its housing delivery by giving certainty, address some of the issues raised in the HDTAP and give the Council more decision-making powers. Failing to meet our housing needs means we will continue to be subject to the most severe sanctions of the HDT.

#### **9. Equality and Diversity**

- 9.1 This report does not have any direct equality and diversity impacts although the LPA will continue to require all housing schemes to have regard to equality and diversity issues.

#### **10. Sustainability/Climate Change Implications**

This report does not have any direct sustainability/climate change implications although the LPA will continue to require housing schemes to comply with current policy guidance on sustainability/climate change issues.

## **11. Timetable for Implementation**

- 11.1 The agreed plan should be made available to the public via the website as soon as possible.
- 11.2 The agreed plan will be reported to the Planning Committee for information as soon as possible.

## **12. Contact**

- 12.1 Esmé Spinks, Planning Development Manager, [e.spinks@spelthorne.gov.uk](mailto:e.spinks@spelthorne.gov.uk) or Kathryn Banks, Senior Planning Officer, [k.banks@spelthorne.gov.uk](mailto:k.banks@spelthorne.gov.uk)

**Background papers:** There are none.

## **Appendices:**

**Appendix A Housing Delivery Test Action Plan 2023**