

## HOUSING DELIVERY TEST 2019

Head of Service/Contact:	Ruth Ormella, Head of Planning
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	N/A
Annexes/Appendices (attached):	
Other available papers (not attached):	<a href="#">Draft Housing Delivery Action Plan 2019 Report to L&amp;PPC 12 September 2019</a>

### Report summary

The Housing Delivery Test is an annual assessment by the Government of the performance of local planning authorities in delivering their identified need over the previous three years. The Council failed to deliver sufficient housing in the first Housing Delivery Test published in February 2019. Preliminary reports on the results of the second Test indicate the Council will not again deliver the required numbers again. This is serious and requires the matter being brought to the Committee's attention.

### Recommendation (s)

The Committee notes the forecasted result for Epsom and Ewell in the government's forthcoming Housing Delivery Test for 2019 and the implications that this will have on the local planning authority's plan-making and decision-taking processes.

#### 1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

- 1.1 The delivery and implementation of the Epsom & Ewell Local Plan contributes towards all of the Council's Key Priorities. The new Epsom & Ewell Local Plan is critical as it will set out how sustainable growth, particularly in relation to new housing, will be delivered during the plan period.

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### 2 Background

- 2.1 The Housing Delivery Test (HDT) was introduced with the revised national Planning policy (the National Planning Policy Framework) following central Government commitment to increase the number of homes being built with an overall ambition of 300,000 extra homes per annum by the mid-2020s. The HDT is an annual assessment of the performance of local planning authorities in delivering their identified need over the previous three years. This is an annual test that uses data that we submit as part of data returns to central Government.
- 2.2 The results of the first HDT were published during February 2019. They showed that Epsom and Ewell had not delivered a sufficient quantum of new homes between 2015-2018 (i.e. in the previous three years). The result was anticipated as we monitor housing delivery annually through our Local Plan Annual Monitoring Report (AMR).
- 2.3 The results of the first test showed that we only delivered 57% of the housing it was required to deliver during the three year period between 2015 until 2018. As a consequence of this under performance, we were required to prepare a Housing Delivery Action Plan (within the six months of the publication of the results) to identify the causes of under-delivery and to identify actions to increase it in the future.
- 2.4 We were given an additional 20% buffer, which was applied to our annualised housing requirement on its five year supply of deliverable sites (move forward from later in the plan period).
- 2.5 The effect of this was to raise the number from 579 new homes per annum to 695 new homes per annum. Consequently, we prepared our [Housing Delivery Action Plan](#) and we have factored into our Five Year Housing Land calculations the additional 20% buffer (published in our [Annual Monitoring Report](#)).
- 2.6 The purpose of the Action Plan is to set out how we will respond to under delivery and how it will raise delivery rates. The overall objective for the Action Plan is to identify what interventions could secure housing delivery and how it will maintain it in the future (specifically a five year housing land supply).
- 2.7 Once housing delivery has exceeded 85% of the previous three years requirement, the additional 20% buffer to the five year land supply will no longer apply and there will be less pressure on the authority to identify sufficient housing to 'front load' housing delivery in the short term (i.e. the next five years). The requirement will return to 579 new homes per annum in its five year housing land supply position statement.
- 2.8 Our Housing Delivery Action Plan was the subject of a report to this Committee on 12 September 2019. It identified a number of factors that contributed to the under delivery of housing. These included –

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- limited resources, including land supply, construction material, manpower and skills;
- site constraints which can slow down decision making and restrict the level of units that can be accommodated on the site;
- the housing market and balancing of supply and demand: slow market absorption rates results in slow housing delivery rates; and
- lengthy processes, from site identification, site assembly, planning application and decision making process, technical investigations and on the ground delivery.

2.9 The Action Plan identified 24 interventions or actions that we take to improve performance. The Committee noted the contributing causes to under-delivery and considered the actions required to stimulate housing growth. The Action Plan was agreed at the committee.

### 3 Proposals

3.1 The next HDT results were due to be published November 2019. The results have not been published yet, however this is not unexpected given the wider political environment and the fact that the first HDT was also published late.

3.2 The HDT is based on housing delivery data that we submit to central government. We can use that data to anticipate what the likely result of the second HDT will be. In addition to this there have been a number of Planning articles<sup>1</sup> that have published preliminary results based on their own research<sup>2</sup> of what they anticipate the results to be. Whilst these assessments may contain a degree of error, they nevertheless provide an indication of our performance.

3.3 The table below sets out what the results (or forecasts) of the HDT and the possible implications:

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<sup>1</sup> The technical periodical "Planning" Magazine and the multi-discipline practice Savills.

<sup>2</sup> Their research utilises the same statistical data submitted to the Second Test, which is publically available.

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	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total	Results and what they mean
<b>2018 HDT</b>								
Required	381	383	418				1177	Delivery Test Thresholds: >95% =Pass <95% Action Plan <85% 20% Buffer <25% Presumption in favour of sustainable development
Delivered	199	308	160				667	
Result							57%	<b>Action Plan 20% Buffer</b>
<b>2019 HDT</b>								
Required		383	418	579			1380	Delivery Test Thresholds: >95% Delivery=Pass <95% Action Plan <85% 20% Buffer <45% Presumption in favour of sustainable development
Delivery		308	160	165			633	
Result							46%	<b>Action Plan 20% Buffer</b>
<b>2020 HDT</b>								
Required			418	579	579		1576	Delivery Test Thresholds: >95% Delivery=Pass <95% Action Plan <85% 20% Buffer <75% Presumption in favour of sustainable development
Forecasted delivery			160	165	119		444	
Result							28%	<b>Action Plan 20% Buffer Presumption</b>
<b>2021 HDT</b>								
Required				579	579	579	1737	Delivery Test Thresholds: >95% Delivery=Pass <95% Action Plan <85% 20% Buffer <75% Presumption in favour of sustainable development
Forecasted delivery				165	119	214	498	
Result							29%	<b>Action Plan 20% Buffer Presumption</b>

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- 3.1 To provide some context, the 2018 HDT results meant that 105 authorities had to prepare an Action Plan and of these, 84 were required to add a 20% buffer to their five year land supply. We were one of the 84 authorities where both these measures applied. In terms of performance against the other authorities, we came 22<sup>nd</sup> of the worst performing against their housing requirement compared with other authorities (310 authorities). We are predicted to slip further down the list of the worst performing authorities in terms of housing delivery in future years if no action is taken.
- 3.2 Although we have not been caught by NPPF Paragraph 11 “The presumption in favour of sustainable development” through the result of the HDT; “the presumption in favour of sustainable development” nevertheless applies in Epsom and Ewell because we are unable to demonstrate a five year supply of housing land.
- 3.3 The latest annual monitoring report shows that the Council can only demonstrate a 1.14 years supply of housing; and in future years it is likely to be below the HDT threshold whereby the “presumption in favour of sustainable development” would apply also. This means that we are not delivering sufficient housing to meet local needs and we are also not demonstrating there is sufficient supply in the pipeline to meet future need.
- 3.4 This has significant implications for our plan-making and decision-taking processes, particularly in regards to speculative applications that come forward.
- 3.5 In order to alleviate the pressure of speculative planning applications, it is vital that we maintain progress in preparing and producing an up-to-date development plan. This must include relevant strategic and general policies, and site allocations that positively respond to proposals for new additional homes.
- 3.6 It is also important that we closely monitor the progress on the Actions identified in the [Housing Delivery Action Plan](#) and identify if there are other interventions that we can introduce and implement in order to stimulate housing delivery across the Borough.

#### **4 Financial and Manpower Implications**

- 4.1 The resource implications related to the Local Plan and the Housing Delivery Action Plan have been factored into project management by Officers in conjunction with other work within the planning policy team.
- 4.2 ***Chief Finance Officer’s comments:***

#### **5 Legal Implications (including implications for matters relating to equality)**

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- 5.1 Paragraph 73 of the National Planning Policy Framework sets out the requirement to identify a minimum of five years supply of specific deliverable sites against their housing requirement and the buffer that should be applied depending on the circumstances of the planning authority.
- 5.2 Paragraph 75 of the National Planning Policy Framework sets out the requirement to prepare an Action Plan to assess the causes of under delivery and to identify actions to increase delivery in future years if the Council has not delivered more than 95% of its housing requirement over the previous three years.
- 5.3 ***Monitoring Officer's comments: none arising from the contents of this report.***

## **6 Sustainability Policy and Community Safety Implications**

- 6.1 The new Local Plan will contribute towards delivering the Council's objectives and priorities. This will be supported by a Sustainability Appraisal to appraise the social, environmental and economic effects in order to ensure its policies work towards achieving sustainable development.

## **7 Partnerships**

- 7.1 None for the purpose of this report

## **8 Risk Assessment**

- 8.1 The 'presumption in favour of sustainable development' already applies to Epsom & Ewell as a result of our not being able to demonstrate a five year land supply of housing requirement. It is likely that the 'presumption' will also apply as a result of under delivery.
- 8.2 This puts us at immediate risk of speculative planning proposals coming forward. It is important that we prepare a sound and up-to-date Local Plan in a timely manner to ensure that future development continues to 'Plan Led' and not the result of ad-hoc decision-taking.

## **9 Conclusion and Recommendations**

- 9.1 The Committee notes the forecasted result for Epsom and Ewell in the government's forthcoming Housing Delivery Test for 2019 and the implications that this will have on the local planning authority's plan-making and decision-taking processes.

**Ward(s) affected:** (All Wards);