

COUNCIL
25 JULY 2019

Report of the Head of Regeneration and Policy

HOUSING DELIVERY TEST

PURPOSE OF REPORT

The report sets out the results of the Government's Housing Delivery Test for the Derbyshire Dales and provides a commentary upon the current position with regards to housing delivery in the district. It recommends the preparation of a non statutory Housing Delivery Action Plan, for which authority is sought for public consultation, prior to further consideration by Members.

RECOMMENDATION

1. That a Housing Delivery Action Plan is prepared in the terms as set out in section 4 below;
2. That the Head of Regeneration and Policy be given delegated authority to consult on the Housing Delivery Action Plan
3. That the results of the public consultation be reported to further meeting of Council, prior to the adoption of the Housing Delivery Action Plan.

WARDS AFFECTED

All outside the Peak District National Park

STRATEGIC LINK

The Derbyshire Dales District Council Local Plan is a pivotal tool in the delivery of the Council's Corporate Plan and the Peak District Partnership Statement of Priorities. Maintaining the rate of housing delivery is important to ensuring that the policies and proposals set out the adopted Derbyshire Dales Local Plan can endure. Failure to maintain delivery rates will undermine the overall strategy of the plan.

1 BACKGROUND

- 1.1 The Government has set an objective of significantly boosting the supply of new homes, and delivering a target of 300,000 new homes a year. The National Planning Policy Framework (NPPF) published in February 2019 states in Paragraph 59 that the Government considers it imperative that land with planning permission is developed without unnecessary delay. The NPPF expects that local planning authorities should be able to identify, annually, a minimum of five years' worth of deliverable housing sites.

- 1.2 The Housing Delivery Test (HDT) is an annual measurement of housing delivery for a local planning authority. It is a percentage measurement of the number of net homes delivered against the number of homes required over a rolling three year period. The HDT Measurement Rule Book¹ published by the Government in July 2018 sets out in detail the methodology used for calculating the HDT.
- 1.3 Although the Ministry for Housing Communities and Local Government (MHCLG) indicated that HDT results would be published annually from November 2018, the results of the first assessment were eventually published on 19 February 2019. No explanation was provided by MHCLG for the delay in publication, and a letter from the Chief Planner in March 2019 indicated that the next result was expected to be published in November 2019.
- 1.3 The NPPF indicates that where a local planning authority's housing delivery falls below 95% of homes required, it should prepare an Action Plan whose purpose is to assess any causes of under delivery and set out ways in which under-delivery can be improved in the future.
- 1.4 The results of the HDT for Derbyshire Dales originally published in February 2019 indicated a requirement to deliver 646 dwellings over the past three years and that 598 dwellings had been delivered over the same period, giving a measurement of 93%.
- 1.5 However, whilst the requirement figure published was one for the whole of the local authority area, the delivery figures published did not include 76 residential units delivered within the Peak District National Park over the same period. This situation was raised with MHCLG, and on 13th May 2019 they conceded that they had got the calculation wrong. As a consequence the District Council has a HDT score of 104% (674 dwellings delivered against a requirement to deliver 646).
- 1.6 As a result the District Council is not required to prepare and submit to MHCLG a formal Housing Delivery Action Plan. Notwithstanding this situation the District Council's Place Shaping Hub has suggested that, although not mandatory, the District Council should undertake the preparation of an informal Housing Delivery Action Plan, which sets out how the District Council will seek to maintain an adequate level of housing.

2 FIVE YEAR SUPPLY OF LAND FOR HOUSING

- 2.1 The NPPF requires that local planning authorities to identify a supply of specific deliverable sites sufficient to provide a minimum of five years' worth of housing development. Unless a local authority can evidence a clearly demonstrable five year supply of land for housing, there is a "presumption in favour" of new development.

¹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/728523/HDT_Measurement_Rule_Book.pdf

- 2.2 The District Council routinely undertakes annual monitoring of housing completions and commitments. The purpose of this is to provide data on progress against the housing targets set out in the Derbyshire Dales Local Plan, and to use in the calculation of the District Council's Five Year Housing Supply. The results of the housing monitoring exercise are normally published in the District Council's Local Planning Authority Monitoring Report (the most recent Monitoring Report was approved at the meeting of the Community and Environment Committee on 21 February 2019).
- 2.3 Over the past three years the District Council has been proactive in engaging with landowners, developers and their agents by seeking information from them on actual and potential development rates via a "pro-forma" approach. The data from the pro-formas is used to inform an annual housing trajectory and a risk assessment of the delivery of sites. By taking this approach, the District Council was able to demonstrate to the Inspector who held the Examination in Public of the Derbyshire Dales Local Plan in 2017 that the district had a five year supply of land for housing.
- 2.4 The extent of the District Council's five year supply of land for housing was, however, thoroughly re-examined earlier this year during the consideration of an appeal into the refusal of planning permission for a site adjacent to Les Ardennes in Hulland Ward.
- 2.5 The February 2019 NPPF now indicates that to be considered deliverable, sites for housing should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years. In particular:
- a) sites which do not involve major development and have planning permission, and all sites with detailed planning permission, should be considered deliverable until permission expires, unless there is clear evidence that homes will not be delivered within five years (for example because they are no longer viable, there is no longer a demand for the type of units, or sites have long term phasing plans).
 - b) where a site has outline planning permission for major development, has been allocated in a development plan, has a grant of permission in principle, or is identified on a brownfield register, it should *only be considered deliverable where there is clear evidence that housing completions will begin on site within five years.*
- 2.6 Annex 2 of the NPPF indicates that clear evidence to demonstrate that housing completions will begin on site within five years may include:
- any progress being made towards the submission of an application;
 - any progress with site assessment work; and
 - any relevant information about site viability, ownership constraints or infrastructure provision.
- 2.7 Much of the discussion at the 'Les Ardennes' Hearing focussed on the extent to which the District Council was able to produce "clear evidence" of a five year supply of deliverable sites in relation to the sites that it had contended should

be included within the calculation of the Five Year Supply. Taking all the evidence into account the Inspector came to the conclusion that on the basis of the evidence provided that some of the assumptions the District Council had made about the larger more complex brownfield sites contributing to the five year supply did not meet the requirements set out in the NPPF or NPPG. As such the Inspector concluded there was only sufficient clear evidence to demonstrate that the district had a deliverable housing land supply equating to approximately 4.92 years.

2.8 The appeal was subsequently dismissed, primarily on the basis that the detrimental landscape impact outweighed the “presumption in favour” of new development which emanates from the lack of a clearly demonstrable five year supply of land for housing. However, notwithstanding this, the Inspector’s conclusions have set a new precedent about the extent of evidence required for residential development sites in Derbyshire Dales to contribute towards its five year supply of land for housing.

2.9 Following this year’s housing completion and commitments data monitoring, an assessment of the District Council’s current five year supply of land for housing has been undertaken, taking into account the Inspector’s conclusions about the extent of clear evidence on the deliverability of potential residential development sites across Derbyshire Dales. (See Table 1 overleaf.)

This assessment suggests that the District Council currently has the equivalent of **5.75 years**’ worth of supply – which includes a 5% buffer to ensure choice and competition in the market, as required in the NPPF.

2.10 The assessment indicates that the District Council has sufficient housing land to demonstrate a deliverable five year supply. As such it safeguards the District Council for the next 12 months against the potential that it will have to grant planning permission for housing development not specifically allocated or not in accordance with the policies set out in the adopted Derbyshire Dales Local Plan.

Objectively Assessed Housing Need 2013-2033	5680
Annual Housing Requirement	284
Total Objectively Assessed Need 2019 to 2024 : OAHN dwellings per annum x 5 years	1420
Shortfall in Housing Provision between 1st April 2017 and 31st March 2018	
Dwellings required between 1st April 2013 and 31st March 2019 = (A) divided by 5 multiplied by 6 years	1704
New dwellings completed between 1st April 2013 - 31st March 2019	1272
PDNP New dwellings completed between 1st April 2013 - 31st March 2019	149
Shortfall between requirement (B) and total completions (C)+(D)	280
Revised housing requirement for period 2019-2024 (A plus E)	1700
Plus 5% Buffer (NPPF Advice)	85
Five Year Requirement 2019-2024	1785
Revised Annual Requirement 1st April 2019 - 31st March 2024	357
Housing Supply 2019	
Commitments at 31 st March 2019 (Net) (2019-2024)	1485
Peak District National Park Contributions	100
Windfall Contribution (5 x 15 p.a.)	75
Local Plan Allocations Potential 2019-2024 (0-5 Years)	396
Total Supply 2019 - 2024 (J+K+L+M)	2056
Five Year Supply 2019-2024 (N divided by H)	5.75

Table 1 - Five Year Supply of Land for Housing 2019 – 2024

- 2.11 An assessment of the realistic delivery rates for all appropriate sites suggests the following potential trajectory over the next five years²:

	2019/20	2020/21	2021/22	2022/23	2023/24	TOTAL
Allocated	0	57	89	135	115	396
Resolution to Grant	16	32	59	40	0	147
Minors	64	64	64	64	60	316
Major 10plus	480	338	151	44	9	1022
Total	560	491	363	283	184	1881

Table 2 - Source of Housing Delivery 2019 - 2024

- 2.12 This equates to an average annual rate of 376 dwellings per annum. This rate is well above 284 dwellings plus 5% for a buffer, and is almost double the rate which the District Council achieved during the last plan period.
- 2.13 Although it is difficult to accurately assess the District Council's future five year supply position, because there are so many variables which cannot be accounted for, an estimate of the position of the five year supply as at April 2020 and April 2021 has been calculated. These suggest that the District Council will continue to be able to demonstrate that it has a five year supply of deliverable land for housing in both future years (5.77 & 5.85 years respectfully).
- 2.14 However, any slippage in sites being delivered at the rate envisaged could have a detrimental impact of the District Council's five year housing position. Conversely, if building rates are higher than envisaged, and/or there is clear evidence that some of the larger more complex sites are likely to come forward earlier than envisaged, then the five year supply position could be better than currently anticipated.
- 2.15 The consequences of not being able to demonstrate a five year supply of land for housing is that the presumption in favour of development as set out in the NPPF comes into effect. This means that the District Council would become responsible for having to grant planning permission for residential development on sites that are not allocated for such purposes in the adopted Derbyshire Dales Local Plan, where there are no other factors which could be seen to override that presumption. Such sites, given experience, are more than likely to be easier-to-develop greenfield sites.

² Does not make any assumptions about commitments and completions within the Peak District National Park.

3 HOUSING DELIVERY - CURRENT SITUATION

- 3.1 The monitoring of housing completions for 2018/19 has now been completed. This indicates that across the Local Plan area there have been 394 net completions take place over the period 1st April 2018 to 31st March 2019. This level of completions is the highest achieved in Derbyshire Dales for at least the past 30 years.
- 3.2 There are a total of 2,539 dwellings with the benefit of planning permission, of which 463 dwellings were under construction across the Local Plan area, and a further 2,076 are not yet started. Of these it is anticipated that 1,338 will come forward over the five year period 2019-2024.
- 3.3 In addition, there remain sites allocated within the Derbyshire Dales Local Plan which have yet to obtain planning permission, and a number of sites where the District Council has resolved to grant planning permission but have require Section 106 Obligations to be signed and completed before the planning permission can be issued.
- 3.4 Table 2 above would suggest that the supply from the current 'major' development sites which are currently under construction will drop off, to be replaced in part by some of the allocations in the Derbyshire Dales Local Plan coming forward. This does, however, assume that there continues to be confidence that such sites will come forward as currently envisaged. Any delay in the implementation of the allocated sites is likely to have a detrimental impact upon the supply of housing land in the future.
- 3.5 Furthermore, if development rates drop significantly lower than envisaged in Table 2, there is the potential that the District Council may not be able to demonstrate a five year supply of land for housing over the next two or three years.
- 3.6 Using the delivery data estimates in Table 2 above, a calculation of the future HDT measurement has been undertaken, which suggests the following potential situation in Derbyshire Dales:

Year	Housing Requirement	Three Year Rolling Housing Target	Estimated Three Year Housing Delivery ³	HDT
2018	232	646	674	104.33%
2019	230	642	862	134.26%
2020	226	638	1249	195.77%
2021	222	688	1445	210.03%
2022	215	678	1414	208.55%
2023	208	663	1137	171.49%

Table 3 - Estimated Housing Delivery Test 2018-2023

³ Does not make any assumptions about commitments and completions within the Peak District National Park for 2019 onwards

4 CONCLUSIONS AND NEXT STEPS

4.1 Taking all the above together indicates that:

- The HDT is likely to be achieved in future years, essentially because of a reducing future requirement originating from the methodology used for the HDT – however this only has the effect of ensuring that the five year land supply calculation does not need a 20% buffer to be included.
- **If development rates are significantly below the forecast rates, there is a risk that the District Council will not be able to adequately demonstrate a five year supply of deliverable land for housing.** This risk is considered greatest from 2021 as the current supply on major sites “dries up”. This would be accentuated if development on the more complex sites continues to be pushed back to the latter stages of the current plan period and beyond.
- **The risk of not being able to demonstrate a five year supply of deliverable housing may result in the District Council having to release land it may otherwise have not considered suitable for development** or not had envisaged as coming forward through the Local Plan process.
- This scenario *could* be overcome by either granting planning permission for residential development on non-allocated sites in accordance with Policy S4i or by undertaking a call for sites and doing a mini review of the sites in the Derbyshire Dales Local Plan so that there are more smaller (greenfield) sites capable of delivery in the short term (assessed against the revised housing methodology figure).
- It remains necessary to pursue the delivery of the more complex and larger brownfield sites by acting a pro-active manner with the landowner/developers etc.

4.2 Although the District Council is not required to prepare a formal Housing Delivery Action Plan, it is considered that a non statutory Action Plan should be prepared which is subject to proportionate consultation with relevant stakeholders. To do so will legitimise the final version, and give it much more credibility. The final published version would be made publically available.

4.3 The Planning Advisory Service has prepared a template for the preparation of a Housing Delivery Test Action Plan, which has four sections:

1. Introduction
2. Housing Delivery Analysis
3. Key Actions and Responses
4. Project Management and Monitoring Arrangements

4.4 A number of a number of draft Housing Delivery Action Plans have been published by the Planning Advisory Service on their website⁴. The structure and content of these documents have been reviewed and they in essence follow the format advocated.

⁴ <https://local.gov.uk/pas/pas-topics/monitoring/preparing-effective-action-plan>

- 4.5 It is therefore considered that a Derbyshire Dales Housing Delivery Action Plan should follow a similar approach:

Introduction

- Background and Reason for Preparation

Housing Delivery Analysis

- Review of Housing Requirements and Delivery over time
- Analysis of Delivery by Site Types
- Identification of Issues for Housing Delivery

Key Actions and Responses

- Potential Actions to Improve Housing Delivery
- Set out Responsibilities & Timescales

Project Management & Monitoring Arrangements

- Set out what will be done to achieve improved housing delivery
- Timetable for Review of Action Plan

- 4.6 In terms of the potential actions to improve housing delivery the following are suggested for inclusion in the draft Action Plan:

Monitoring

- At minimum continue to undertake annual monitoring exercise
- Consider six monthly or more frequent monitoring exercise (possibly Development Management filling in)
- Continue to collect pro-forma data both on sites allocated in Derbyshire Dales Local Plan and Major Sites with outline & full planning permission
- Utilise data to inform future housing trajectory
- Consider Developer Forum to inform five year supply 'clear evidence'

Site Release

- Review failed/lesser ranked sites in the Strategic Housing Land Availability Assessment (SHLAA) to determine if any could be considered sites with development potential to meet any shortfall in five year housing supply.
- Seek to encourage any such sites to prepare and submit a planning application ASAP
- Undertake a Call for Sites using the same methodology as previously, in an attempt to identify any new sites capable of coming forward during the next five years

- Continue to have regular engagement with land owners/developers for the more complex brownfield sites to ensure their accelerated delivery
- Undertake early review of Derbyshire Dales Local Plan to seek a more extensive portfolio of different site sizes and types and to encourage early development of sites
- Bring forward proposals for the District Council to act as a housing developer for new affordable housing schemes.
- Use Compulsory Purchase powers to attempt to unblock sites
- Consider free pre-application meetings with developers for allocated sites yet to obtain planning permission
- Explore scope to speed up preparation and signing of s106 obligations
- Strategic Sites Protocol – the Place Hub will continue to coordinate coherent, timely multi-disciplinary input into strategic sites
- Engage developers with Homes England – the District Council will continue to facilitate discussions between owners/agents of priority sites with Homes England
- Consider the creation of officer teams with more expertise in site delivery (not just site identification)
- Consider releasing/removing conditions on stalled sites with unimplemented permissions
- Consider reducing the affordable housing requirement on stalled sites with unimplemented permissions

4.7 It is recommended that Members approve in principle the preparation of a Housing Delivery Action Plan, broadly in line with the format set out in Paragraph 4.5 and Paragraph 4.6 above; that the draft Action Plan be subject to public consultation; and that a further report be presented to Council (which sets out the details of public consultation) prior to adoption.

5 RISK ASSESSMENT

5.1 Legal

At present there is no legal requirement to prepare a Housing Delivery Action Plan. However, as there is a risk in forthcoming years that the full allocation of housing will not be provided, the preparation of a plan is an essential tool to make sure the Council takes the necessary steps to achieve the required supply of new homes.

Failure to make sure sufficient housing is provided means that the Council could lose control of development in the district. A consequence might be that the Council finds itself required to approve development that is not in accordance with the Local Plan. Alternatively there might be a greater risk of appeals of decisions to the Planning Inspectorate and a resultant increase in legal costs to the council.

5.2 **Financial**

The costs of preparing and consulting upon a draft Action Plan can be contained within existing budgets. Some of the actions which could derive from the Action Plan could have financial consequences, which will need to be addressed at the relevant time.

5.3 **Corporate**

A Housing Delivery Action Plan would seek to ensure that the District Council can maintain a clearly evidenced five year supply of housing land. Without a five year supply, the District Council would have to grant planning permission for residential development on sites that are not allocated for such purposes.

6 **OTHER CONSIDERATIONS**

In preparing this report, the relevance of the following factors has also been considered: prevention of crime and disorder, equalities, environmental, climate change, health, human rights, personnel and property.

7 **CONTACT INFORMATION**

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8 **BACKGROUND PAPERS**

None