

**REPORT FROM: PLANNING, ECONOMIC DEVELOPMENT AND
REGULATORY SERVICES MANAGER**

TO: POLICY AND RESOURCES COMMITTEE

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HOUSING DELIVERY TEST – HOUSING ACTION PLAN

PURPOSE OF REPORT

To advise Members of the outcome of the Housing Delivery Test 2018 assessment, and to seek approval of the Housing Action Plan (HAP).

RECOMMENDATION

That Members approve the draft HAP.

REASON FOR RECOMMENDATION

In order to comply with the requirement to publish a Housing Action Plan.

ISSUE

- 1.1 As part of the monitoring of housing delivery performance across the UK, Government has introduced a housing delivery test (“HDT”). The test establishes how many houses have been delivered set against a target number of houses. The HDT covers a three year period beginning on 1 April 2015, and ending at 31 March 2018.. It is based in consideration of a range of factors including household formation rates, dwelling completions and trends in household formation.
- 1.2 The 2018 HDT considers housing delivery performance against the number of homes required over the 3 year period (2015-2018). There is a complex methodology which establishes the number of houses that should be delivered. This is dependent on whether a Local Plan is less than five years old and what the housing need figure is - using the new Standard Methodology for calculating that minimum housing need.
- 1.3 This is further complicated as for the first three years of the calculation (2015- 2018) the minimum housing need figure is replaced by household projections. For simplicity the numbers and calculation for Pendle are set out below.

1.4 For Councils that fall below a 95% pass rate there is a requirement to compile a Housing Action Plan that has to be published on the Council’s website.

The calculation method is as follows:

$$\text{Housing delivery test (\%)} = \frac{\text{Total net homes delivered over 3 year period}}{\text{Total number of homes required over 3 year period}}$$

Table 1 sets out the 2018 HDT assessment and outcomes for Pendle:

Number of homes required			Total number of homes required	Number of homes delivered			Total number of homes delivered	Housing Delivery Test: 2018 measurement	Housing Delivery Test: 2018 consequence
2015-16	2016-17	2017-18		2015-16	2016-17	2017-18			
227	219	158	603	127	169	145	441	73%	Buffer

Table 1 - 2018 housing delivery test outcomes -Pendle Borough

2018 HDT Outcome

Taking the above calculation method for the HDT into account the calculation for Pendle is as follows:

$$\text{Housing delivery test (\%)} = \frac{441}{603} = 73 \%$$

1.5 Given that the outcome of the HDT (73%) is below the 95% threshold, Pendle Council is required to prepare a HAP in 2019. The HAP shows the steps that are being, or will be, taken to address the under-delivery of housing. The draft HAP is attached at Appendix 1.

HAP Structure

- 1.6 There is no prescribed structure for the HAP to follow. Likewise, there is no sign-off, approval or evaluation process for Central Government to follow once the HAP has been prepared and published. However it is likely that the HAP will form part of an examination process for Local Plans and that the Government will apply future sanctions to Councils that do not produce one.
- 1.7 In effect the HAP is a document that sets out where a Council is in terms of delivery, the reasons for underperformance against targets and a process to try and address the under delivery.
- 1.8 Ironically the methodology used for undertaking the assessment changes over a three year period and when the household projection figures are replaced with the figure produced from the Standard Methodology the prediction is that Pendle will pass the test going forward. There is a note of caution here though in that the Standard Methodology nationally has not resulted in household projections that reach the Government’s national housebuilding targets so it is likely to be changed next year in order to inflate the national housing requirement. How that may affect Pendle is as yet unknown.
- 1.9 This HAP has taken account of best practice and the guidance prepared by the Planning Advisory Service (PAS) in its’ preparation and structure. Unfortunately the timing of the PAS

guidance events has been towards the end of the period in which the action plans have been required to be produced so we are still adapting the document to fit the PAS guidance.

The purpose of a HAP is to:

- review past housing delivery performance in terms of the level of past housing delivery;
- undertake an analysis of the local housing market; and
- consider the proactive response taken by Pendle Council and its partners, to help address the under delivery of new housing in the borough.

1.10 The document then continues to set out an action plan for future housing delivery whilst identifying and addressing potential barriers to delivery. The HAP then concludes by setting out key actions and responses. Members will see that Pendle has been very active in promoting new development in many of the ways HAPs are designed to facilitate development so there are not many new areas being suggested for improvement.

1.11 The HAP draws on monitoring records that the Council maintains already as part of authority monitoring and data that is already publicly available. As such there is a suite of monitoring information already in place to draw on.

Next steps

1.12 Good practice guidance shows that the HAP should be subject to engagement with key players active in housing delivery in Pendle. This includes private house builders, their representative body the Home Builders Federation (HBF), Registered Providers of social housing and the Council's joint venture partner (PEARL). Due to the timing of producing the HAP there has not been engagement on it as a coherent document. However we are continually in discussions with developers on bringing development forward so there is an ongoing dialogue with the development industry. The intention is also to

1.13 Looking forward, early indications are that it is likely that in future assessments, the HDT will be met, and that in the immediate future no further HAPs will be required. Primarily this is due to a projected increase in dwelling completions, and a decrease in the calculated housing requirement over 3 years.

Summary

1.14 The HDT is a national test of housing delivery that is applicable across the UK. Where the HDT is not met, a HAP must be prepared. In Pendle the HDT has not been met, and a HAP has been prepared. It is recommended that the draft HAP is approved and is used as a basis for engagement with the development industry on housing going forward.

IMPLICATIONS

Policy: The proposed actions outlined within the HAP are in line with current Council policy and calculated housing need.

Financial: There are no direct financial implications arising from the recommendation in this report

Legal: None arising directly from this report

Risk Management: Government guidance does not indicate that any sanctions will be taken against authorities that fail to prepare a HAP. There is a risk that by not preparing or submitting a HAP, measures could be put in place to boost the supply of housing that are beyond the control of the Council.

Health and Safety: None arising directly from this report

Sustainability: The HDT has been put in place by the Government to assess housing delivery performance in local planning authorities throughout England. In promoting sufficient housing growth to meet identified needs by permitting and delivering additional housing, the HAP makes a positive contribution to sustainable development in the borough.

Community Safety: None arising directly from this report

Equality and Diversity: None arising directly from this report

APPENDICES

Appendix 1 –Draft Housing Action Plan

LIST OF BACKGROUND PAPERS

[Housing Delivery Test: 2018 measurement](#)

[Housing Delivery Test measurement rule book](#)

[National Planning Policy Framework \(NPPF\)](#) (para 75, page 21)