



Basildon Borough Council

**Housing Delivery Test
Action Plan**

May 2020

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1. Introduction

Background

1.1 In 2017, the Government set out proposals in the Housing White Paper, “Fixing our broken housing market” to reform the planning system with the intention of delivering more housing, improving housing affordability and removing barriers to development. As part of these reforms it proposed a new Housing Delivery Test (HDT) as a monitoring tool to demonstrate whether local areas are building enough homes to meet their housing need. It was formally introduced in paragraph 75 of the revised National Planning Policy Framework (NPPF), published in July 2018 and updated in February 2019. The Government has produced the Housing Delivery Test Measurement Rule Book (July 2018) which shows the method to be used nationally by all local planning authorities (LPAs) for calculating the Housing Delivery Test results, and further guidance within the Planning Practice Guidance (PPG).

1.2 The HDT is an annual measurement of the number of homes being delivered in an area by comparing the number of new net homes delivered over the previous three years with the LPAs housing requirement. The equation is set out as follows:

$$\text{Housing Delivery Test (\%)} = \left(\frac{\text{Total net homes delivered over three year period}}{\text{Total number of homes required over the three year period}} \right) \times 100$$

1.3 LPAs are required to undertake this test and submit it to the Secretary of State for Housing, Communities and Local Government who will publish the delivery performance for each LPA in England every November.

1.4 The HDT has been introduced in a phased approach across three years with the first reporting year being 2018. Once fully implemented the following will apply:

- Where housing delivery over the previous three years falls below 95% of the housing requirement, the LPA will be required to prepare an action plan setting out the reasons for under-delivery, how to reduce the risk of future under-delivery and what actions are needed to increase delivery within 6 months of the results being published;
- Where delivery has been less than 85% of the housing requirement, a 20% buffer must be added to the LPA’s 5 year land supply of deliverable sites;
- Where delivery has been less than 75% of the housing requirement, the NPPF’s presumption in favour of sustainable development would automatically apply. During the transitional arrangements the presumption would apply if the housing delivery falls below 25% of the housing requirement in November 2018 and 45% of the housing requirement in November 2019.

1.5 As stated in the PPG, these sanctions will continue to apply until the next HDT is published, which shows that delivery exceeds the required rate of delivery in the following year, or a new housing requirement is adopted for which the HDT will be re-calculated. If delivery exceeds 95% none of the above sanctions will apply.

1.6 In February 2020, the Government published the second HDT results. Against the HDT, Basildon Borough’s delivery rate was reported to be 44% of the housing requirement and as such the

Council is required to produce an 'action plan' by August 2020 , to add a 20% buffer to the Council's 5 year housing land supply and the NPPF's presumption in favour of sustainable development applies.

Purpose of the Action Plan

- 1.7 This action plan provides an analysis of the key reasons for the failure to deliver against the Borough's housing requirement and identifies a series of measures that the Council intends to undertake to increase the delivery of new housing within the Borough going forward.

2. Analysis of Housing Delivery in the Borough

Housing Requirement and Delivery

- 2.1 The housing requirements across the past five years are based on household projections published by Office of National Statistics¹. These are to be used because the Borough does not have an up-to-date adopted Local Plan to set its own housing targets for these years. Table 1 below shows the requirements.

Table 1: Housing Requirement since 2014-15

Year	Housing Requirement
2014-15	660
2015-16	660
2016-17	657
2017-18	773
2018-19	1076

Note: Before 2016-17 the 2012-based household projections were used. From 2016-17 onwards the 2014-based household projections were used.

- 2.2 The housing requirement for the Borough has been consistently around 660 dwellings per year until 2017-18 where the figure increases to 773 dwellings per year, which then rose to 1076 dwellings per year in 2018-19.
- 2.3 Table 2 below sets out the housing delivery achieved in the Borough per year since the reporting year 2014-15.

Table 2: Dwelling completions since 2014-15

Year	Gross	Loss	Net
2014-15	708	30	678
2015-16	847	31	816
2016-17	468	56	412
2017-18	354	13	341
2018-19	373	33	340

- 2.4 Compared to the housing requirement, there has been under-delivery for three of the last five years. Over a longer period of time, as evidenced in the Council's statutory Annual Monitoring Reports, there is evidence of persistent under-delivery which has resulted in a significant shortfall in housing within the Borough. This has had implications for the local housing market, including driving-up house prices and reducing affordability, which is now reflected in the market uplift that needs to be applied in the Borough as part of the Government's standard method for calculating housing need. The standard method, introduced in paragraph 60 of the NPPF in 2018, is referred to in national policy as being the minimum annual local housing need figure and is applicable from 2018 onwards. When calculated, the housing requirement for the Borough for 2018-19 will be

¹ <https://webarchive.nationalarchives.gov.uk/20151203162720/https://www.gov.uk/government/statistic-al-data-sets/live-tables-on-household-projections>

1,086, slightly higher than objectively assessed needs determined by the South Essex Strategic Housing Market Assessment (SHMA).

- 2.5 There has also been considerable variation in the net delivery rates achieved in the Borough, per annum, over this time with the highest number recorded in 2015-16 (816 dwellings) and the lowest in 2018-19 (340 dwellings). The high delivery rates achieved between 2014 and 2016 are largely attributed to the number of new homes delivered by office to residential conversions within the Borough's urban area, including Basildon Town Centre, through the General Permitted Development Order's prior approval process.
- 2.6 In the last three reporting years, the number of completions has decreased; the Borough has had an over reliance on office-to-residential conversions and, owing to a lack of supply of land within the urban area for new housing delivery, the number of opportunities has not allowed any equalisation for delivery.

The Borough's Housing Land Supply

- 2.7 The Council's five year housing land supply report (2019-2024)² identified a future five year supply of 3,001 new dwellings. This supply is made up of sites that have planning consent already in place and are considered deliverable within five years; sites which are contained in the Housing and Economic Land Availability Assessment (HELAA) located in the urban area; and known sites identified for Town Centre regeneration. A breakdown is provided in Table 3.

Table 3: Housing Supply at March 2019

Supply Type	No. of Sites	Dwellings
Planning Consents	184	1,918
HELAA Sites	54	913
Town Centre Regeneration	2	170
Total Supply		3,001

- 2.8 This supply is not however sufficient for the Council to meet its identified housing need over the same reporting period and, as such, the Council has reported a shortfall in its five year housing land supply position. Given the lack of an up-to-date adopted Local Plan, there has not been any further land allocations to bring forward sufficient housing numbers at a scale to replenish the pipeline of housing sites.
- 2.9 Whilst the Council's emerging Local Plan (the Revised Publication Local Plan 2014 – 2034) identifies 16 strategic housing allocations for housing, only two have commenced development, H5: Lane West of Gardiners Lane South, Basildon and H6: Land North of Dry Street, Basildon. All the other strategic housing allocations require the release of Green Belt land, or require a comprehensive approach to development and will most likely not commence until after the emerging Local Plan has been examined by the Planning Inspectorate and adopted. It is currently forecast to be examined during 2020.

² <https://www.basildon.gov.uk/article/7592/5-Year-Housing-Land-Supply-Report>

2.10 The shortfall of suitable, available and deliverable sites for development is considered to ultimately be the main reason why there is a reported under-delivery in housing within the Borough. Until a new Local Plan is adopted, it is not expected that the level of supply will significantly improve.

Measurement of Housing Delivery 2019

2.11 Table 4 below shows the initial figures used to calculate the percentage measurement reported by the HDT.

Table 4: Housing requirement and delivery for Basildon Borough for 2019

	2016-17	2017-18	2018-19	Total number
Number of homes required	657	773	1076	2,089
Number of homes delivered	412	341	340	1,093

2.12 Basildon Borough has not delivered its annual housing target in the last three reporting years which has resulted in the Borough achieving only 44% of its expected housing delivery across the three year period. The average delivery performance across Essex for the same time period was 85% which is higher than in Basildon Borough.

3. Key Actions

Reflection

- 3.1 Reflecting on past housing delivery in the Borough, it is clear that the shortage in supply of deliverable sites across the whole Borough is the main barrier to increased and sustained delivery. The current Adopted Local Plan Saved Policies (2007, first adopted in 1998) does not identify sufficient land to enable the volume of new housing required annually to meet the Borough's need and this is compounded by the fact that only urban sites can deliver any quantum of housing, as land outside of the urban areas is designated Metropolitan Green Belt, where paragraphs 133 to 147 of the NPPF would apply.
- 3.2 It is only through the adoption of a new Local Plan, that additional land can be released from the Green Belt and new sites allocated for housing. Once adopted, these large sites can come forward for development and significantly boost housing delivery. Until that occurs, inappropriate development is, by definition, harmful to the Green Belt and should not be approved except in very special circumstances, for which the under-delivery of new homes does not normally apply, as demonstrated by decisions made at appeals, or by the Secretary of State.

Actions taken to date

- 3.3 The Council has already taken a number of steps to help increase the delivery of homes. The most critical step is the Council's progress of its emerging Local Plan (2014 – 2034) which was submitted to the Secretary of State on 28 March 2019 for examination in public. Once adopted it will unlock the development potential of the Borough and boost the supply of deliverable sites by providing new site allocations. On adoption, the HDT will also be recalculated and the housing requirement will be based on the figures set out in the Local Plan, which are currently lower than the minimum annual local housing need figure calculated using the standard method. However, adoption of the Local Plan is not anticipated until 2021, so the release of sites which are currently within the Green Belt will not come forward until this time for the reasons given in paragraph 3.2.
- 3.4 In addition to the Borough's Local Plan, the Council is working with other LPAs within South Essex to prepare a new strategic spatial strategy for this region.
- 3.5 Other steps that the Council has taken so far include:
- Developing a Borough wide Growth Plan which will identify all development opportunities across the Borough from various work streams, including the emerging Local Plan and the Council's regeneration programme. This will be underpinned by more detailed implementation plans to enable development in the short, medium and long term and drive delivery.
 - Published part one a statutory Brownfield Land Register which identifies suitable sites for housing in the Borough using previously developed land.
 - Delivering market and affordable housing through the Council's wholly owned company Sempra Homes, Housing Revenue Account New Homes Programme and Acorn House Development Ltd. In 2019/20 Sempra Homes delivered 44 new homes.
 - Developing surplus Council owned land to provide new social housing.
 - Working with funding providers such as Homes England to get financial assistance to deliver housing by enabling sites to be developed.
 - Engagement across Essex through the Essex Planning Officers Association Policy Forum to assembling Essex wide development delivery trends and intelligence.

- Ongoing internal and external training opportunities for officers.
- Preparing an update of the Basildon Town Centre masterplan including identifying additional urban supply for housing as part of regeneration schemes (consultation commences June 2020).
- Assessment of sites with planning permission but which have not commenced work or have stalled and liaise with the developer, landowner and/or case officer to encourage commencement and assist with delivery if affected by other regulatory regimes or agreements.
- Promoting the uptake of voluntary Planning Performance Agreements (PPAs) to assist in the delivery of potentially complex applications and for major sites within the emerging Local Plan.
- Encouraging the uptake of the pre-planning application advice service to reduce abortive work by developers to bring forward schemes.
- Streamline the use of planning conditions to ensure these are applied in a reasonable and proportionate manner.
- Working with Homes England to help identify and address issues and barriers to delivery.

Future Actions

- 3.6 Whilst the adoption of a new Local Plan will be the greatest catalyst for increasing delivery there are other actions that the Council should take in order to increase delivery both in the short and longer term.
- 3.7 Other actions that could boost delivery include:
- Prepare site specific masterplans and development briefs for new strategic site allocations in the emerging Local Plan.
 - Prepare supplementary planning documents (SPDs) to provide greater clarity on what is required as part of the planning application process and what should be provided within housing schemes.
 - Develop an ongoing dialogue with landowners and developers (including agents, public bodies and registered providers) of sites allocated within the emerging Local Plan rather than waiting for development to happen.
 - Publish part two of the Brownfield Land Register to allow selected sites within part one of the register to be granted permission in principle for housing-led development.

Impact of Coronavirus Covid-19 Pandemic

- 3.8 The Coronavirus Covid-19 pandemic is likely to reduce housing delivery in 2020. A number of developers temporarily closed their construction sites. Customer confidence is also likely to be reduced with a consequent effect on the buying and selling of property.
- 3.9 Basildon Borough Council will continue to work with the Ministry of Housing Communities and Local Government, Homes England and housebuilders to restore housing delivery in the Borough.

4. Monitoring Arrangements

- 4.1 The success of the actions set out within this Action Plan will be primarily based on whether housing delivery has improved. The earliest this will be apparent in housing delivery figures will be when the current reporting year's figures from March 2020 to April 2021 are published and used to calculate the HDT for 2021.
- 4.2 A full review of the Action Plan will still occur following the publication of the next round of HDT results as it is anticipated that the Borough will continue to be under-delivering. Additional actions or amendments to existing actions will be considered during this review.
- 4.3 Monitoring of the Action Plan will utilise the monitoring framework which will report on progress of the Council's emerging Growth Plan as both plans seek to increase housing delivery.