

Housing Delivery Test Action Plan

August 2019

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SECTION 1: INTRODUCTION

- 1.1 Over recent years the Government has been reforming the planning system in an effort to stimulate the housing market and support house building. The delivery of new homes to meet housing needs is a national issue which the Government has committed to resolving. The Government revised the National Planning Policy Framework (NPPF) in July 2018¹, and through it introduced a new mechanism to monitor housing delivery locally called the Housing Delivery Test (HDT). The HDT has been introduced by the Government as a monitoring tool to demonstrate whether local authority areas are building enough homes to meet their housing need. The HDT compares the number of new homes delivered over the previous three financial years with the local authority's housing requirement.
- 1.2 The 2018 Housing Delivery Test result for Thurrock is 88% which falls below the expected requirement and as a result the Council is now required to produce an Action Plan to show how it plans to increase housing delivery going forward.

Purpose of this Action Plan

- 1.3 This is Thurrock's first Action Plan and it covers the following five main areas:
- An explanation of the housing delivery test;
 - An explanation of the current local planning policy context;
 - Analysis of housing delivery in the borough;
 - Identification of the key actions and responses considered appropriate at this stage to improve housing delivery;
 - Project management and monitoring arrangements.

¹ The NPPF has since been updated again in February 2019 but the changes were much smaller in nature

SECTION 2: HOUSING DELIVERY TEST

2.1 The HDT is an annual measurement of the housing delivery in a Local Planning Authority (LPA) over the previous three financial years. The results of the HDT should be published annually in November by the Ministry for Housing, Communities and Local Government (MHCLG); however the publication of the first results were delayed until February 2019. The planning consequences for not meeting the HDT are set out below.

How does the Housing Delivery Test work?

2.2 The methodology for calculating the HDT is set out in the 'Housing Delivery Test Measurement Rulebook'². The HDT compares the delivery of housing within each LPA over the past three years against the number of homes required as a percentage measurement – delivery of the full amount would result in a HDT result equal to or in excess of 100%. Following the outcome of the results, there are three possible consequences for not meeting the test:

- If delivery has been less than 95%, the LPA should prepare an Action Plan to address the reasons for the shortfall.
- If delivery has been less than 85%, the LPA should include a 20% buffer in calculating the 5 Year Housing Land Supply.
- If delivery has been less than 75%, then the presumption in favour of sustainable development is engaged³

2.3 The presumption in favour of sustainable development would apply with respect to decision-taking on planning applications. In accordance with paragraph 11 of the NPPF, this means:

- Approving development proposals that accord with an up-to-date development plan without delay; or
- Where the policies which are most important for determining the application are out-of-date⁴, granting planning permissions unless:

² Housing Delivery Test Measurement Rule Book

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

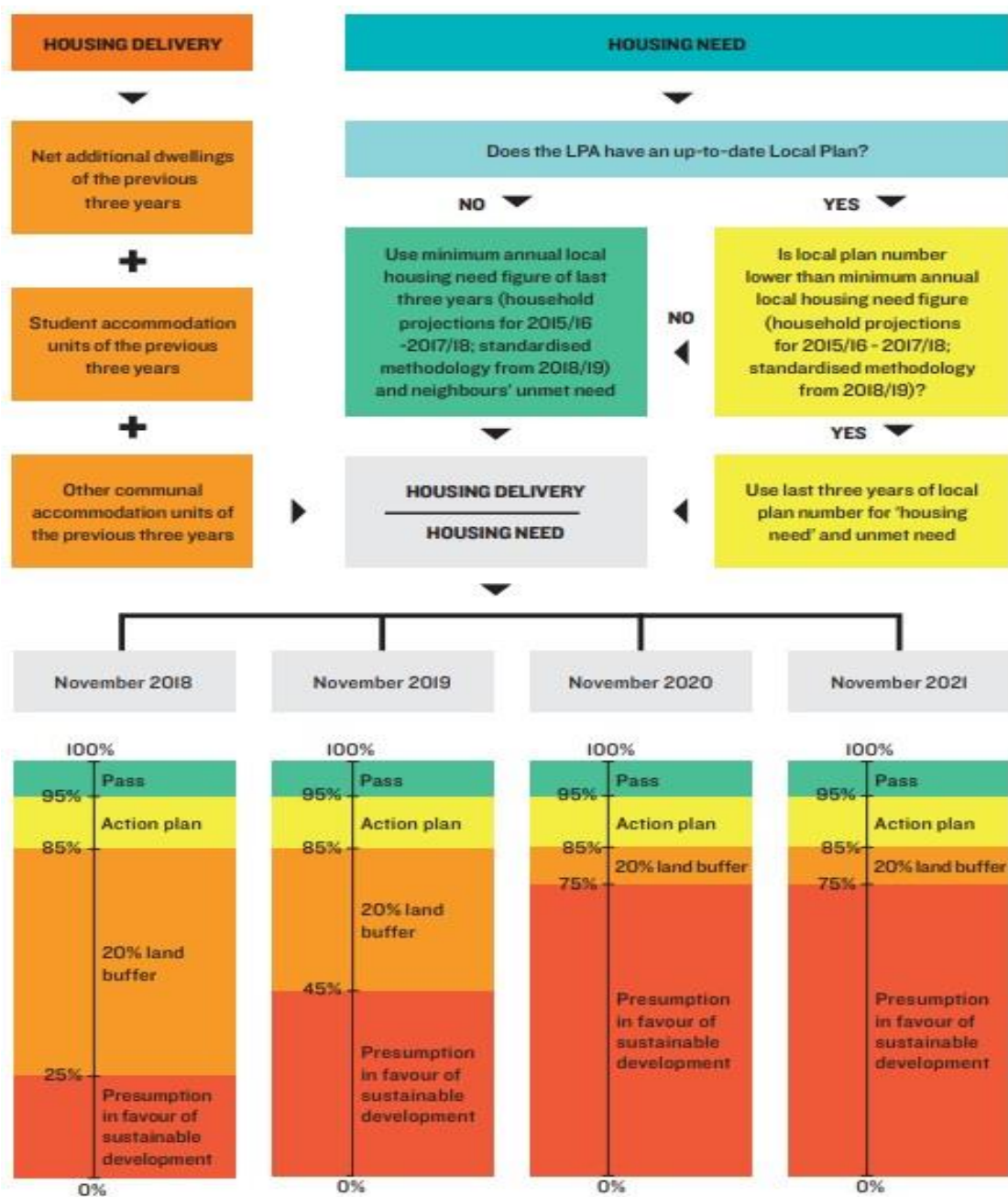
³ As a transitional provision, the threshold in the third element is set at 25% and 45% for the 2018 and 2019 tests

⁴ This includes, for applications involving the provision of housing, situations where the local planning authority cannot demonstrate a five year supply of deliverable housing sites, or where the HDT indicates that the delivery of housing was substantially below (less than 75% of) the housing requirement over the previous three years

- The application of policies in this Framework that protect areas or assets of particular importance provides a clear reason for refusing the development proposed; or
- Any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole.

2.4 Figure 1 shows diagrammatically how the HDT operates including the outcomes and consequences in practice.

Figure 1: Housing Delivery Test process



Source: MHCLG; Lichfields

2.5 The presumption in favour of sustainable development does not change the statutory status of the development plan as the starting point for decision making; however, under this scenario the Council is likely to come under pressure to approve development which may conflict with the development plan. This may lead to an increase in planning appeals as adopted policies are tested against the presumption in favour of sustainable development and so the Council may find it harder to resist speculative, inappropriate or unwanted development outside the protected areas.

Thurrock HDT Result

2.6 As previously mentioned, the HDT is a measure of the net homes delivered against the number of homes required over the previous three years. The results of the first HDT for Thurrock are shown in Table 1 below:

Table 1: Thurrock 2018 HDT Results

	Number of homes required			Total number of homes required	Number of homes delivered			Total number of homes delivered	Housing Delivery Test: 2018 Measurement
	2015/16	2016/17	2017/18		2015/16	2016/17	2017/18		
Thurrock	814	815	851	2,480	711	603	857	2,171	88%
Shortfall in delivery over three year period = 309 homes									

2.7 Thurrock delivered 88% of its housing requirements over the last three years up to the 2017/18 financial year. As Thurrock’s performance falls below the 95% threshold, the Council is required to produce an Action Plan. The Action Plan analyses the causes of under delivery and demonstrates the Council’s commitment to responding positively to the challenge of increasing housing delivery. Action Plans are required to be produced within 6 months of the test results being published.

SECTION 3: PLANNING POLICY CONTEXT

Existing Local Development Plan

- 3.1 The existing local development plan for Thurrock consists of the Core Strategy and Policies for Management of Development Plan Document (DPD). The Thurrock Core Strategy was originally adopted in 2011⁵ prior to the publication of the National Planning Policy Framework in 2012 and was prepared under the, now defunct, regional planning system. This document identified a housing target of 18,500 new homes to be delivered between 2001 and 2021, and identified broad locations for growth, primarily located on previously developed land in the urban area. Work began on a Site Allocations DPD but this work was aborted in 2014 in favour of producing a new Local Plan to replace the Core Strategy.

Emerging Local Development Plan

- 3.2 In February 2014, the Cabinet gave approval to undertake a review of the Core Strategy and begin the preparation of a new Local Plan. A key principle underpinning the operation of the planning system is the requirement that local authorities have an up-to-date Local Plan for their area. A review of the Core Strategy was required in order to address the impact of economic change and a number of significant changes to the planning system at the national, regional and local levels. These included:
- The need for a more up-to-date statutory planning framework to coordinate the delivery of the Council's ambitious growth strategy for Thurrock;
 - The revocation of the East of England Plan and the requirement for local planning authorities to undertake a fresh assessment of their future development needs;
 - A requirement for the Council to identify a deliverable five-year housing land supply and to bring forward more sites for development to support long term economic growth;
 - Legislative changes that fundamentally affect the form, content and process for preparing a Local Plan; and
 - A need to plan for a decision by Government on the route and location of the Lower Thames Crossing (LTC) and its potential economic, transport and environmental impact on the Borough.
- 3.3 The first consultation on the new Local Plan, Issues and Options (Stage 1), commenced in February 2016 and focused on thematic policy areas. A further Regulation 18 consultation, Issues and Options (Stage 2), took place between December 2018 – March 2019. The aim of this consultation was to seek views

⁵ The document was updated in January 2015 following an independent examination of the Core Strategy focused review document on consistency with the National Planning Policy Framework

from communities and key stakeholders on how Thurrock should develop and grow in the future and where, in broad terms, new development could be located to meet identified need.

- 3.4 However, the ability of the Council to make significant further progress on the preparation of the Local Plan is severely constrained by the need to await the outcome of the Lower Thames Crossing (LTC) Development Consent Order (DCO) process. Having taken advice from leading Counsel it is now clear that, while the Council should proceed with the preparation of a draft plan, it will not be possible for Thurrock to submit a Local Plan to the Secretary of State for examination until after the conclusion of the DCO process (expected in 2021 at the earliest). This arises due to the potentially adverse impacts of the scheme, including any future design changes, on the ability of the Council to prepare a sound and deliverable Local Plan.
- 3.5 The Council has been engaging extensively with various Government departments and agencies over the past few months about the unique challenges faced by Thurrock in bringing forward a Local Plan in a timely manner. In particular, a series of meetings with representatives from the Ministry of Housing, Communities and Local Government (MHCLG) have established a number of support measures to assist Thurrock to progress its Local Plan to adoption. These measures include:
- A senior Inspector from the Planning Inspectorate will meet with Council officers on 11th September to discuss the Local Plan and related matters including the impact of the LTC and housing delivery;
 - The setting up of a regular meeting between Council officers and representatives from MHCLG, the Department for Transport, Highways England and Homes England to help find a resolution to the LTC and M25 Jct30 issues which are preventing the early delivery of development and progress on the Local Plan.
 - Meeting between MHCLG's Housing Delivery Team and Council officers to address issues surrounding housing delivery.
- 3.6 It is anticipated that one of the early outcomes following these meetings will be the publication of an updated Local Development Scheme, which will set out a realistic timeline for delivery of the Local Plan having regard to the latest timeline for the Lower Thames Crossing Development Consent Order process.

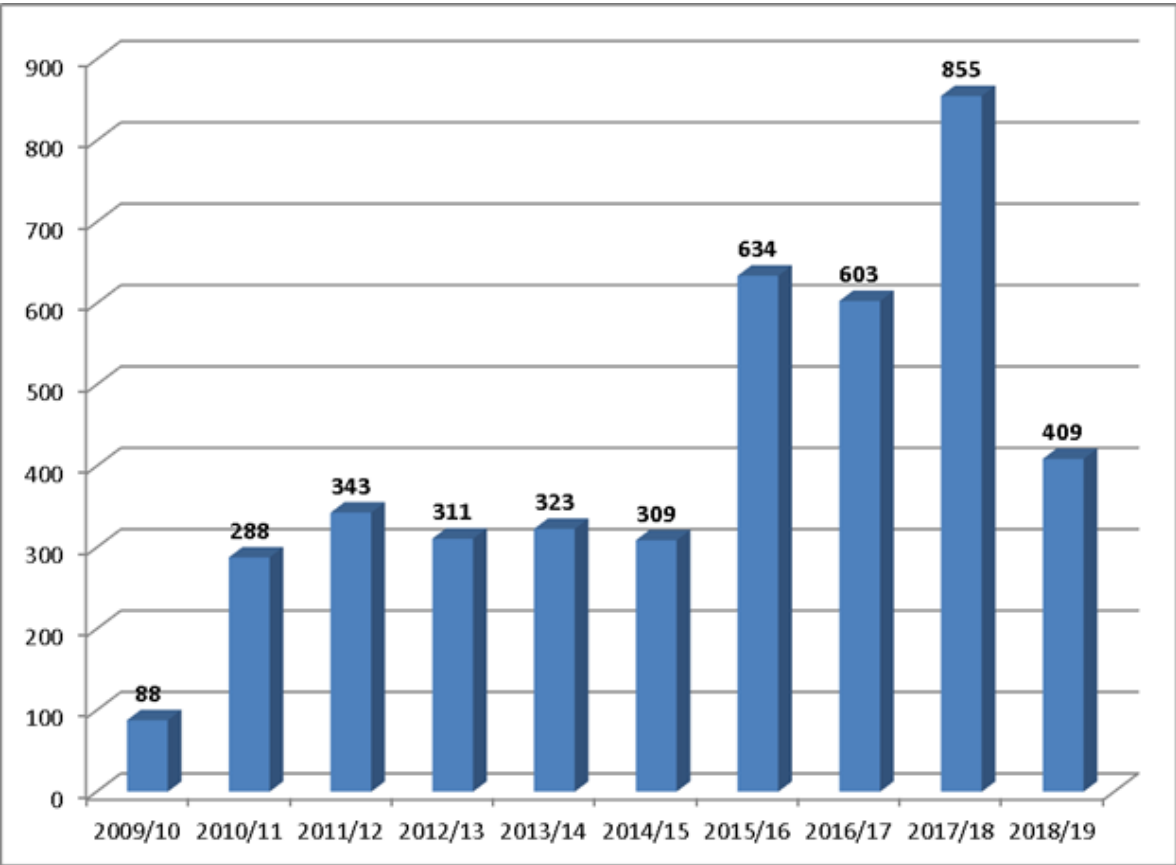
SECTION 4: HOUSING DELIVERY ANALYSIS

4.1 As part of the Action Plan the Council has gathered data on a number of areas relating to housing delivery including historic delivery data in the borough, housing land supply and planning performance.

Historic Housing Delivery in Thurrock

4.2 There has been a consistent shortfall in housing delivery in recent years in Thurrock when assessed against housing requirements over the same period (see Figure 2).

Figure 2: Historic Housing Delivery in Thurrock 2009-2019



4.3 The Core Strategy identified broad locations for development but didn't identify specific sites, which was the intended role of the Site Allocations DPD. The lack of adoption of a Site Allocations DPD to support the Core Strategy makes it difficult to identify in detail specific areas where delivery has fallen below expected levels. Whilst brownfield sites, which were due to form the majority of allocations, have been able to be bought forward for development under the existing planning regime, no Green Belt sites were released for development as this can only be done through the development plan. This has resulted in a lack

of supply of housing land to deliver the housing growth identified in the Core Strategy.

Housing Land Supply

- 4.4 As explained above, one of the key issues affecting the delivery of new homes is the characteristics of the Borough's land supply and as a consequence it means the available land supply is severely limited. The Borough is embedded in the Metropolitan Green Belt (MGB). It permeates all parts of the Borough with 74% of the Borough designated as MGB. Green Belt land has the highest policy protection and is identified as a constraint for development in the NPPF. The NPPF is clear that Green Belt boundaries should only be altered in exceptional circumstances through the plan making process.
- 4.5 The Council has carried out evidence base studies looking at availability and supply of sites for delivering new homes. A Housing Land Availability Assessment (HLAA) has been prepared which identifies the number of new homes that could be delivered in the urban areas. The sites identified to deliver future new homes consist of a combination of sites with planning permission that are under construction, those where planning permission has not yet been implemented and sites where the principle of development is accepted but they have not yet received planning permission. The total housing land supply identified from these sources is approximately 6,500 homes.
- 4.6 Significant further work will need to be carried out to update the HLAA over the next year to enable the Council to gain a far greater understanding of the potential land supply in the Borough. This will include:
- Further work on sites where the principle of development is accepted to ascertain any barriers to them coming forward for development, ie, viability issues, lack of supporting infrastructure;
 - Further work on the opportunities for development at a higher density in urban areas;
 - Initial assessment of Green Belt sites submitted through the Call for Sites to fully understand potential capacity from this source; and
 - Further work on the potential for small sites (under 5 dwellings) to contribute to the identified land supply.
- 4.7 Due to the characteristics of the Borough's land supply, it is only through the adoption of the Local Plan that sufficient land supply to meet the housing needs of the Borough will be identified and allocated for development. This highlights the importance of the timely preparation of the Local Plan to increasing housing delivery in the Borough.

Planning Performance

- 4.8 In 2018/19, 801 planning applications were determined with an approval rate of 76%. During the period, the authority maintained its position within the top 1% of Local Planning Authorities in the country in terms of the timeliness of decisions made. In this regard the Planning Service is considered to be effective in ensuring the development process runs efficiently.
- 4.9 The Council promotes the use of the pre-application discussion process to enable applicants to hone and develop their schemes with input from planning officers, Members and other relevant teams, leading to the submission of better quality schemes that are 'right first time'. Through pre-application discussions, applicants and officers are able to negotiate heads of terms for Section 106 agreements prior to the submission of the application and are also able to agree conditions at an earlier stage, again providing developers with confidence and stability to make commercial decisions.
- 4.10 The Council also encourages the use of Planning Performance Agreements (PPA's) which are a voluntary agreement between an applicant and the Council that sets out the actions, resources and timescales for handling a particular application. Traditionally, the earliest use of PPA's comes at the pre-application stage of the process but Thurrock is currently seeking to introduce the use of PPA's that run throughout the planning process – from plan-making to decision-taking. It is anticipated that a stronger emphasis on front loading will enhance the planning process and reduce the time spent on decision-making following the adoption of the Local Plan.

Implementation of Planning Permissions

- 4.11 Local planning authorities have limited influence to deliver housing once planning permissions have been granted. The timescale for the implementation of a planning permission is generally not considered to be a significant issue in the Borough. Implementation generally occurs within the permission period. However, there are some instances where developers undertake the first stages of implementing a permission by carrying out the demolition of buildings on site and then delay the construction of the development.
- 4.12 Whilst the Council considers that it has established a good dialogue with landowners, developers and agents through both the plan making and planning application processes, it is acknowledged that more should be done to maintain this relationship following the grant of planning permission. The Council will continue dialogue with landowners, developers and agents through the implementation and delivery phase of development with the aim of improving the monitoring of build out rates and obtaining information on any barriers to housing delivery.

Monitoring

- 4.13 It is also apparent that the Council needs to improve its recording and monitoring processes for the types of housing development that are coming forward in the borough. This will help to identify barriers to housing delivery and enable potential solutions to be identified. The Council is engaging in an Essex wide study, through the Essex Planning Officers Association, to pull together a data series on historic build out rates having regard to a number of different criteria, ie. development model, development type, developer, number of outlets. It is hoped that this information will provide local planning authorities across Essex with a robust data set to help inform future housing trajectories and calculations of housing land supply.

SECTION 5: KEY ACTIONS

5.1 One of the key purposes of a Housing Action Plan is to identify actions that could boost the delivery of housing. Below is a series of initial actions that the Council will seek to implement/progress over the next year as it seeks to increase housing delivery in the Borough over the long term. It should be noted that the Action Plan will need to be updated annually until such time that Thurrock meets the requirements of the HDT and further actions will be identified and reported in due course.

Actions Identified

5.2 The following actions are proposed over the forthcoming year:

Aim – Increase housing land supply	
Progress Local Plan	Establish and maintain regular dialogue with Government departments and agencies (Ministry of Housing, Communities and Local Government, Department for Transport, Highways England and Homes England)
	Publish up-to-date Local Development Scheme
Housing Land Availability Assessment (HLAA)	Review development sites in the housing trajectory, including those with extant planning permission and allocated sites, and explore the reasons why site development has not progressed. This may include looking at issues relating to the ability of developers to raise finance
	Further work on denser urban development options
	Further work on small sites delivery
	Update HLAA with Call for Sites 2019 data
	Initial assessment of Green Belt sites submitted through the Call for Sites to fully understand potential capacity from this source

Aim – Improve speed of decision-making
Introduce planning performance agreements that run throughout the planning process, from plan-making to decision-making. It is anticipated that a stronger emphasis on front loading will reduce uncertainty and the time spent on decision-making.

Aim –Improve monitoring processes	
Establish improved monitoring processes	To establish better understanding of typologies of sites being delivered to identify barriers to delivery
	Input into Essex wide data collection exercise of developer build out rates
Increased understanding of implementation and delivery of sites in housing trajectory	Establish better dialogue with landowners, developers and agents to monitor build out rates and obtain information on barriers to housing delivery
Better working relationships with other Council departments	Planning Policy Officer to attend Planning and Housing Development Liaison meeting to share information on the development of Council-owned sites by the Council's development arm
	Establishment of a 'Housing Demand and Delivery Group' with officers from Housing and Planning

SECTION 6: Project management and monitoring

- 6.1 Housing delivery will be monitored throughout the year and reported in both the Authority Monitoring Report and through the results of the Housing Delivery Test. It is not envisaged that the actions proposed in this Action Plan will have an impact on housing delivery in the short term as the key issue holding back delivery is the lack of a five year housing land supply, and the only way in which this will be resolved is through the adoption of the Local Plan. It is however, considered that these actions will contribute to a better understanding of the issues surrounding the challenges of housing delivery in the borough, and will lead to the identification of further actions which will have a more measureable impact on housing delivery in due course.
- 6.2 The Action Plan will be reviewed annually until such time as the Council meets the requirements of the Housing Delivery Test.