

# **North Somerset Council**

## **Housing Delivery Test Action Plan**

Published July 2022



## Background

The National Planning Policy Framework (NPPF) first introduced the concept of the Housing Delivery Test in 2018.

Paragraph 76 of the NPPF states:

*‘To maintain the supply of housing, local planning authorities should monitor progress in building out sites which have permission. Where the Housing Delivery Test indicates that delivery has fallen below 95% of the local planning authority’s housing requirement over the previous three years, the authority should prepare an action plan in line with national planning guidance, to assess the causes of under-delivery and identify actions to increase delivery in future years.’*

The National Planning Practice Guidance (NPPG) provides further detail. If the delivery of housing within an authority’s area falls below the housing requirement then the following consequences will apply;

- The publication of an action plan if housing delivery falls below 95%;
- A 20% buffer on a local planning authority’s 5-year land supply if housing delivery falls below 85%; and
- The application of the NPPF Paragraph 11(d) presumption in favour of sustainable development if housing delivery is substantially below (defined as less than 75% of) the housing requirement over the previous three years.

The Housing Delivery Test applies the day following publication of the results, at which point they supersede previously published results. Consequences will continue to apply until the subsequent Housing Delivery Test results are published, or a new housing requirement is adopted.

## Housing Delivery Test results

On 14 January 2022 the ‘Housing Delivery Test: 2021 Measurement’ was published by the Department for Levelling Up, Housing and Communities. This is the fourth Housing Delivery Test (HDT) publication since the measure was introduced in 2018.

The Coronavirus pandemic and the associated national lockdown, announced on 23 March 2020, was an unprecedented event which saw temporary disruption to the construction sector and also local authority planning services. This is acknowledged by and reflected in the HDT results. The ‘homes required’ element of the HDT calculation has been reduced for both of the past two years (reduced by a month for the 2019/20 year and four months in the 2020/21 year).

For North Somerset, the results show that 89% of the housing required within the previous 3 years was delivered.

## North Somerset results

Measurement/Year	2018/19	2019/20	2021/21	Total
Number of homes required	1,049	960	867	2,877
Number of homes delivered	729	868	966	2,563
Housing delivery test result				89%

The consequences of the 89% result are that the authority must publish an action plan.

Whilst it is acknowledged that further improvement in housing delivery is still needed, the 89% result is an improvement on past performance, which saw recorded results of 81% last year, 78% the year before and 73% previously.

One significant difference arises in the consequences of the result from last year and this year, as the Council's most recent delivery is now in excess of 85% of the requirement. Paragraph 74 of the NPPF states:

*'The supply of specific deliverable sites should in addition include a buffer (moved forward from later in the plan period) of:*

- a) *5% to ensure choice and competition in the market for land; or*
- b) *10% where the local planning authority wishes to demonstrate a five year supply of deliverable sites through an annual position statement or recently adopted plan to account for any fluctuations in the market during that year; or*
- c) *20% where there has been significant under delivery of housing over the previous three years, to improve the prospect of achieving the planned supply.'*

Until publication of the most recent results, criteria c) applied in North Somerset – a 20% buffer was prescribed as required to improve the prospect of achieving the planned supply, as there had been significant under delivery of housing.

This is no longer the case. North Somerset has no longer demonstrated significant under delivery of housing in terms of the NPPF on the basis of the most recent HDT results standing at 89% of the requirement.

The table below shows how, whilst delivery currently remains below the requirement, progress has steadily been made year on year. The housing delivery test has only been an official measure for the past four years; however, we have replicated the results for previous years to show the progress that is being made over time.

Three-year period	2010/11 2011/12 2012/13	2011/12 2012/13 2013/14	2012/13 2013/14 2014/15	2013/14 2014/15 2015/16	2014/15 2015/16 2016/17	2015/16 2016/17 2017/18	2016/17 2017/18 2018/19	2017/18 2018/19 2019/20	2018/19 2019/20 2020/21
Delivery	1,679	1,802	1,961	2,003	2,095	2,284	2,444	2,460	2,563
Requirement	3,147	3,147	3,147	3,147	3,147	3,147	3,147	3,058	2,877
% result	53%	57%	62%	64%	67%	73%	78%	81%	89%

## What is a Housing Delivery Test action plan?

The National Planning Practice Guidance sets out what an action plan is and what it should include. Its primary purposes are to identify reasons why housing targets have not been achieved, explore ways to reduce the risk of further under-delivery and set out measures that can be taken to improve delivery in future years.

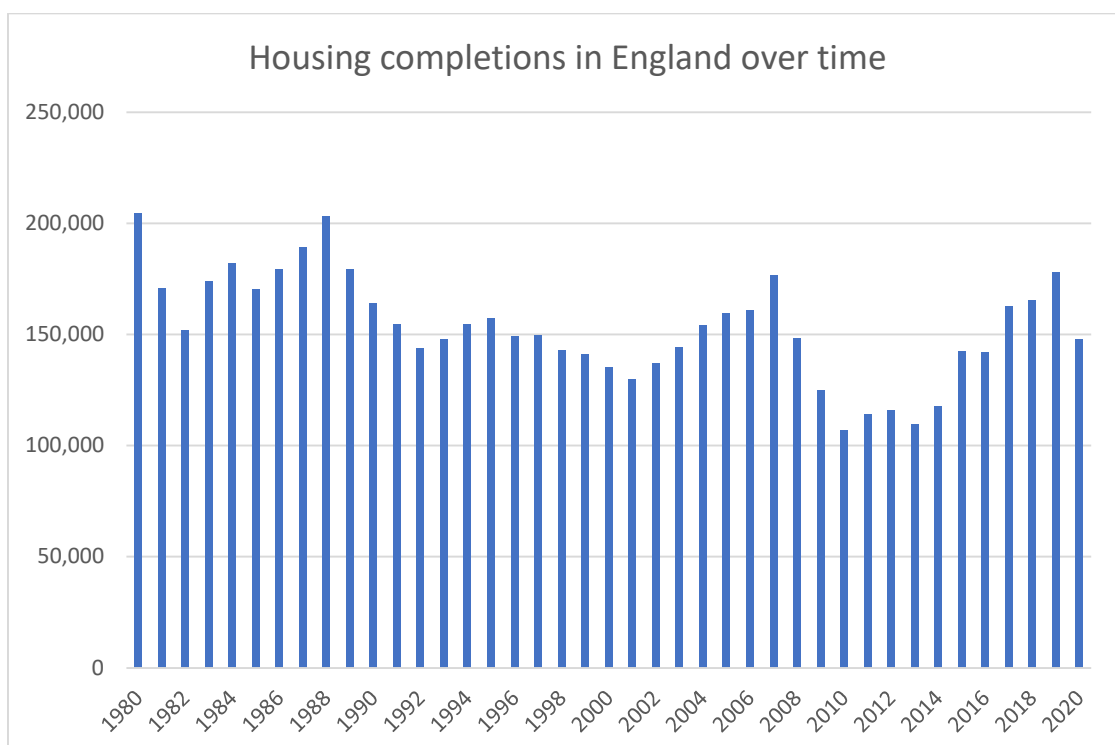
This report is intended to be a practical document which identifies known issues that have contributed to past under delivery of housing in relation to targets and sets out actions that are needed to try and address the issues.

The aim of this document is to set out workstreams and actions that could help improve housing delivery within North Somerset and ensure that we deliver the right homes in the right places in step with the right infrastructure.

## Housing delivery

### Nationally

Housing delivery shortfall is not an issue that is unique to North Somerset, the housing challenge is a national problem, recognised by the Government.



Of the 321 areas subject to the Housing Delivery Test (predominantly individual local authorities, although in some cases development corporation areas or joint local plan areas covering more than one council), 93 have recorded performance of delivering

less than 95% of their housing requirement over the past 3 years and must produce an action plan. 70 areas must apply a 20% buffer and in 51 areas the presumption in favour of sustainable development is imposed due to the results. Neither of these sanctions apply in North Somerset.

## Locally

North Somerset Council's current adopted housing requirement is 20,985 dwellings for the plan period 2006-2026 as set out in the North Somerset Core Strategy.

Against this requirement housing completions to date are set out below, up to 2021, the most recent measure for the Housing Delivery Test.

	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Target	1049	1049	1049	1049	1049	1049	1049	1049	1049	1049	1049	1049	1049	1049	1049
Completions	1132	1474	935	772	637	515	527	760	674	569	852	863	729	868	966
Performance	83	425	-114	-277	-412	-534	-522	-289	-375	-480	-197	-186	-320	-181	-83

## Housing land supply

The Core Strategy housing requirement was adopted in September 2015. As this is more than five years ago, housing land supply must now be calculated using the Government's standard methodology for deriving a local housing need figure.

The process is prescribed in the planning practice guidance. The first step is to set the baseline for local growth, using the 2014 based household projections dataset. This is followed by an uplift to take account of affordability issues locally, considering average house prices and earnings.

Following the steps set out, at the time of writing the output for North Somerset is that 1,392 dwellings are required each year.

Recent appeal decisions have confirmed that the Council cannot demonstrate a five-year land supply against this challenging target, with the most recent conclusions of Inspector's indicating that supply is in the region of 3.5 years.

## Understanding the issues

Many factors have led to the under delivery of housing in North Somerset in recent years.

### Increase in housing requirement and delays within plan making process

Production of the current adopted development plan documents within North Somerset was a long, protracted and complicated process. The Core Strategy was originally adopted in April 2012 containing a housing requirement of 14,000 dwellings for the plan period. Work then commenced on a Sites and Policies Plan to identify sufficient sites to achieve, and exceed, this target. The Core Strategy was adopted but the housing requirement was then subject to a legal challenge, the outcome of which was the Inspector was found to have failed to give adequate and intelligible reasons to support his decision. A number of the policies, including the scale of new housing, were remitted back to the Planning Inspectorate to be reconsidered.

The Council undertook further work to review the level of housing that was needed. Following examination hearings, the Inspector concluded that a housing requirement of 20,985 dwellings was appropriate, and the Secretary of State directed adoption of this figure in 2015.

Whilst debate had been taking place on the amount of housing required, plan-making had had to pause in respect of identifying the required sites. Work did, however, proceed on up to date detailed development management policies, and the Sites and Policies Plan Part 1 was adopted in 2016.

In 2017 the other remitted policies of the Core Strategy were re-adopted, re-confirming the spatial strategy and the settlement hierarchy. The focus could then move to identifying specific deliverable site allocations to deliver the housing requirement. In 2018 the Council adopted the Sites and Policies Plan Part 2, which identified sufficient capacity to achieve 22,285 dwellings over the plan period and specifically included additional deliverable sites required by the Inspector to ensure that the five-year supply would be addressed.

To summarise, following a long period of uncertainty, the detailed local plan setting out the housing allocations was finally adopted in April 2018. Progressing allocated sites through the development management process to eventually seeing completions on sites takes time – many of our strategic sites have taken at least 2-3 years post planning consent to fully mobilise and become operational on site.

### Coronavirus

The coronavirus pandemic and associated lockdowns and restrictions led to a wholesale shift to working from home for both council staff and many other organisations and forced the housebuilding industry to down tools completely in March 2020. This is acknowledged by the housing delivery test measurement calculations; a deduction of 1/12 of the housing requirement was made for the 2019/20 monitoring year and a further 4/12 discount was made to the housing

requirement element of the calculation for the 2020/21 period to take account of the prolonged periods of inactivity and restrictions. Market intelligence suggests that the knock-on effects are likely to continue to be felt for some time to come due to ongoing economic uncertainty.

#### Lack of resources and pressures within the development management process

An ongoing problem shared by Local Planning Authorities is pressure on resources. This pressure is exacerbated by speculative planning applications and appeals – within North Somerset there has been a series of five large public inquiries between February and July this year. As referred to above, coronavirus restrictions also impacted on efficiency during the pandemic, with staff having to work remotely and staff absences due to illness and isolation periods.

In addition to resources specifically within the development management teams there have also been wider issues within other council services, such as ecology, which has impacts on planning services such as pre-application advice, discharge of conditions and decision making in general.

#### Complex sites

A key ambition both locally and nationally is to deliver sustainable development and a part of that within North Somerset includes a desire to see the redevelopment of previously developed (and currently under-utilised) sites. Regeneration schemes, particularly within our town centres, have proven to be both costly and complicated to deliver, with multiple ownerships and a lack of funding available often a problem. Significant progress has been made since a new Development Team has been established with a focus on delivering housing on council owned land, acknowledging that these difficult sites can take time to deliver.

#### Strategic sites

Over 30% of the overall Core Strategy housing requirement is being delivered at the strategic development area of Weston Villages. A supplementary planning document containing a masterplan was produced to guide the development. The first completions within this area were recorded in 2011, and delivery has seen peaks and troughs since.

#### Developers responsibilities

The Council can only do so much to directly deliver housing. Once sites are allocated, permissions granted and conditions discharged, the responsibility for actually delivering the housing sits with the landowners and developers. The Council are fully committed to assisting with housing delivery as far as they can, however ultimately this cannot be achieved on the Council's efforts alone.

## What progress has been made?

This year's housing delivery test result of 89% is a significant increase on the 81% result last year, the 78% result previously and our first result which stood at 73%.

Last year we proposed six actions. The table below shows the progress that has been made to date.

Action	Progress
Progressing the new Local Plan	<p>Over the past year the Planning Policy Team have produced, and consulted upon, a Regulation 18 consultation draft plan, the Local Plan 2038 Preferred Options document.</p> <p>This document identifies new proposed allocations to meet development needs for the plan period 2023 – 2038, along with a full suite of development management policies.</p> <p>The consultation took place from 14 March – 29 April 2022. Over 4,000 comments were received, and these are now being reviewed to shape the pre-submission version of the plan.</p> <p>Our current Local Development Scheme sets the following milestones for plan production through to adoption:            Consult on Pre-submission Plan – November 2022            Submission to Secretary of State – January 2023            Examination Hearings – April 2023            Inspector's Report – October 2023            Adoption – December 2023</p>
Additional monitoring	<p>As in previous years, we have kept our largest sites under review throughout the year, to assess whether commencements and completions align with our expectations. Due to coronavirus lockdowns and restrictions this has been undertaken on an ad-hoc basis over the past two years. We proposed to continue with this additional monitoring, and formalise the process over the coming year.</p>
Delivery on Council owned land	<p>The Council formally adopted a Development Strategy in February 2021, setting out its commitment to delivery of high-quality housing and employment on its own landholdings.</p> <p>Progress on specific sites over the past year is as follows:</p>



	<ul style="list-style-type: none"><li>• Land at Parklands Village: this site has Outline Planning consent for 700 homes. In November 2020, Keepmoat Homes were awarded the contract for delivery of a first phase of 425 homes and work started on site in summer 2021. The first homes are expected to be available for occupation late 2022 / early 2023, with a build rate of at least 86 homes per year. The homes will be developed using Modern Methods of Construction (MMC) and will be low carbon, including 15% net zero carbon homes. 30% will be affordable.</li> <li>• Land to the South of The Uplands, Nailsea: this site secured Full Planning approval for 52 homes in February 2021, for a scheme designed by the Stirling Prize award winning architects, Mikhail Riches. All homes will be Passivhaus certified and supplied with Electrical Vehicle charging, setting a new high standard for sustainability in the area. A process to procure a development partner concluded in June 2022 with the selection of Stonewood Partnerships. A start on site is expected later in 2022 with the first homes available in 2023. 40% of the homes will be affordable.</li> <li>• Weston Town Centre sites and Parklands Phase 2:<ul style="list-style-type: none"><li>○ In March 2022, the council acquired three significant town centre development sites from Homes England: Locking Road, Sunnyside Road and Dolphin Square. Along with Walliscote Place, which the council already owned, these sites are expected to deliver around 500 homes, as well as potential commercial and community uses. A Commissioning Plan for the procurement of a development partner was approved by Full Council in February 2022 and the procurement process is expected to start later this year to enable an appointment early in 2023 and commencement of works in 2024/2025. The works will be facilitated by £1m One Public Estate Brownfield Land Release Funding, which will be used to carry out remediation of the Walliscote Place site.</li><li>○ The Council owns a further parcel of land at Parklands Village, which has Outline consent for 275 homes, a primary school</li></ul></li></ul>
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	<p>and commercial uses. The procurement of a development partner for this site is likely to be linked into the procurement exercise for the Weston Town Centre sites.</p> <ul style="list-style-type: none"> <li>In February 2022 the Council agreed to transition staff out of its Castlewood office in Clevedon. The council has appointed a team led by PRP architects to develop a preferred option and business case for the re-development of the site, which is expected to be residential-led, delivering potentially 50 – 150 homes.</li> </ul> <p>In addition to the above, a consultation on future sites for the development programme concluded in June 2022. The consultation considered 15 potential sites and the outcomes and recommendations will be reported to Council in November.</p>
Engagement with developers	<p>During 2021 coronavirus restrictions continued to restrict physical meetings, however we continued to meet virtually with key developers and landowners, particularly those delivering our strategic sites. Ongoing regular liaison meetings take place at director level, and officers regularly engage with forums such as the Locking Parklands Stakeholder Group.</p> <p>Early engagement meetings have been held with the promoters of sites as part of the Local Plan process on a range of sites, from some of the smallest right through to the proposed new strategic developments.</p>
Review of resources	<p>Internal restructures have taken place and a Planning Advisory Service Peer Review was undertaken.</p> <p>Senior officers from service areas across the Council now meet frequently at Development Forum Priorities Meetings, to ensure that housing supply is enabled, supported and boosted.</p> <p>A new Development Contributions Officer role has been created within the Planning Policy Team. This post will help us to better monitor and understand housing delivery and forecasts.</p>
Continuing to bid for funding opportunities	<p>We continue to bid for any funds that become available to support housing delivery. Recent successful awards include a £1m grant from the One Public Estate Land Release Fund – this money will enable us to carry out remediation and enabling works on the Walliscote Place site in Weston-super-Mare.</p>

## Actions proposed this year

The following actions are proposed this year in order to continue to support delivery and boost supply.

### Progressing the new Local Plan

Significant progress has been made over the past two years, and work is ongoing to produce a pre-submission plan for consultation by the end of 2022.

The plan will allocate a mixed portfolio of sites at a range of sustainable locations, from small allocations of 10 dwellings at villages right through to strategic developments for thousands of new homes in sustainable well-connected places. This will help us to maintain a steady supply of deliverable sites.

The emerging plan has also undertaken a review of settlement boundaries, and the Policies Map that accompanied the Preferred Options Consultation Document expanded a number of the boundaries at towns and villages, and also proposes to reinstate new boundaries at a number of smaller settlements that were removed previously. Policies will permit appropriate developments within these areas, again offering opportunities to boost supply.

The current Local Development Scheme sets the following timetable for plan production and adoption of the new plan.

Timetable and milestones	
Pre-commencement Document	March 2020
Issues and Options Consultation - Challenges Consultation - Choices Consultation	July – September 2020 November – December 2020
Consultation on Draft Plan	March – April 2022
Consultation on Pre-submission Plan	November 2022
Submission to Secretary of State	January 2023
Examination Hearings	April 2023
Inspector's Report	October 2023
Adoption	December 2023

Alongside this we will continue to support the production of Neighbourhood Plans in communities who wish to bring forward suitable locally supported housing sites.

### Delivery on council owned land

As reported above, significant progress has been made over the last twelve months. Specific actions for taking forward additional sites will be informed by the results of the consultation on our development programme which concluded last month. The consultation considered 15 potential sites and the outcomes and recommendations will be reported to Council in November.

### Engagement with developers

It is proposed to review the standard questionnaires that are issued to developers for them to provide updates on their sites, to ensure we are collecting the right information to allow us to fully understand their progress and any impediments to delivery. This in turn will enable us to compile fully informed robust trajectories to ensure that we are on track to maintain supply and boost delivery.

A series of quarterly meetings are being arranged with developers of medium and large sites, which will be attended by key officers. It is hoped that these meetings will ensure good relationships are maintained and any issues addressed in a timely manner.

Initial stakeholder meetings have already been held with a number of promoters, developers and landowners of emerging Local Plan allocations to ensure any constraints to delivery can be address in parallel with the plan making process.

### Securing additional resources

We continue to strive to make the best possible use of the limited resources available for both plan-making and dealing with planning applications.

This year we will be exploring opportunities to fund additional resources through Planning Performance Agreements.

### Training and development

As referred to above, recent appeal decisions within the district have concluded that we are unable to demonstrate a five-year supply of land for housing. This means that paragraph 11 of the NPPF is engaged, and applications for housing must be considered in the context of the current shortfall. We will hold briefings with members and officers to ensure that this process is fully understood. We will also engage with local town and parish councils to raise awareness of this context.

### Reducing lead-in times for development

As mentioned in the issues section, both the council and the developer play a part in delivery. The council will explore how we can reduce lead-in times for enabling new housing, by analysing past rates and working out how we can speed up the process. Coupled with this, we will engage with developers to try and implement consents quicker and consider imposing conditions with shorter timescales for delivery. This will help to restore the current five-year supply deficit.

## Monitoring and review

The council will continue to review and refine actions to support and boost housing delivery within the district. Any updates will be published in the Authorities Monitoring Report which will be prepared in the autumn for publication on or before 31 December 2022.