

Cabinet Member- Infrastructure and Transport Briefing Note Herefordshire Housing Delivery Test - latest position 20st January 2021

Background

1. The Housing Delivery Test (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 Council's housing requirement over the same period.

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

2. HDT is used as a monitoring tool by the Government to demonstrate whether local authority 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. Councils that fail to meet delivery rate targets are required to take appropriate action to address under-delivery.

Introduction

3. In Herefordshire the HDT measures net additional dwellings provided against the homes required, using Core Strategy housing targets. On Tuesday 19th January 2021¹, the Government published the HDT measurement for Local Planning Authorities (LPAs)². The results so far are:

Year	Authority	Score	Publication	Consequences
2020	Herefordshire	106%	January 2021	None
2019	Herefordshire	80%	February 2020	20% buffer + Action Plan
2018	Herefordshire	74%	February 2019	20% buffer + Action Plan

4. The 2020 result is a sound achievement for this year and shows that the Council has delivered above its housing target over the past three years. It is worth noting that for the 2020 measurement, The Government states 'there is a reduction in the period for measuring total homes required – usually this would be measured over a three-year period but an 11-month period has been used for the 2019/20 monitoring year. This is to account for disruption to housing delivery and monitoring caused by restrictions announced on 23 March 2020, in response to the COVID-19 pandemic'³.
5. The first two years when this measurement began resulted in the Council having to endure additional consequences. There was the continued application of the 20% buffer to the 5 Year Housing Land Supply requirement which made it more difficult to achieve a 5 year housing land supply. The 20% buffer has been in place since the adoption of the Local Plan Core Strategy 2011-2031. There was also a requirement to produce an Action Plan for authorities delivering less than **95%**. The NPPF at paragraph 75 indicates that LPAs should prepare an **action plan** to assess the causes of under - delivery of housing

¹ The HDT Result are expected to be published in November of each year but on the first two previous years, there was a three month delay until the following February before results were published.

² 2020 results [Housing Delivery Test: 2020 measurement - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/housing-delivery-test-2020-measurement)

³ [Housing Delivery Test: 2020 measurement - Technical note \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/524242/housing-delivery-test-2020-measurement-technical-note.pdf)

and identify actions to increase delivery in future years. The second Action Plan was produced and published in September 2020⁴ for the 2019 result. The action plan must be completed within six months of results being published.

6. The HDT operates alongside existing *'five-year housing land supply'* requirements set out in the National Planning Policy Framework and Planning Practice Guidance. As stated in the PPG⁵, 'To ensure that there is a realistic prospect of achieving the planned level of housing supply, the local planning authority should always add an appropriate buffer.'
7. Buffers are not cumulative, meaning that an authority should add one of the following⁶, depending on circumstances:
 - 5% - the minimum buffer for all authorities, necessary to ensure choice and competition in the market, where they are not seeking to demonstrate a 5 year housing land supply;
 - 10% - the buffer for authorities seeking to 'confirm' 5 year housing land supply for a year, through a recently adopted plan or subsequent annual position statement (as set out in paragraph 74 of the National Planning Policy Framework), unless they have to apply a 20% buffer (as below); and
 - 20% - the buffer for authorities where delivery of housing taken as a whole over the previous 3 years, has fallen below 85% of the requirement, as set out in the last published Housing Delivery Test results.
8. As the Council must apply one of these buffers to reflect local circumstances; the appropriate buffer to be applied is the **5% buffer** as the latest HDT result means the council does not need to apply the 20% buffer. A 10% buffer would be applied if the Council were close to adopting a new plan.
9. Clearly the HDT is dependent on a high housing delivery record and it would be advisable and worthwhile to continue with the most recent HDT Action Plan to maintain this favourable position.
10. As the 5% buffer is now relevant, this will **increase the 2020 5 Year Land Position** of 3.69 years but is highly unlikely to raise it above 5 years. There will be an addendum to the 2020 5 Year Housing Land Supply Position Statement as a result of this as soon as possible.

⁴ Herefordshire HDT Action Plan September 2020

<https://www.herefordshire.gov.uk/downloads/file/21235/amr-2020-section-7-herefordshire-housing-delivery-test-action-plan>

⁵ PPG, Housing supply and delivery <https://www.gov.uk/guidance/housing-supply-and-delivery>

⁶ *ibid*