

**Arun District Council  
Housing Delivery Test –  
Action Plan  
June 2019**



# 1. Introduction

1. Arun District Council (ADC) adopted the Arun Local Plan (2011-2031) in July 2018. The Arun Local Plan (ALP 2018) sets out a housing target of 20,000 dwellings over the plan period (1,000 dwelling per annum) with a stepped housing land supply trajectory.
2. The development Strategy is based on 10 Strategic Allocations supported by strategic infrastructure projects (as set out in the Infrastructure Capacity Delivery Plan 2017) as well as other housing allocations and Neighbourhood Plan allocations. Additional housing supply is to be provided through a Non-Strategic Sites Development Plan Document (DPD) and a Gypsy & Traveller Site Allocations DPD.
3. The ALP 2018 established a 5.3-year housing land supply (5-year HLS) and in accordance with paragraph 74 of the National Planning Policy Framework 2019 is defensible until the end of October 2019. However, there is now evidence that housing delivery is not performing as effectively as established at Local Plan examination in 2017. The Authority Monitoring Report 2018 (covering the period 2017/18) published by Arun District Council sets out the latest position on the 5-year HLS which is 4.7 years.
4. The Government published ADC's November 2018 Housing Delivery Test (HDT) result in February 2019. This result was 91% and indicated that ADC needed to publish an Action Plan in order to identify barriers to housing delivery and measures to overcome them (i.e. this document). This is also a reflection of recent slow down in the progress of delivering housing supply as signalled by the lack of a 5-year HLS.
5. This Action Plan sets out an analysis of ADC's recent housing delivery performance and identifies issue and barriers and potential solutions to overcome these barriers.
6. This Action Plan is a corporate document but is also outward facing to ensure that there is collective understanding of the issues presented and the potential solutions and the roles of all key stakeholders in housing delivery.

## **2. Executive Summary**

2.1 The key conclusions and outputs from the Action Plan are: -

- a) Housing delivery has underperformed in the initial first 5 years of the Adopted Arun Local 2018 (ALP 2018) which covers the 20-year period 2011-2031
- b) A stepped housing trajectory has been adopted because of the need to boost housing delivery based on key Strategic Allocations
- c) Monitoring of housing supply and delivery via the AMR 2018 suggests that initial improved performance may not be sustained against the housing stepped trajectory in the plan with significant skewing of the stepped trajectory further into the plan period
- d) Evidenced trajectory delivery rates from the Local Plan are not being fulfilled by developers
- e) There appear to be many complex reasons for non-delivery including significant infrastructure delivery constraints, an unwillingness in some instances to coordinate individual schemes through Masterplans in the Strategic allocations and consequently poor-quality planning applications leading to applications being refused, as well officer recommendations for approval being overturned at committee and other market factors to do with local market saturation/phasing etc.
- f) Arun currently cannot demonstrate a 5-year housing Land supply
- g) A number of potential actions are therefore, set out in this Action Plan to try and deliver an increase in housing performance within the Arun district local planning area

### 3. National Guidance on Housing Land Supply and Delivery

- 3.1 The National Planning Policy Framework (NPPF 2019) introduced significant changes to how local authorities; measure their Objectively Assessed Housing Need (OAN); measure past performance on housing delivery against their housing need or requirement; and calculate an adequate 5-year housing land supply looking ahead.

#### **Standard Housing Methodology:**

- 3.2 The Objectively Assessed Housing Need (OAN) is now calculated according to the government's Standard Housing Methodology (SHM).
- 3.3 The SHM establishes a baseline housing need using annualised 10 year household projections, pro rata for any plan period, which is uplifted for a local affordability factor (i.e. for each 1% increase in the ratio of local house prices to local earnings, where the ratio is above 4, the average household growth is to be increased by a quarter of a percent. No adjustment is applied where the ratio is 4 or below).
- 3.4 However, any such uplift may be 'capped' at 40% where the local authority has a recently adopted Local Plan (i.e. within the last 5 years – i.e. at the point of making the calculation);

#### **Housing Delivery Test (HDT):**

- 3.5 measures a local authority's housing delivery performance over the previous 3 years and is expressed as a percentage of the housing completions as a proportion of the total housing requirement: -

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

- 3.6 The HDT measures the net homes delivered using a national statistic for net additional homes over a 3-year rolling period, with adjustments for net student and net communal accommodation using two nationally set ratios based on Census data.
- 3.7 The housing requirement is measured using whichever is the lower of either: -
- the housing targets set out within the adopted Arun Local Plan 2018 (i.e. an up to date plan which is less than 5 years old) and may include a 'stepped housing trajectory' and unmet need from neighbouring authorities (as is the case for the adopted Arun Local Plan 2018); or

- under transitional requirements,<sup>1</sup> the annualised household growth over a 10 year period using published housing projections for the 3 financial years:-
    - 2015/16 – (2012 based)
    - 2016/17 (2012 based)
    - 2017/18 (2014 based)
- 3.8 The use of projections is used under transitional arrangements because the SHM outlined above, did not exist prior to the 2017/18 date.
- 3.9 However, in November 2019 the minimum annual local housing need will be measured using the SHM if there are no up-to-date (i.e. less than 5 years old) housing targets.
- 3.10 The intention is to replace the projections and also eventually the SHM measure of local housing need, as up to date housing targets are adopted in development plans, at each subsequent annual publication of the HDT.
- 3.11 The HDT is the basis for calculating an authority's 'buffer' for calculating a 5-year housing land supply alongside paragraph 73 b) and 74 of the NPPF 2019;

#### **'Specific Deliverable Sites' definition for 5-year HLS**

- 3.12 In the Winter 2019 the Government consulted on, and subsequently (in February 2019) published a revised definition of 'specific deliverable' sites that should be included in a 5-year housing land supply calculation (5 yr HLS).
- 3.13 The definition places emphasis on clearly evidenced trajectories for 'specific deliverable sites' available in the right locations now, that can be developed within 5 years. The definition is set out in Annex 2 to the NPPF 2019: -
- *“sites which do not involve major development and have planning permission, and all sites with detailed planning permission, should be considered deliverable until permission expires, unless there is clear evidence that homes will not be delivered within five years (for example because they are no longer viable, there is no longer a demand for the type of units or sites have long term phasing plans).*
  - *where a site has outline planning permission for major development, has been allocated in a development plan, has a grant of permission in principle, or is identified on a brownfield register, it should only be considered deliverable where there is clear evidence that housing completions will begin on site within five years.”*

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<sup>1</sup> See 'Housing Delivery Test Rule Book' MHCLG July 2018 and 'Housing Delivery Test: 2018 Measurement Technical note' February 2019

- 3.14 There are consequences for not meeting either the HDT and the 5-year housing land supply as set out in the NPPF. This relates to the application of the ‘presumption in favour of sustainable development’ (para. 11d). Failure in either case may trigger NPPF Para 11.d (‘the presumption’).
- 3.15 The HDT sets specified percentage thresholds where the housing performance calculation would trigger ‘the presumption’. When this happens, applications should be positively determined, provided that a decision would not conflict with the policies, protected assets and designations of the NPPF or that the adverse impacts of doing so demonstrably outweigh the benefits against the NPPF taken as a whole.
- 3.16 However, even with the application of the ‘the presumption’ it should also be noted that paragraph 12 states: -
- *“The presumption in favour of sustainable development does not change the statutory status of the development plan as the starting point for decision making. Where a planning application conflicts with an up-to-date development plan (including any neighbourhood plans that form part of the development plan), permission should not usually be granted. Local planning authorities may take decisions that depart from an up-to-date development plan, but only if material considerations in a particular case indicate that the plan should not be followed.”*

## 4. Housing Delivery Test Result for Arun

4.1 The Government published the November 2018 Housing Delivery Test (HDT) for Arun in February 2019. The following percentages thresholds against the housing performance, measure whether a local authority passes or fails the HDT over a 3-year period - and the consequences of not doing so:

- November 2018 where housing delivery falls below 25% - the 'Presumption in favour of sustainable development' will apply immediately
- November 2019 where housing delivery falls below 45% The 'Presumption' applies
- November 2020 where housing delivery falls below 75% - The 'Presumption' applies

4.2 The NPPF sets out further penalties against higher percentage thresholds:

- November 2018 where housing delivery falls below 95% of requirements the NPPF states that an 'Action Plan' should be published;
- November 2018 where housing delivery falls below 85% of the requirement the NPPF states that a 20% buffer will be added to the 5 year housing land requirement

**The published November 2018 HDT for Arun District (published in February 2019), is 91% (2017/18) and can be accesses here:-**

<https://www.gov.uk/government/publications/housing-delivery-test-2018-measurement>

4.3 The result for ADC is set out in Appendix 2 to this Action Plan (and compared to actual completions and projected completions reported in Arun's Authority Monitoring Report 2018<sup>2</sup>). ADC's housing delivery performance therefore, triggers a requirement for the preparation of an 'Action Plan' and a buffer requirement of 5% for 5 YHLS calculation purposes.

4.4 Arun District Council (ADC) has prepared this Action Plan in order to help boost housing delivery performance. The HDT will contain more evidence on why ADC is not meeting the housing delivery requirement and identify potential solutions in order to improve housing completion projection rates.

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<sup>2</sup> Note: the methodology for calculating the HDT based on the Governments rule book is not the same for the Arun AMR and so reported outputs for each document may not agree entirely. This is likely to improve in future years as the adopted plan targets supersede the household projections element of the housing requirement and the student and communal household reporting is improved in the AMR for dwelling completions.



- 4.5 The solutions found as part of an Action Plan should help improve both HDT score when it is published in subsequent years (each November by Government) and the 5-year HLS which takes into consideration housing completion performance. The Action Plan will need to be produced by end of August 2019.

## 5. Housing Delivery Performance – past and present and future

5.1 ADC's adopted Arun Local Plan (ALP 2018) Policy H SP1 'The Housing Requirement' sets out a whole plan target of 20,000 dwellings for the period 2011-2031. The target is also set out in 5-year periods.

5.2 However, Policy H SP1 is based on a stepped housing trajectory and includes a contribution for under performance over the earlier plan period, a 20% buffer and unmet need from other authorities.

5.3 The approach to a stepped trajectory and 5.3-year HLS (based on monitoring in 2016/17) was confirmed by the Independent Planning Inspector following examination in 2017 (Inspector's Report paragraphs 95. – 98.):-

<https://www.arun.gov.uk/download.cfm?doc=docm93ijim4n12488.pdf&ver=12506>

5.4 Publication of the AMR 2018 for the monitoring period 2017/18 established that the 5.3 HLS for the ALP 2018 has reduced to a 4.7 HLS (see Appendix 3). This together with the HDT is an early indicator that housing delivery performance is not progressing in line with the housing trajectory and adopted plan. However, housing supply has increased and indicates that the authority is being proactive in securing housing land to meet needs.

5.5 The historic performance of Arun District in terms of delivering housing completions is set out in Table 1 of Appendix 1 in the Authority Monitoring Report 2018 (AMR 2018):-

<https://www.arun.gov.uk/download.cfm?doc=docm93ijim4n14090.pdf&ver=14338>

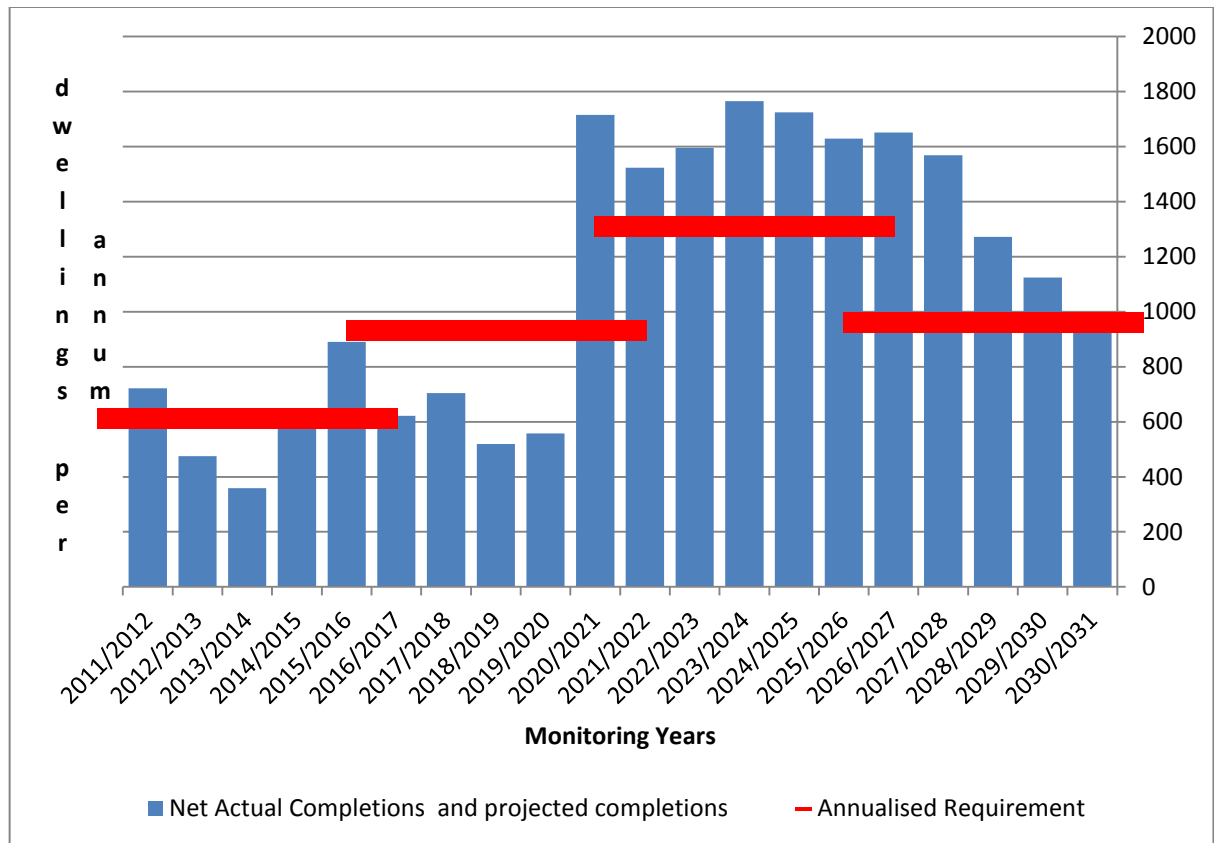
5.6 The AMR 2018 provides annualised net housing completions for Arun District from 2006-2018. Table 2 of Appendix 1 within the AMR 2018 shows net actual completions and projected completions for the adopted ALP 2018 plan period 2011-2031 against the stepped housing trajectory: -

- completions have averaged 635 dpa in the recent 5 years (2013 – 2017) of the plan period;
- which compares to the stepped trajectory target of 610 dpa for the 3 years 2013 - 2015 but below the stepped target of 930 dpa for the 2 years 2016 -2017;
- and compares to 738 dpa over the combined stepped trajectory 5 years 2013 – 2017;
- actual completions for 2017/18 shows 704 and is an increase on the

previous year and suggests that delivery may improve if this trend continues.

5.7 The AMR 2018 Appendices 2 to 6 show the performance of the housing trajectory and 5 y HLS for the components of housing supply within the housing trajectory.

5.8 The AMR 2018 Housing Trajectory is set out below.

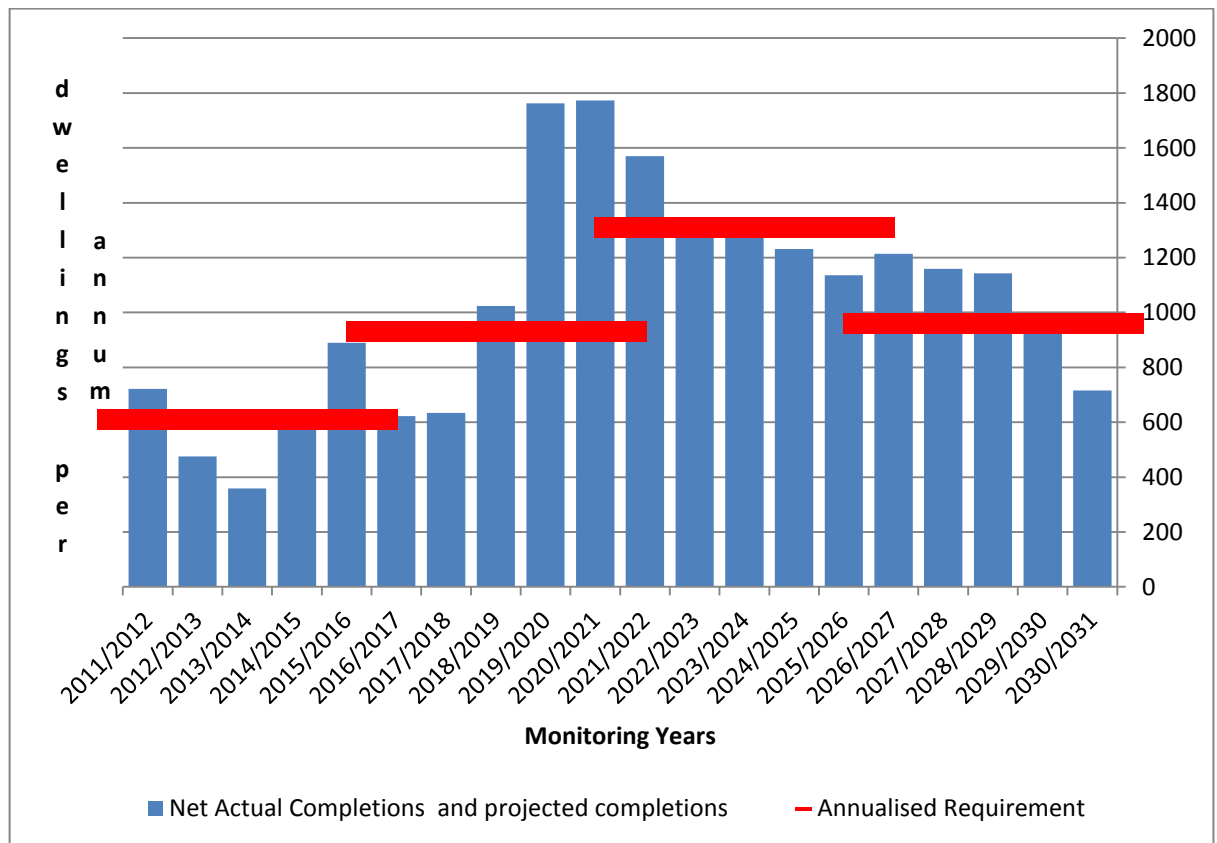


5.9 The data is based on a ‘call for sites’ the Housing Employment Land Availability 2018 (HELAA) following an update exercise in May 2018. Together with the Residential Land Availability (including net completions) data provided by West Sussex County Council (WSCC), these data sources are used to update the Arun Local Plan housing trajectory and 5year HLS which is included within ADC’s Authority Monitoring Report 2018 (AMR 2018).

5.10 WSCC surveys all large sites with planning permission for 6 dwellings or more in West Sussex annually and provides a consistent assessment of the status of available sites, in terms of commencement, actual completion, and projected completions. WSCC liaise with the developers of the large sites with planning permission to gain evidence of when completions are predicted to come forward.

5.11 The updated build out rates in the AMR 2018 published housing trajectory above, is therefore, informed by recent site promoter updates and an officer assessment of the realistic achievability of development timescales.

5.12 The updated HLS trajectory above can be compared to the stepped trajectory shown in the adopted ALP 2018.



5.13 The comparison of the HLS trajectories indicates that while completions have improved 2017/18, projected rates of delivery are weaker in 2019/20 and step increases are skewed further back into years 2021-2024. This may have significant implications for ADC's future HDT result and reinforces the need for an Action Plan.

## 6. Identified Delivery Issues

6.1 There are a number of reasons why housing developments have underperformed within Arun in recent years summarized below: -

- The quality of major applications submitted have not all been of sufficient quality to allow timely approval – e.g. some individual schemes promoted by different developers within Strategic Allocations have been submitted without benefitting from an agreed Masterplan. The absence of a Masterplan means that mitigation of cumulative impacts and coordinated infrastructure provision needed to integrate placemaking with existing communities cannot be delivered;
- A number of applications for Strategic Site development schemes have had officer recommendations for approval but have subsequently been refused at committee;
- Applications were expected on most of the Strategic Allocations based on evidence submitted at the Local Plan Examination in 2017 reflecting assurances and evidence provided by the key developers however, applications have not yet been received as previously promoted and these large yielding sites have had to be pushed back further out of the 5 year period;
- Developers have not delivered on their previously promoted build out rates (this may be partly due to market issues and or infrastructure issues).
- The actual rate of completions is highly dependent on the developers, which is largely out of Local Authority control.

6.2 The Government have included further Planning policy Guidance on the potential barriers to housing delivery and the need to collate intelligence on these through collating evidence on land supply and its deliverability. This includes criteria looking at site specific issues e.g.: -

- Fragmented ownership/interest and control
- Legal rights of way/easements and ransom strips
- Other land assembly necessary to unlock sites
- Abnormal costs
- Infrastructure delivery and lead times and negotiating s.106 contributions

6.3 Arun has therefore taken the opportunity to revise its HELAA data collection and update site proforma to ensure that the additional evidence is supplied as part of the annual HELAA update.

6.4 The table below sets out a high-level framework for the Action Plan to address the above matters in a systematic way. This will allow more effective monitoring of progress in future years. However, it should be noted that many of the issues are typical barriers and already being tackled and addressed in Arun in that they are understood as a normal part of the

development management and policy challenge to delivering timely and sustainable growth to meet identified needs.

## **7. Proposed Delivery Actions and Opportunities**

The following actions are to be investigated in order to try to boost housing delivery: -

### **Development Management**

- Promote the submission of better quality/compliant planning applications using pre-application discussions and better web based procedural guidance
- Target key strategic sized developments for – pre-application discussions
- Continue to coordinate and liaise with site promoters, landowners and Parishes on the formulation of Masterplans for the Strategic Allocations – via working groups and specifically where there is significant slippage – seek evidence and diligence on provision accurate housing trajectories e.g. West of Bersted etc.
- Application of para 11d of NPPF – the ‘presumption’ until 5-year housing land supply re-established
- Invite applications from landowners/developers on ‘deliverable’ HELAA sites to re-establish 5 yr HLS
- Review regime of Conditions – e.g. pre-commencement and discharge of consent
- Continue to pursue recruitment and apprenticeships to ensure effective level of resources and expertise is maintained

### **Policy & Plan Making**

- Seek allocation of a range of smaller sites to foster the small build sector and diversify the developer/provider base through the Development Plan
- Continue to assist Neighbourhood Plan making through guidance and grant regime to promote community scale provision for meeting identified housing, affordable housing and social and green infrastructure needs
- Continue to develop guidance on the application of adopted Local Plan policies through the preparation of guidance and Supplementary Planning Documents
- Pursue the introduction of Community Infrastructure Levy for non-strategic scale developments in order to support delivery and infrastructure provision
- Ensure HELAA updates are policy compliant with national policy on the definition of ‘deliverable’ and ‘developable’ sites including through Developer/landowner Workshops as necessary
- Ensure that the Custom and Self Build register is maintained and accessible to ensure that sites consider provision based on local intelligence of demand/need for such provision and to secure consents towards the requirements

- **Ensure polices delivery a mix of housing types, scales and tenures to diversify the housing industry and promote Neighbourhood plan delivery in Arun**
- **Seek intelligence and opportunities for promotion of sustainable and custom build development techniques and innovation in housing industry within Arun**

#### **Corporate Intervention**

- **Consider ways to improve plan making and coordinated housing delivery with service and operational provision though coordinated vision, governance and objectives for the authority**
- **Pursue opportunities to bid and win grant and match funding through the LEP, agency and HCLG finding regimes**



## Appendix 1: Extract of paragraph 11.d from the NPPF

### The presumption in favour of sustainable development

11. Plans and decisions should apply a presumption in favour of sustainable development.

For **plan-making** this means that:

a) plans should positively seek opportunities to meet the development needs of their area, and be sufficiently flexible to adapt to rapid change;

b) strategic policies should, as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring areas<sup>5</sup>, unless:

i. the application of policies in this Framework that protect areas or assets of particular importance provides a strong reason for restricting the overall scale, type or distribution of development in the plan area<sup>6</sup>; or

ii. 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.

For **decision-taking** this means:

c) approving development proposals that accord with an up-to-date development plan without delay; or

d) where there are no relevant development plan policies, or the policies which are most important for determining the application are out-of-date<sup>7</sup>, granting permission unless:

i. the application of policies in this Framework that protect areas or assets of particular importance provides a clear reason for refusing the development proposed<sup>6</sup>; or

ii. 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.

## Appendix 2 Housing Delivery Test: 2018 measurement

ONS code	Area Name	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			
E07000224	Arun	610	866	947	2,423	902	616	696	2,214	91%	Action Plan

Source: MHCLG HDT Results November 2018

Actual Completions Data from - WSCC RLA Excludes SDNP from 2012																						
	Years 1 - 5					Years 6-10					Years 11-15					Years 16-20						
	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	Total	
Net Actual Completions and projected completions	722	475	359	601	890	622	704	519	558	1,715	1,523	1,596	1,766	1,725	1,629	1,651	1,569	1,272	1,125	929	21,950	
Annualised Requirement	610	610	610	610	610	930	930	930	930	930	1310	1310	1310	1310	1310	960	960	960	960	960	19050	

Source: Arun District Council AMR 2018

**Appendix 3: Comparison of Housing Land Supply (HLS) in the AMR 2018 with: the Adopted Arun Local Plan HLS (table 12.1); AMR 2018 5 y HLS (reported in Table 1); the adopted Arun Local Plan 2018 5 y HLS**

<b>Table 1 AMR 2018: Housing Land Supply update compared to Table 12.1 Housing Land Supply in the Adopted Arun Local Plan 2018 (ALP 2018).</b> Large Commitments, NP Allocations and HELAA sites all include a 10% slippage reduction		
	<b>AMR 2018</b>	<b>ALP 2018 Table 12.1</b>
Completions	4373	3669
Commitments (Large Sites)	3622	3050
Neighbourhood Plan Allocations	478	251
Deliverable HELAA Site	686	423
Commitments (Small Sites)	271	539
Non-Strategic Sites*	1250	1250
Windfall	761	847
Strategic Site Allocations	10510	10650
<b>Total</b>	<b>21951</b>	<b>20679</b>
*to be identified through new or revised neighbourhood plans or small sites allocation DPD <b>Table 1 AMR 2018: Updated 5 Year Housing Land Supply compared to ALP 2018 based on the 'Stepped Trajectory'</b> - Large Sites Commitments, NP Allocations and HELAA sites all include a 10% slippage reduction		
	<b>AMR 2018 5 yr HLS</b>	<b>ALP 2018 5 yr HLS</b>
<b>Stepped Trajectory Housing requirement 2018-2022 (930 x 3 + 1310 x 2 + 532 Shortfall*)</b>	5947	5336
5% Buffer	297	1067**
<b>Total Requirement 2018-2023</b>	<b>6244</b>	<b>6403</b>
<b>Large Site Commitments</b> (as at 31 <sup>st</sup> March 2018 from WSCC RLA data – Appendix 2)	2780	2256
<b>Small Site Commitments</b> (as at 31 <sup>st</sup> March 2018 from WSCC RLA data – Appendix 6)	271	251
<b>Windfall allowance</b> (as at 31 <sup>st</sup> March from WSCC RLA data – Appendix 6)	153	163
<b>Made Neighbourhood Plan Allocations</b> without planning permission as at 31 <sup>st</sup> March 2018 from HELAA – Appendix 5)	352	320
<b>Deliverable HELAA Sites within built up area</b> (if a HELAA site gained Planning permission after 31 <sup>st</sup> March 2018 it will still show in this category up until 31 <sup>st</sup> March 2019 when it will then move to the large commitments category – Appendix 4)	348	207
<b>Strategic Site Allocations</b> (without PP as at 31 <sup>st</sup> March 2018 – Appendix 3)	2007	3565
<b>Total Supply</b>	<b>5911</b>	<b>6762</b>
<b>Supply in years</b>	<b>4.7</b>	<b>5.3</b>

\*Shortfall calculated as follows: Stepped Trajectory Requirement for years 2011 -2018 was  $610 \times 5 + 930 \times 2 = 4905$  Less completions for years 2011-2018 = 4373 = **537**

*\*\*20% buffer*

