

Report to CABINET

Housing Delivery Test Action Plan 2024

Portfolio Holder:

Councillor Taylor, Deputy Leader and Portfolio holder for Decent Homes

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Reason for Decision

To seek approval for the publication of Oldham Council's Housing Delivery Test Action Plan 2024.

Executive Summary

This report provides an update on the Housing Delivery Test (HDT) position in respect of Oldham. It also sets out an updated position to the previously published Housing Delivery Test Action Plan 2022¹.

The HDT was introduced by the Government as a monitoring tool to demonstrate whether local areas are building enough homes to meet their housing need. The HDT measures net additional dwellings provided over the past three years against the homes required over the same period. To account for the impact of the Covid-19 pandemic on local planning authority services and the construction sector, adjustments have been made to the housing requirement used for the years 2019/20 and 2020/21 as part of the HDT result. The thresholds for consequences for under-delivery remain as per the National Planning Policy Framework (NPPF).

¹ <https://www.oldham.gov.uk/info/200709/documents-in-the-local-plan/2135/housing-land>

The latest HDT results for 2022 (and which will be reported in the HDT Action Plan 2024)² were published 19 December 2023³.

As per the latest measurement, Oldham has delivered 91% of its housing need over the past three years (2019/20 to 2021/22). This is the same as the 2021 result (91%) and an improvement from the 2020 result of 80%.

The pass rate for the HDT is now 95%. There are consequences of not achieving 95% in the HDT that require some form of action, as set out in the NPPF.

As Oldham has delivered 91% of the housing required, we are required to prepare an Action Plan to address housing delivery. Oldham's previous Action Plan was published in September 2022, as such it is proposed to update the Action Plan as required. Action Plans should be published within six months from the measurement publication date.

This is Oldham Council's fourth Action Plan, drawn up in response to the Housing Delivery Test: 2022 Measurement, published December 2023. It provides an update on previously published Action Plans and includes information on:

- the root causes for housing under-delivery within Oldham (contained in Part 1); and
- how the council intends to improve delivery (contained in Part 2).

Recommendations

Option 1 – To approve the Housing Delivery Action Plan 2024 for publication in line with the requirements of the Housing Delivery Test: 2022 Measurement results (published December 2023).

Option 2 – To not approve the Housing Delivery Test Action Plan 2024 for publication. This would not comply with the requirements of the Housing Delivery Test Rule Book and the Housing Delivery Test: 2022 Measurement results (published December 2023).

The HDT Rule Book requires authorities whose housing delivery is below 95% of their identified housing need to publish an Action Plan. This is also set out in NPPF.

As such, option 1 is the Preferred Option - To approve the Housing Delivery Action Plan 2024 (Part One and Part Two) for publication in line with the requirements of the Housing Delivery Test: 2022 Measurement results (published December 2023) - to comply with national planning policy requirements.

² Note - the HDT results are usually published in January of each year and look back over the previous three full financial years. Due to the preparation of the amended NPPF (September 2023), the publication of the HDT measurement for 2022 was delayed until December 2023. The 2022 measurement assesses housing delivery over the period of 2019/20-2021/22.

³ <https://www.gov.uk/government/publications/housing-delivery-test-2022-measurement>

Housing Delivery Test Action Plan (2024)

1 Background

1.1 The HDT was introduced by the Government following the publication of the Housing White Paper in 2017 and with further details set out in the National Planning Policy Framework (NPPF). The HDT is an annual measurement of housing delivery (net additional dwellings) compared to the number of homes needed for an area (local housing need). The methodology for applying the HDT is shown below.

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

1.2 The test measurement is a 'delivery rate' percentage of the number of homes built against the number of homes needed for an area (see above). The pass rate for the HDT is now 95%⁴.

1.3 The consequences of failing the Test are set out in the revised National Planning Policy Framework (NPPF):

- less than 95% - an Action Plan must be prepared;
- less than 85% - the LPA must identify a 20% buffer of additional deliverable sites for housing on top of their existing 5-year housing land supply. This is in addition to an Action Plan but can form part of the 6-10 and 10 years plus supply, moved forward.
- less than 75% - the presumption in favour of sustainable development must be applied. This is in addition to the 20% buffer and Action Plan.

1.4 The latest HDT results were published on 19 December 2023⁵, by the Department for Levelling Up, Housing and Communities (DLUHC) using the previous three complete financial years of 2019/20, 2020/21 and 2021/2022. The results for Oldham are shown in the table below.

Table 1: Housing Delivery Test: 2022 Measurement (published December 2023)

	Total number of homes required (2019-2022)	Total number of homes delivered (2019-2022)	Housing Delivery Test: 2022 Result	Housing Delivery Test 2022 Consequence
Oldham	1,772	1,615	91%	Action Plan

⁴ In previous years, transitional arrangements have applied which allowed a lower 'pass rate' to allow for the test to bed-in. These no longer apply.

⁵ HDT Results 2022: <https://www.gov.uk/government/publications/housing-delivery-test-2022-measurement>

- 1.5 The number of homes required in 2019/20 was 633. The number of homes required in 2020/21 was 461. The number of homes required in 2021/22 was 677. Therefore, the total number of homes required for 2019-2022 was 1,772 homes.
- 1.6 It is important to note that the impact of Covid-19 on housing delivery has been considered and is reflected in the 2022 results. As such, the 'number of homes required' was reduced within the 2019 to 2020 year by a month and within the 2020 and 2021 year by 4 months. The thresholds for consequences for under-delivery have been maintained, as set out in NPPF (see paragraph 1.3).
- 1.7 Oldham Council has delivered 91% of the homes required over the measurement period. As a result, considering the HDT consequences, the council is therefore required to prepare an Action Plan to assess the cause of under-delivery and identify actions to increase delivery in future years. National planning guidance requires action plans to be in place within 6 months of publication of the HDT measurement.
- 1.8 An Action Plan is intended to be a practical document, focused on effective measures aimed at improving delivery within an area underpinned by local evidence and research of key issues. This Action Plan (2024) updates the previous Action Plan published in January 2022 and is Oldham's fourth plan.

Previous HDT Results

- 1.9 Since the introduction of the Housing Delivery Test in 2018, Oldham's housing delivery has improved. The results for this year compared to previous years are set out in table 2 below.

Table 2: Oldham's Housing Delivery Test Results (2018-2022)

HDT Measurement Year ⁶	Delivery Rate % (HDT Result)
2018	64%
2019	65%
2020	80%
2021	91%
2022	91%

- 1.10 As shown in table 2, on average housing delivery has increased by 27% since the 2018 measurement.

Housing Delivery Test Action Plan 2024

- 1.11 The Action Plan is produced in two parts. Part One provides an analysis of housing needs, delivery and supply, and sets out a summary of findings and key issues related to housing delivery.
- 1.12 Informed by Part One, Part Two identifies key actions and responses for improving housing delivery. The actions, aimed at increasing delivery across the borough, are structured around the following themes:
- Improving capacity and processes.
 - Increasing the delivery of sites within our housing land supply, in particular on brownfield land.

⁶ Measuring housing delivery compared to housing required over the previous three years. I.e. the 2022 measurement looks at housing delivery over the years 2019-2022.

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- Delivery of the council's ambitions to improve and increase the housing offer within Oldham.

1.13 It also includes a progress update to actions set out within previous Action Plans, and new actions are added as appropriate.

Housing Crisis

1.14 In February 2024, at a Housing Roundtable event, Oldham Council declared a housing crisis⁷. The national housing crisis is having a local impact within Oldham. There are several components of the national housing crisis, including a significant under-supply of housing, worsening affordability (and a lack of affordable housing options), an ageing population and the increased cost of living. To a differing extent, these issues are having an impact within Oldham.

1.15 Currently there is a shortage of affordable housing to meet the demand on Oldham's Housing Needs Register (currently 8,164 homes are needed but only 1,211 homes are available). There are also increasing numbers of people in temporary accommodation – between June 2020 and March 2024 the number of people in temporary accommodation increased by over 170% (219 households in June 2020 to 592 households in March 2024). In addition, it is important that we have suitable housing options for older people and those with specialist needs, to meet growing demand. Further analysis of Oldham's housing issues and needs is provided in part 1 of the Action Plan.

1.16 At the Roundtable event senior representatives from all of Oldham's major social housing providers, private landlords, letting agents, developers and housebuilders and charities, met to discuss Oldham's housing crisis and how partners can work together to tackle it. Several important actions and commitments came out of the event which have informed this Action Plan, including a commitment by the council and its partners, to delivering 500 social homes over the next five years.

1.17 In addition to the commitment to deliver social homes, our response to the housing crisis includes a series of other priorities which are aimed at meeting local housing needs, including tackling empty homes - bringing them back into use, and identifying a residential pipeline of future housing sites across the borough and supporting their delivery for a range of housing types.

1.18 This Action Plan is framed in the context of Oldham's housing crisis declaration and specific actions within the Action Plan (contained in part 2) are directly related to meeting Oldham's local housing needs.

Engagement

1.19 Stakeholder engagement is important to understand issues with delivery as stakeholders, such as developers and registered providers, directly impact the rate of delivery. This Action Plan has been informed by several forms of engagement, including the council's recent Housing Roundtable event.

⁷ Oldham Council Housing Roundtable Event, February 2024:

https://www.oldham.gov.uk/news/article/2618/tackling_the_housing_crisis_500_new_social_homes_coming_to_oldham_announced_at_oldham_housing_roundtable_event

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- 1.20 In addition, regular engagement with key housing delivery stakeholders, such as housing providers and developers, is carried out through the Strategic Housing Group, who meet to discuss issues and actions related to housing delivery.
- 1.21 Furthermore, as part of the engagement carried out for previous HDT Action Plans (including a developer questionnaire), several reasons for the under-delivery of housing were found and potential solutions identified. Many of these are still applicable and the evidence continues to inform actions identified for improving housing delivery within this Action Plan (as identified in part 2).
- 1.22 The publication of an updated Housing Delivery Action Plan will promote and encourage further housebuilding in the borough, which is required to ease the current high demand on the housing market. As such the proposals set out in this report will support our residents by providing more housing.
- 1.23 Providing an update to the Housing Delivery Test and publishing the updated Action Plan 2022 will aid transparency and ensure residents are aware of the Council's plan and actions in this important area. Publication is also a requirement under the National Planning Policy Framework. As the Council is marginally under the pass rate delivery target there could be reputational risks with publishing this information, but this is mitigated by the information contained within Part 2 about how the Council will address these issues and has to be balanced with the requirement to publish the document under statute.
- 1.24 The Action Plan outlines the proposed delivery of the council's ambitions to improve the housing offer within Oldham and increase residential development within Oldham's Town Centre's as part of its future regeneration. This fully aligns with the Council's previously approved and published Housing Strategy, which similarly outlined how the council intends to improve delivery, in order to ensure that we provide a diverse Oldham Housing Offer that is attractive and meets the needs of different sections of the population at different stages of their lives

Conclusions

- 1.25 The HDT Rule Book requires authorities whose housing delivery is below 95% of their identified housing need to publish an Action Plan. This is also set out in NPPF.
- 1.26 This is Oldham Council's fourth Action Plan, drawn up in response to the Housing Delivery Test: 2022 Measurement, published December 2023. The Action Plan is contained in two parts:
- Part One contains an analysis of housing needs, delivery and supply;
 - Part Two sets out actions to address housing delivery issues and improve housing delivery.

2 Current Position

- 2.1 The HDT Rule Book requires authorities whose housing delivery is below 95% of their identified housing need to publish an Action Plan. This is also set out in NPPF. Authorities are required to publish an Action Plan within 6 months of the publication of the measurement.
- 2.2 This is Oldham Council's fourth Action Plan, drawn up in response to the Housing Delivery Test: 2022 Measurement, published December 2023.

3 Options/Alternatives

3.1 Option 1 – To approve the Housing Delivery Action Plan 2024 for publication in line with the requirements of the Housing Delivery Test: 2022 Measurement results (published December 2023).

3.2 Option 2 – To not approve the Housing Delivery Test Action Plan 2024 for publication. This would not comply with the requirements of the Housing Delivery Test Rule Book and the Housing Delivery Test: 2022 Measurement results (published December 2023).

4 Preferred Option

4.1 The HDT Rule Book requires authorities whose housing delivery is below 95% of their identified housing need to publish an Action Plan. This is also set out in NPPF.

4.2 As such, option one is the Preferred Option - To approve the Housing Delivery Action Plan 2024 (Part One and Part Two) for publication in line with the requirements of the Housing Delivery Test: 2022 Measurement results (published December 2023) – to comply with national planning policy requirements.

5 Consultation

5.1 Internal consultation with relevant officers has been carried out as appropriate. Public consultation is not required as this is a technical document which is required to be produced in response to national planning policy requirements.

6 Financial Implications

6.1 There are no direct financial implications from approving the Housing Delivery Action Plan for publication. The number of new homes delivered within Oldham will impact on the overall Council Tax base. Any implications will be reflected in the calculation of the Council Tax Base for future financial years. The Tax Base is prepared and presented to Cabinet for approval on an annual basis prior to consideration of the Council's Revenue Budget and Medium-Term Financial Strategy. (John Edisbury)

7 Legal Implications

7.1 Paragraph 79 of the National Planning Policy Framework requires local planning authorities to monitor progress in building out sites that have planning permission and 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 Council is therefore required to produce an action plan. (Alan Evans)

8 Equality Impact - including implications for Children and Young People

8.1 The Impact Assessment for the Housing Delivery Test Action Plan can be found at Appendix 1.

8.2 The online tool identified that the Housing Delivery Test Action Plan had neutral effects on the equality characteristics. There were some moderate positive effects on the council's corporate priorities of residents first and digitisation, as well as the future Oldham aims of healthy and safe, clean and green and community and leisure. The HDT was found to have strong positive effects on the future Oldham aims of homes and pride and cohesion.

9 Key Decision

9.1 Yes

10 Key Decision Reference

10.1 HL-02-24.

11 Background Papers

11.1 The following is a list of background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as defined by the Act:

- Housing Delivery Test Measurement 2022:
<https://www.gov.uk/government/publications/housing-delivery-test-2022-measurement>
- Oldham Housing Delivery Test Action Plan 2022 (previous version):
https://www.oldham.gov.uk/info/201230/monitoring/2135/housing_delivery_action_plan

12 Appendices

12.1 Appendices for this report are as follows:

- Equality Impact Assessment
- Housing Delivery Test Action Plan 2024 - Part One – Oldham’s Housing Delivery
- Housing Delivery Test Action Plan 2024 - Part Two – Action Plan
- Housing Delivery Test Action Plan 2024 – Part Two – Appendix 2 Key Housing Sites