

HOUSING DELIVERY TEST ACTION PLAN

Agreed by Corporate Management Team 1st April 2021

1. Introduction

- 1.1. The February 2017 Housing White Paper proposed a housing delivery test (HDT) for local planning authorities (LPAs) to provide a standard method to assess housing need and speed up build out rates. This was introduced as a requirement in the revised National Planning Policy Framework (NPPF) published in July 2018, and explained in detail in revised Planning Practice Guidance (PPG) and the HDT rule book. Housing need is about the housing requirements for all types of household, including open market housing and affordable housing, and is calculated in the form of the number of new homes that should be completed each year.
- 1.2. The HDT stands alongside a longstanding requirement for LPAs to maintain a 5-year housing land supply. The revised NPPF introduced a more stringent definition of the types of housing site that could be included in the 5-year supply.
- 1.3. MHCLG now collect data on an annual basis identifying the current housing need and the number of homes that have actually been completed in each authority's area. These figures are entered into a mathematical formula to produce the HDT results. The most recent HDT results, which cover the 2019-20 year, were published in January 2021.
- 1.4. The HDT adds the total number of housing completions over the last 3 years and compares them with the housing need figures. The results of this comparison determine the consequences for each authority. The thresholds for the different consequences have varied each year to date because of transitional arrangements following the introduction of the HDT. The housing need figures also vary each year depending on the age of each authority's local plan.
- 1.5. The PPG states that, depending on the level of delivery, the consequences are:
 - the authority should publish an action plan if housing delivery over 3 years falls below 95% of need; plus
 - a 20% buffer on the local planning authority's 5 year land supply (i.e. a 6-year supply should be provided) if housing delivery falls below 85%; and
 - application of the presumption in favour of sustainable development if housing delivery falls below 75%
- 1.6. The action plan should be published within 6 months of the publication of the HDT results for the respective year.
- 1.7. The HDT results for the 2018-19 year were published in February 2020. The result for Walsall was 80% so an action plan was required, as well as a 20% buffer. Unfortunately, due to staff resourcing in the planning policy team, it was not possible to produce an action plan within 6 months. However, the latest HDT results for the 2019-20 year show that Walsall's performance has improved to 88%.
- 1.8. The performance figure would have been 82%, but the Government has adjusted the formula for all authorities to allow for a lower level of completions in March 2020, the final month of the monitoring year, as a result of the Covid lockdown.

- 1.9. This means that there is no longer a requirement to provide a 20% buffer to the land supply in 2020-21. The requirement to produce an action plan remains though. There is also an emerging shortfall of housing land which means that, when taking account of the more stringent definition of deliverable housing sites set out in the NPPF, Walsall may no longer have a 5-year housing land supply.

Past and Future Projected HDT Results

	2018 HDT (published...)	2019 HDT (published Feb 2020)	2020 HDT (published Jan 2021)
Years covered by test	2015-18	2016-19	2017-20
HDT Target	2,140	2,486	2,532
Actual Delivery in Relevant Years	2,129	1,988	2,230
Measurement	99%	80%	88%
HDT Consequences	Pass	20% buffer and Action Plan	Action Plan

Year	Target	Actual	Rolling 3-Year Target	Rolling 3-Year Actual	Remaining Requirement to reach 95% of 3-year target
2015-16	551	911			
2016-17	783	460			
2017-18	806	758	2,140	2,129	
2018-19	897	770	2,486	1,988	
2019-20	829	702	2,532	2,230	
2020-21	882	89 (Q1 to Q3)	2,608	1,561	917
2021-22	882		2,593	791	1,672
2022-23	882		2,646	89	2,425
2023-24	882		2,646	0	2,514

Target for future years is estimated as it will depend on affordability ratio at that time

- 1.10. It can be seen that recorded completions in 2020-21 to date are only a fraction of the target. This is likely to be the case for most local authorities as a result of Covid and it might be expected that the Government will revise the target for the year when the 2021 HDT results are published to take account of this. This will also lower the 3-year rolling target for the next two years.

2. How is Housing Delivered?

- 2.1. The council does not itself build homes so delivery requires action by third parties, both private sector developers and registered social landlords (RSLs). Some housing delivery is supported by public funding to overcome viability issues on particular sites. However, the council plays a number of key roles. At present, these comprise two main elements:

Identification of Potential Housing Sites

- 2.2. The Strategic Housing Land Availability Assessment (SHLAA) is updated each year and identifies potential housing sites. These include sites that have already been

granted planning permission, those that are allocated for housing in the local plan and others (mainly on brownfield sites) that would be suitable for housing. The latter includes vacant and under-used land that is not needed for other purposes.

- 2.3. Sites in the SHLAA that meet the required criteria are listed in the Brownfield Register.
- 2.4. The local plan for Walsall currently comprises the Black Country Core Strategy (BCCS), the Walsall Site Allocation Document (SAD), the Town Centre Area Action Plan (AAP) and the remaining 'saved' policies of the Walsall Unitary Development Plan (UDP). The BCCS sets out the housing target but does not itself identify or allocate sites. Sites allocated for housing are set out in the SAD and AAP, and are shown on the accompanying Policies Map.
- 2.5. The BCCS identifies the housing target to 2026 whilst the SAD and AAP provide a land supply to meet that target. However, the target has been updated as a result of the introduction of the standard method and the land supply is being used up as 2026 nears. Work has therefore started on the Black Country Plan (BCP) that will replace both the BCCS and the SAD. It is intended that the BCP will run to 2039 and identify land to meet the expected housing need over that period.

Determination of Planning Applications

- 2.6. All housing development, regardless of whether a site is allocated for housing in the local plan or has otherwise already been identified in the SHLAA as potentially suitable for housing, requires a planning application to be submitted to and approved by the local planning authority. The Government has introduced various types of permitted development (and is currently proposing others) that allow developers to carry out certain changes of use and new building works which avoid the need for planning permission, however most of these still require an application to be made to the local authority for prior approval of details.
- 2.7. As well as these two, the Council also works on funding bids with Homes England, the West Midlands Combined Authority and other bodies. This is because a key issue for Walsall is the viability of development. The industrial legacy of the area has left many sites that require expensive remediation before they can be used for other purposes. Remediation costs to make land suitable for housing are often greater than for other uses. High long-term unemployment rates and low wages for those in work can also make housing unaffordable for many. The provision of land for housing is not the only land use requirement. It is also important to safeguard land for employment as without jobs people will be unable to buy or rent homes.
- 2.8. Housing delivery is also supported by other strategies produced by the council, and by other service areas. These include in particular the Housing Strategy.
- 2.9. Possible further actions are currently being explored and these are set out below.
- 2.10. The Planning Advisory Service has highlighted two key aims of action plans. First, they should identify actions that will improve housing delivery in future years. It is therefore important to identify what number of homes will need to be delivered each year to ensure the HDT is passed. Second, they should not be seen as a 'stick' to punish authorities but rather a tool they can use not only to improve housing delivery but also to highlight to Government possible assistance that might be needed both to authorities and to the development industry.

- 2.11. Because the HDT uses a rolling period of three years, the results for next year (2020-21) will take account of completions over the three years 2018-19, 2019-20 and 2020-21. For Walsall, this means that 917 completions will need to be recorded in 2020-21 to ensure the test is passed. Actual completions in the first three quarters (to December 2020) have been only 89. However, it is possible that the Government will adjust the formula again in next year's HDT results to take further account of the effect of the Covid lockdown.
- 2.12. By the end of 2021-22, a total of approximately 1,672 completions in addition to those to date will be required to pass the test. This can only be an approximate estimate at this stage because under the standard method the housing need figure changes each year to incorporate annual changes in the affordability of homes, as measured by the affordability ratio published by Government. Several large housing sites have begun construction in 2020-21 and it is expected that these will make significant contributions to housing delivery during the year. However, achievement of this number of completions in a little over 12 months would far exceed the average annual average in recent years.
- 2.13. In the period beyond 2022, the required annual number of completions and the rolling three year requirement will be closer to the average recent annual rate. By that time it is also expected that the BCP will be getting close to adoption. This will aim to identify additional sites that are suitable for housing.

Current Large Housing Sites

Site	Housing Capacity	Status
Goscote Lane Copper Works	263	Outline planning permission. Current detailed application under consideration
Goscote Lodge Crescent	401	Construction began summer 2020
Harvestime Bakery	88	Construction began summer 2020
Caparo, Green Lane	252	Construction began summer 2020
Heathfield Lane West	207 (113 still to be completed)	Construction began 2018-19

3. Actions

The council is already undertaking or reviewing the potential for a number of actions that will assist in increasing housing delivery. These are set out below. They are listed in the order of the main service area that is likely to lead them, however some of the actions will require involvement and agreement at a council-wide level. More details on each are set out below the table. An indication of the potential housing numbers that might be delivered from each is shown to help prioritise.

Action	Potential Housing Numbers	Lead Team	Timetable	Discussion Points
ACTION 1 – Progress Black Country Plan.	Walsall 882/year Black Country 4,019/year To 2039	Planning Policy with colleagues from other Black Country authorities	Already under way. Public consultation on draft plan expected Summer 2021	
ACTION 2 – Examine sites in SHLAA that are suitable for housing but not explored under other actions to identify reasons why they have not come forward for development	SHLAA provides the database of potential housing sites to be explored through the other workstreams	Planning Policy	Annual update is underway. Expected publication March 2021	
ACTION 3 – Expedite determination of planning applications for residential development.	Aim should be to approve sufficient new homes to meet annual need as set out in local plan	Development Management	Ongoing	
ACTION 4 - Consider options and the potential for borough wide housing delivery over the longer term e.g. local housing company (Council or joint venture owned), direct delivery, etc.	Aim should be to deliver sufficient homes, when added to those delivered by the market and other grant-funded developments, to meet annual need as set out in local plan	Arcadis: current consultancy study under direction of Development Team	Under way	
ACTION 5 – Acquire or bring forward smaller housing schemes on derelict or untidy sites including those where planning permission for housing has been granted previously	Several hundred? Potential sites to be drawn from SHLAA	To be determined Potential funding from Towns Fund	Subject to launch of Town Deal work	

ACTION 6 - Site assembly to deliver housing under the Willenhall Garden City banner	Approx. 200	Arcadis consultancy under Development Team	Under way. Proposals are shortly to be reported to Cabinet	
ACTION 7 – Study to explore potential for additional housing at opportunity sites	Approx. 200	Arcadis consultancy under Development Team	Under way	
ACTION 8 – Pursue lapsed planning permissions and sites allocated for housing in SAD but not yet brought forward for development	Approx. 1,000? Potential sites to be drawn from SHLAA	To be determined	To be determined	
ACTION 9 – Expedite disposal of surplus council land where suitable for housing development	Several hundred?	Corporate Landlord	Under way	Current MHCLG consultation on Right to Regenerate https://www.gov.uk/government/consultations/right-to-regenerate-reform-of-the-right-to-contest/right-to-regenerate-reform-of-the-right-to-contest
ACTION 10 – Pursue funding to help bring other sites forward	Unknown	Development and Housing Strategy Teams	Under way	
ACTION 11 - Support economic growth and protection/ creation of jobs	None directly	All teams in Economy, Environment and Communities	Ongoing	
ACTION 12 – review by Arcadis of other council actions affecting housing delivery		Arcadis	Under way	

ACTION 1 – Progress Black Country Plan (BCP)

It is a legal and Government policy requirement to have strategic planning policies and an up to date local plan. The local plan sets out the amount of land needed for homes, employment and other uses, allocates sites for them, and provides a framework to attract investment and determine planning applications.

The current adopted local plan comprises the Black Country Core Strategy (BCCS) adopted in 2011, the Walsall Site Allocation Document (SAD) and Town Centre Area Action Plan (AAP) adopted in 2019 and 'saved' policies of the Walsall Unitary Development Plan (UDP) adopted in 2005. The BCCS, SAD and AAP only identify requirements to 2026, so the land supply they provide for is being used up.

Once adopted, the BCCS and SAD will be replaced by the BCP, which will cover the period to 2039. Work on the BCP is already underway. Public consultation on the draft plan is scheduled to take place in August and September 2020. The housing need for the Black Country is 4,019 additional homes per year to 2039, of which 882 per year are required in Walsall (equal to 76,361 and 16,758 respectively over the period 2020-2039). As at January 2021, work on the plan has identified potential housing sites in Walsall with a capacity of between 17,600 and 21,200 homes (some will be required to meet need that cannot be accommodated in neighbouring areas, in particular Sandwell). These include sites 'carried forward' as allocations from the SAD and other sites identified in the SHLAA as already suitable for housing, however they also include a significant number of sites that are currently in the Green Belt or used as open space elsewhere. Green Belt housing sites cannot be brought forward for development until the BCP is adopted, which is anticipated to be in 2024.

The BCP is by far the most significant action that can be taken, in view of the additional housing land supply that it will seek to identify. As noted earlier, the current BCCS and SAD only provide sufficient housing land to meet our needs to 2026. The BCCS proposed that some housing development would take place on surplus former employment land, with growth in office employment (which requires less land to provide the same number of jobs as in factories and warehouses) compensating for the loss of industrial land. However, even before the effects of Covid, this change to office employment was failing to occur. Some of the existing office stock has been converted to residential use, sometimes as permitted development. For example, two of the largest sources of new homes in 2019-20 have been through the conversion of Tameway Tower and Regina court in Walsall Town Centre. It will therefore be necessary to retain more land in industrial use and even add to the supply if we are to secure sufficient employment for our residents. Without jobs, people will not be able to afford to buy or rent housing in any case.

In Walsall, the BCCS estimated that approximately 2,500 homes could be provided on currently occupied employment land that was likely to become surplus or unsuitable for retention over the plan period. This would only provide sufficient land for approximately 3 years of housing need in any case. As well as now being needed to meet employment needs, the industrial occupiers have also been found to be more resilient than expected. The majority of occupiers have remained and many have invested to upgrade their premises.

Even if it was desired to redevelop poor quality industrial sites for housing, many older industrial areas are in a multitude of ownerships which makes the task of acquiring land to enable comprehensive redevelopment very difficult if not impossible. There would also be the need to find suitable alternative premises for occupiers who remained in business. Modern industrial premises tend to have a lower employment density because automation

means that fewer jobs are needed, so more land would be required if the same number of jobs are to be retained.

ACTION 2 – Examine sites in SHLAA that are suitable for housing but not explored under other actions to identify reasons why they have not come forward for development.

The Strategic Housing Land Availability Assessment (SHLAA) is one of the evidence documents that supports the local plan. National planning policy expects the SHLAA to be updated at least once per year. The SHLAA contains details of sites that have been examined for their potential suitability for housing. These includes sites that already have planning permission or which are allocated in existing local plans, as well as other sites where housing could be supported under current planning policies. The SHLAA also identifies sites that are not suitable or developable for housing, either for policy reasons (such as land in the Green Belt) or physical unsuitability (such as land that is heavily contaminated or affected by adjoining uses).

It provides a key database that lists sites that could be allocated in the local plan, as well as sites that are already suitable for housing where development could be brought forward earlier in advance of the adoption of the plan.

ACTION 3 – Expedite determination of planning applications for residential development.

The Council already has a good performance record in the determination of planning applications, and work has taken place recently as part of the PROUD programme to examine the scope for further improvements.

Further actions to be examined include:

- Potential to use Planning Performance Agreements for major schemes, encourage increased use of pre-application advice to inform applications so that the right information is provided from the outset to speed delivery of the permissions.
- Review resources to support the service i.e. legal services in preparation of Section 106 Agreements and potential for template S106 Agreements.
- Updated Supplementary Planning Documents to provide greater clarity to developers on triggers and level of obligations and process of reviewing viability.
- Publish consultation response on the web so developers can review earlier.

ACTION 4 - Consider options and the potential for borough wide housing delivery over the longer term e.g. local housing company (Council or joint venture owned), direct delivery, etc.

The Council has recently commissioned Arcadis to produce this study and work is now underway. The study will consider the range of delivery options that could be applied specifically within Walsall. Political and financial approval would be required if action was proposed to implement any options arising from this work.

It should be noted that neighbouring authorities have already explored potential delivery mechanisms. In Sandwell this includes the construction of council housing whilst Wolverhampton has a council-owned housing company.

ACTION 5 – Acquire or bring forward smaller housing schemes on derelict or untidy sites including those where planning permission for housing has been granted previously

Towns Fund money is being explored to pursue this in and around Walsall Town Centre and Bloxwich district centre.

The SHLAA indicates that several hundred homes could be provided through this source. There are many sites where planning permission has been granted for housing in the past where the permission has lapsed, or where construction has commenced but then stalled. The reasons for this may be varied but are likely to include financial difficulties experienced by the developer and/or unrealistic expectations of land value. Some sites were granted planning permission prior to the 2008-9 crash. In addition other sites remain derelict with no associated plans for development resulting in a negative impact within their locality.

Given the financial difficulties involved with such sites, it is likely that the council would have to give careful consideration to the risks involved, and consider pursuing compulsory purchase orders in some cases.

ACTION 6 - Site assembly to deliver housing under the Willenhall Garden City banner (Arcadis).

Several sites in or close to Willenhall District Centre are currently being examined in detail. Most are already allocated for housing, have planning permission, are vacant or are no longer suitable or required for employment uses. There is potential for additional housing in the district centre, for example using upper floors of shops. Preparation of a delivery focused masterplan for Willenhall has also commenced that will consider the potential for new housing.

ACTION 7– Studies to explore the potential for additional housing at opportunity sites (Arcadis).

The potential for additional housing through the development of opportunity sites will be assessed. For example a study of land and premises in Station Street is currently underway. This work considers the potential to deliver new housing in a sustainable town centre location with easy access to retail and leisure facilities and in close proximity to Walsall railway station.

ACTION 8 – Pursue lapsed planning permissions and sites allocated for housing in SAD but not yet brought forward for development

There are other sites which, whilst not derelict or untidy, are identified in the SHLAA as being suitable for housing but which have failed to come forward for development. Land for approximately 1,000 homes may fall into this category.

ACTION 9 – Expedite disposal of surplus council land where suitable for housing development

The council owns a number of pieces of surplus land and buildings which it is in the process of disposing of. Some have already had planning permission or are the subject of current

applications, for example the former Broadway Centre. There may be potential to expedite their disposal. However, in some cases the land may have potential to be used for other purposes for which there is a need, for example to allow school expansions that will serve new housing development or replace unsuitable premises elsewhere.

Some areas of open space have been submitted in response to the call for sites for the Black Country Plan, to be considered for allocation for housing or employment.

ACTION 10 – Pursue funding to help bring sites forward

There is the potential to pursue housing development on brownfield sites elsewhere. The council is

- working with the WMCA and LEP to maximise remediation funding that can be brought into Walsall to help deliver difficult and costly brownfield sites;
- supporting the private sector to access funding where necessary; and
- working with Homes England and housing association partners to maximise take up of Homes England's Affordable Homes Programme 2021 - 2026

ACTION 11 - Support economic growth and protection/ creation of jobs

The provision and retention of secure and adequately paid jobs is critical to the delivery of housing, especially open market homes. Without paid work, residents will be unable to pay mortgages or rents.

Allocating and safeguarding through the local plan a sufficient supply of land for employment uses, to allow companies to remain in business, locate in the area and expand, is therefore intrinsic to the delivery of housing. As well as the preparation of the local plan by the planning policy team, the work of other council teams is also important, including enabling the delivery of new employment sites, the determination of planning applications, and assistance given to support businesses, and train, recruit and retain their workforce.

ACTION 12 – review by Arcadis of other council actions affecting housing delivery

As well as the options for housing delivery that are being explored by Arcadis, they are also being encouraged to explore related issues that impinge on delivery. These include the role of the council in supporting economic activity and the effectiveness of the numerous council initiatives.