

Isle of Wight Council

Housing Delivery Test Action Plan 2019

1.0 Introduction

The delivery of new homes is a national issue. The Government considers that for too long insufficient homes have been built across the United Kingdom and this affects the economy, productivity, health and well-being of our communities.

The Government wants to increase the supply of housing across the country and has introduced a new 'Housing Delivery Test' (HDT) as the mechanism to monitor delivery at a local level. This is to ensure that local authorities and other stakeholders are held accountable for their role in ensuring new homes are delivered.

Local Planning Authorities, where delivery is below 95% of their housing requirements, are expected to produce a Housing Delivery Test Action Plan (HDT AP) to identify delivery issues and help to find solutions.

Where the HDT indicates that delivery has fallen below 85% of the requirement, a 20% buffer should be added to the local planning authority's five-year land supply.

The Isle of Wight Council is not the only council required to prepare an action plan and add a 20% buffer. 108 other local planning authorities were below the relevant thresholds and find themselves facing the same requirements. These include not only comparator and nearby authorities, such as New Forest District Council, East Dorset and Adur, but also the City of London and urban authorities such as Bournemouth, Oldham and Wigan.

2.0 Where we are now?

The council published a draft Island Planning Strategy for public consultation. This document proposed a level housing that had been calculated in accordance with national planning policy and the Government's Standard Methodology. There was a great deal of public interest in the draft plan and a significant response rate. A proportion of these comments expressed concern that the level of housing proposed was too high.

The council is now working through the comments and the issues raised and is looking at how moves the draft local plan and accompanying evidence base forward. This is in particular reference to housing numbers and delivery, the affordability of housing in the Island housing market and whether new residential accommodation is accessible to existing Island residents.

Whilst there is a clear relationship between the level of housing planned for and delivery, this document focusses on identifying actions that can be taken relating to delivery regardless of what the housing target number is. It is considered that the Island Planning Strategy process will be arena for the housing target debate.

3.0 The Action Plan's purpose and intended audience

Purpose

The action plan is intended to be a practical document. It sets out the reasons the council has identified for under-delivery and where possible, the steps we intend to take to mitigate obstacles and increase delivery across the Island.

This is the Isle of Wight Council's first action plan. Our intention is to review the action plan each year following the results of the annual HDT. The second HDT results are due to be published in November 2019 and the need for an updated action plan will be considered following these results.

Audience

The document is intended for a range of housing delivery stakeholders. The council recognises that delivering growth across the Island, especially housing, is complex. Increasingly, it will require delivery stakeholders to work together. Some actions will solely be the remit of the council, others will require the support and co-operation of Parish and Town Councils, Homes England, house builders, developers, registered providers, site promoters and landowners.

4.0 Relationship and links to other council plans and strategies.

The council is working on a suite of plans and strategies as well as planning several interventions into the housing market. Working together, and alongside the Housing Delivery Test Action Plan, these will proactively improve delivery of housing across the Island.

They include, but not limited to:

- [The Corporate Plan 2017-2020](#)
- [The draft Island Planning Strategy](#)
- [A Regeneration Strategy 'Inspiration Island' 2019 – 2030](#)
- A Housing Strategy – to be consulted on and finalised
- [The Health and Wellbeing Strategy for the Isle of Wight 2018-2021](#)
- [The Independent Island Living Statement 2017](#)
- [The Extra Housing Strategy 2017-2032](#)

The council is also establishing a housing delivery company with an aim of intervening in the market to deliver homes, including accelerating delivery by using modern methods of construction.

5.0 Five-year land supply

The National Planning Policy Framework (NPPF) requires local planning authorities to maintain a supply of specific deliverable sites to provide five years' worth of housing against their housing requirements. Therefore, local planning authorities should have an identified five-year housing land supply at all points during the plan period.

A shortfall will occur when completions fall below the housing requirement in the plan over a three-year period. Where local planning authorities are unable to address past shortfalls over a five-year period they may need to reconsider their approach.

The council's [2018 five-year land supply statement](#) sets out that the council does not currently have a five-year land supply. At that point the council could demonstrate a land supply of 4.2 years. This figure includes the need to incorporate a 20% buffer for a persistent under supply.

Whilst the council does not have a five-year land supply any application for residential development should still be in a sustainable location, as required by the NPPF and local development plan policies. Recent Inspector's decisions have concluded that the general need for new housing provision on the Island does not itself justify the grant of permission in all cases and that the requirement for sustainable development would still carry significant weight in the determination of a planning application.

Through the emerging Island Planning Strategy and the next review of the Strategic Housing Land Supply Assessment it is anticipated that sufficient appropriate sites will be identified to meet the next five-year land supply requirement.

6.0 The Isle of Wight Council's Housing Delivery Test result 2018

The council's HDT result 2018 [was published on 19th February 2019](#).

The HDT assesses the number of homes built in local authority areas over the previous three years and compares these against local housing requirements.

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

The council's result is set out below.

Isle of Wight		
Number of homes delivered per year	2015-16	417
	2016-17	324
	2017-18	371
Total number of homes delivered		1,112
Number of homes required per year	2015-16	523
	2016-17	523
	2017-18	531
Total number of homes required		1,577
Housing Delivery Test: 2018 result		71%
Housing Delivery Test: 2018 consequence of not meeting test		Action Plan and 20% buffer on 5YLS

Table 1: HDT Result 2018

The 2018 result was 71% which means the gap between requirement and delivery is 'significant'. As a result, we must create an action plan and, also identify an extra 20% on our

five-year housing land supply for previous under delivery. As stated previously, this 20% is already incorporated into the 2018 five-year land supply figure.

The National Planning Policy Framework establishes increasingly stringent sanctions for not meeting the percentage threshold requirements set out in the Housing Delivery Test, (Annex 1 – Implementation). Unless delivery rates increase to above 75% by November 2020 the council will fall into the toughest sanction, that of presumption in favour of sustainable development (known as ‘presumption’).

The council is actively pursuing a development strategy to increase housing delivery. The intention is to increase supply but in ways aligned with the wider council goals, such as the requirement for development to be high-quality respecting the local context and creating a sense of place based on the environment and unique Island characteristics.

The development strategy includes the actions within this action plan along with actions in other relevant housing delivery documents and strategies set out in Section 3.

7.0 Housing Delivery Analysis

Adopted Plan

The Island Plan Core Strategy was adopted in March 2012 and identified an annual requirement of 520 dwellings a year. As a Core Strategy document, it did not identify any allocations. Work did start on a suite of Area Action Plans that had residential allocations but work on these halted as changes to national policy emerged. Therefore, the council has not had any residential allocations since the Unitary Development Plan (1996-2011 – adopted May 2001). This is likely to have contributed to the shortfall in delivery against the identified figure over the course of the plan.

Supply of sites

As a result of a lack of allocations, housing delivery has been a result of non-allocated policy compliant applications being determined and approved.

Who is currently delivering sites

Analysis from building control completions over the period 2000-2018 has shown that most houses are a result of applications of 1-9 units followed by 10-100 units. The table below shows the number of units delivered by size of application.

Description	Total Completions	
	Number of units	Delivered over number of sites
Sites from 0-10	3,018	various
Sites from 10-100 units	2,057	136
Sites from 100-500	718	7
Sites 500 plus	930	2

Table 2 – Number of units delivered by development size.

The figures in the table indicates that smaller sites deliver most of the houses across the Island.

We are currently collecting further evidence on who is delivering these sites. To date anecdotal evidence suggests that the builders delivering homes in the range of 10 to 100 units seem to be from a core of 12-15 businesses. Most of which are Island based and operate on a smaller to medium scale. Only a few larger sites are delivered by the volume house builders and most recently this has been Barratt David Wilson.

The initial analysis suggests that there may be a limited pool of regular builders available to deliver homes across the Island. This impacts on timings, ability to deliver on a larger scale and overall resilience to changes in market factors. This is something the council wishes to understand more clearly and will continue to gather evidence on these aspects.

Recent housing delivery

The chart below (Figure 1) shows that the council has met its adopted Core Strategy annual housing target of 520 units only once since its adoption. Delivery over the last 10 years has averaged 427 dwellings per annum, with consents being granted at 653 per year over the last seven, however this includes a spike in 2017/18 when consents rose to 1,413 when an outline application for 904 dwellings was approved. Outside of this approval, consents have averaged 545 a year.

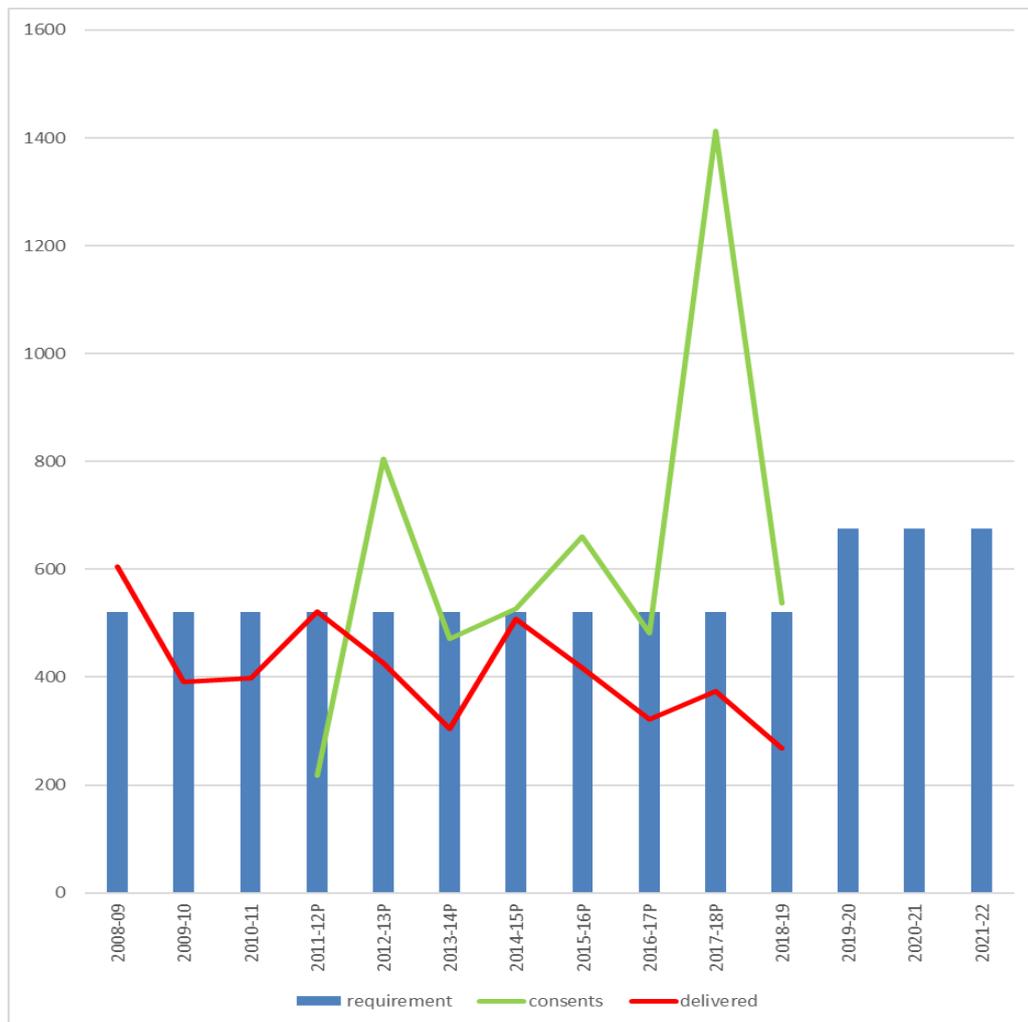


Figure 1 – Local Plan housing requirement in relation to planning permissions and homes delivered (reflects the current known data)

Figure 1 shows that from 2019/20 the requirement for housing delivery rises to that of the most up-to-date standard methodology (SM) figures of 675. It is acknowledged that the draft Island Planning Strategy sets out a stepped approach to housing delivery, but this has not yet been tested at Examination and may change in the next iteration of consultation.

Figure 1 also highlights that to adhere to any housing delivery requirement across the Island, including targets in the emerging draft plan, the SM and/or the HDT, there will need to be an overall increase in housing delivery. This will likely require a greater number of applications being approved and more importantly a significant increase in the conversion of those permissions to rates not seen since 2009.

Core Issues

To ensure this action plan is a practical and effective document we have considered the potential reasons for under delivery. This will be an ongoing process and as further evidence is undertaken any issues and actions will be amended in the next iteration of the action plan.

We have examined evidence from a range of sources including:

- Current planning permissions
- Information from the strategic housing land availability assessment
- The annual monitoring reports
- Proposed allocations
- Brownfield Land Register
- Five-year land supply
- Discussions with agents, landowners, registered providers, applicants, building control, development management and other council officers (housing delivery stakeholders)

This review and evidence collection have resulted in the council having a clearer understanding of some of the barriers relating to housing delivery across the Island.

Some of the issues the council was already aware of, but other issues were not fully appreciated. As such the council will continue to investigate these aspects and understand them in more detail to better focus any actions accordingly.

The core issues presented by the evidence and sector engagement are:

- Skills shortage – only a few builders/developers available across the Island and this includes their own staff shortages
- Viability – of site, land values and S106 aspects and the ability to get development finance. This also includes commercial viability versus redevelopment viability
- Applicant model – sites are still in landowner control, not ‘oven ready’
- Ransom strips
- Time sensitive applications – Outline ‘versus’ reserved matters
- Developers don’t have easy access to information about sites, constraints and policy requirements are unclear
- Specific site issues relating to some current planning permissions, S106 processes - clarity, information required, timings and engagement with RPs

- Planning resource issues and the impact of this on response times for correspondence, negotiations and discharging conditions.
- Pre-app service to be clearer on what can be delivered on site, with an improved consistency
- Council need to have a greater understanding of housing demand, that is builders will only build what can be sold.
- Need to be pro-active on difficult sites as these sites are not coming forward for reasons we don't yet understand
- Political obstacles
- The development market on the Island lacks capacity / diversity.

8.0 Key Actions

Housing delivery is a corporate priority and the council is working as one team on a series of coordinated actions to try and improve delivery across the Island.

As stated in the introduction it is working on a suite of plans and strategies which together with the actions in this Housing Delivery Test Action Plan, will proactively improve delivery of housing across the Island.

Corporate Actions

Emerging Local Plan

The draft Island Planning Strategy (Regulation 18) consultation (December 2018 – February 19) set out the proposed overall strategic direction for growth and included various policies to encourage and facilitate housing delivery.

The council recognising that housing delivery is challenging and therefore proposed a stepped approach towards delivery, which was considered to be more realistic. The issue of unimplemented permissions was also identified and a policy basis for dealing with the issue was proposed. A key element of the draft Island Planning Strategy was the proposed housing allocations, particularly given that there were no such allocations in the Core Strategy.

These proposed policy approaches, and the issues they are seeking to tackle, have been subject to public consultation. Ultimately, they and the rest of the Island Planning Strategy require further public scrutiny and examination before being used in the decision-making process.

The draft Strategy has recently undergone consultation and work is underway on analysing the responses to understand the views of the public and ascertain what changes may be required.

By reviewing its planning policies and including proposed allocations, the council wishes to:

- Be realistic when it comes to delivery,
- Give the clearest possible direction on what is expected of new development,
- provide an appropriate framework that recognises the importance of the delivering housing, and
- provide certainty to those involved in the provision of housing.

Regeneration Strategy 'Inspiration Island' 2019 – 2030

The Strategy was adopted July 2019 and recognises the positive impacts that housing delivery and wider growth can bring. Its key priorities are place making, housing, transport and infrastructure, cultural and environmental assets, skills and development and area regeneration.

The Strategy has a number of actions to encourage growth across the Island including progressing appropriate sites for development within the council's property portfolio. The Strategy also sets out that the council, will, where possible and appropriate help enable others to realise the full potential of their assets including considering and facilitating joint ventures between the public and private sector to realise more advantageous outcomes where appropriate.

Housing Strategy

Consultation on the strategy is taking place over summer 2019 with adoption later in the year. The strategy is built around 4 themes - People, Property, Place and Partnership and will include a separate but linked action plan covering a wide range of tenures and delivery options across a range of needs, from care leavers to elders.

Housing Delivery Company

The council is setting up the company in 2019/20 with an aim to start delivery on sites in 2020/21. The exact scale of development is not yet known but sites are currently being identified and considered so as to speed up delivery.

Housing Conversations

The council has set up a Housing Conversation; a forum to re-engage with developers, housing providers and those involved in housing delivery to discuss and consider barriers and potential actions to improve delivery. These conversations are led by the Regeneration Team and include other relevant stakeholders and council officers. Two conversations have been undertaken to date. The outputs from these conversations have been considered in this document.

Proposed Actions

The proposed actions are set out in the table below and are themed into:

- Generic
- Access to information
- Understanding delivery of permitted sites.
- Improving local skills

The actions are interim and evolving with an aim to kick start housing delivery in the short to medium term. It is also hoped that these actions will help reduce the risk of further under-delivery. They will be updated as the evidence base improves and with the next iteration of the Island Planning Strategy and HDT results.

Timelines and impact

In terms of timelines, the proposed actions have been given a time period, as set out below:

- Ongoing – Work is progressing and will continue to evolve
- Short – To be undertaken in the next 3 months
- Medium – To be undertaken over the next 6 months
- Long – To be undertaken in the next 12-18 months

The potential impact of an action has also been set out as to whether the outcome is likely to have a high (H), medium (M) or low (L) impact on housing delivery.

Generic

Timeline	Action	Outcome	Impact	Responsible	Actioned	Result
Ongoing	Continue to progress the new Local Plan - Draft Island Planning Strategy Development Plan Document <ul style="list-style-type: none"> • Confirm housing numbers • Propose a range of residential allocations to deliver housing numbers 	Increased confidence for stakeholders on housing numbers and suitable locations for housing delivery	H	Planning Services	In progress	Regulation 18 draft being analysed
Complete	Produce a Regeneration Strategy that recognises positive impacts that housing delivery can bring	Increased confidence for stakeholders and residents that new housing is needed on the Island	H	Regeneration Team	Y	Strategy adopted July 2019
Short	Produce a Housing Strategy that draws all aspects of housing delivery into one place	Increased confidence for stakeholders and residents that new housing is needed on the Island	H	Regeneration & Housing Teams	In progress	Consultation summer 2019
Short	Establish a housing delivery company	Intervene in the market to deliver homes, including accelerating delivery by using modern methods of construction	M	Regeneration Team	In progress	
Ongoing	Continue working with the Public Sector Partnership (PSP).	Delivery of housing on council land holdings	M	Regeneration Team	In progress	
Ongoing	Continue 'Housing Conversations' with Stakeholders to identify barriers, actions and progress on housing delivery	Better communication and understanding of issues and potential actions by all stakeholders	H	Regeneration Team	In progress	Two 'Conversations' taken place
Medium	Market and promote the Island as a place with high quality development at its core	Increased confidence in the housing market for developers	M	Council Team / Housing Delivery Stakeholders		
Long	Consider use of CPO / clearance / site brief / marketing / joint venture/ package sites to create opportunities	Ready "parcels" of land made available to all categories of developer	H	Council Team		

Access to Information

Timeline	Action	Outcome	Impact	Responsible	Actioned	Result
Short	Review pre-application advice offer and improve value of advice	Developers and registered providers can access coordinated and helpful advice at a fair price	H	Planning Services	Y	New pre-application service in effect
Short	Consider including information on the council's website on 'what a good planning application' looks like. Include clarity on what reports & when, what viability information & when	Better applications, less time to validate	L	Planning Services		
Short	Revisit existing viability evidence including land values if relevant	Island Planning Strategy sets realistic estimates for land values and other relevant aspects	M	Planning Services		
Short	Revisit wording within policies of next iteration of draft Island Planning Strategy	Increased clarity and confidence for applicants	M	Planning Services		
Short	Undertake further evidence on timings between applications submitted/approved/delivered on site & compare to national average.	Increased understanding of impacts on delivery	M	Planning Services / Housing Delivery Stakeholders		
Short	Ensure consistency between HDT AP, 5-YLS, AMR and new Housing Position Statement	Improved consistency of evidence will help understand the housing delivery picture for all stakeholders	M	Planning Services		
Short	Development Funding: <ul style="list-style-type: none"> • Signpost relevant parties to grant funding available nationally and locally including relevant Homes England's funding streams. • Consider local gap funding for smaller private developers • Offer triage service 	Increased take up of available funding streams to help deliver sites	L	Planning Services		
			M	Council Team		
Medium	Establish a single point of contact ("Delivery agent") so developers and	Developers and registered providers can get council support with problems	M	Planning Services		

	registered providers know who to contact if they need help	and council improves its understanding of issues				
Medium	Develop a supplementary planning document on design and incorporate design awards	Promotion of high-quality design for the future of Island	H	Planning Services		
Medium	Consider process of analysing how developers / builders / registered providers of various sizes get access to the right sites and what (if anything) the council should/can do to help. Consider incorporating into a topic paper to support the local plan	Increased understanding on what sites can be delivered and whether larger proposed allocations need to be subdivided into smaller parcels	M	Planning Services / Housing Delivery Stakeholders		
Short	Set out the Council's approach to applying conditions, and ensuring that they are relevant and proportionate	Reduce the need for conditions and enable development to commence as quickly as possible following consent being granted	M	Development Sector / Planning Services		

Understanding Delivery of Permitted Sites

Timetable	Action	Outcome	Impact	Responsible	Actioned	Result
Short	Contact relevant applicant/owner - P/01456/14 – Pennyfeathers, Ryde to understand why site progress has stalled.	IOW will understand issues and ascertain potential actions to unlock delivery	H	Planning Services	Y	Discussions ongoing re potential options for timing of infrastructure
Short	Contact relevant applicant/owner of undeveloped sites with permission to understand why site progress not started and support delivery	IOW will understand issues and ascertain potential actions to unlock delivery	H	Planning Services		
Short	Contact relevant applicant/owner on sites which have started but remain unfinished to understand why site progress stalled	IOW will understand issues and ascertain potential actions to unlock delivery	H	Planning Services		

Improving Local Skills

Timetable	Action	Outcome	Impact	Responsible	Actioned	Result
Short	Upskilling the Island. Require an Employment and Skills Plan at Construction stage for development of a certain size	Improved local skills and employment opportunities	M	Planning Services / Development Industry / Regeneration & Economic Development Teams	Y	Draft Policy included in the draft Island Planning Strategy
Short	Review who has a strong track record of delivery on the island and consider the impact of creating a delivery forum	Improved understanding of issues to inform additional actions	M	Planning Services / Development Industry		
		Understand intentions given the need to increase delivery	M	Planning Services		
		Understand what (if anything) the council can do to help	M	Planning Services		
Short	Lunchtime CPD/Learning for council officers given by industry professionals	Increased understanding of impacts relating to application process	M	Planning Services / Housing Delivery Stakeholders		

Ongoing	Increase planning resource (staff)	<ul style="list-style-type: none"> • More efficient/effective application process • More efficient/effective post approval process (discharge conditions) 	M/L	Planning Services		
	<ul style="list-style-type: none"> • Increased development management officer capacity • Increase planning policy officer capacity 	<ul style="list-style-type: none"> • Increased officers to undertake Local Plan review to produce up-to-date and adopted Local Plan 	S/M	Planning Services	In progress	Recruitment in progress for two new officers and replacement of one
	<ul style="list-style-type: none"> • Appointment of Monitoring and Delivery Officer 	<ul style="list-style-type: none"> • To efficiently and effectively monitor and follow-up on delivery 	M	Planning Services		

8.0 Monitoring

The action plan will be monitored by the Housing Programme Officer Board on a quarterly basis. The Board is made up of the:

- Assistant Chief Executive,
- Director of Adult Social Services
- Director of Finance
- Assistant Director of Housing Delivery, Place Making and Community Regeneration
- Head of Strategy and Operations (Children Services)
- Housing Delivery Programme Manager
- Strategic Manager – Organisational Change and Corporate Performance

9.0 Conclusions and Next Steps

This Housing Delivery Test Action Plan is the council's first action plan following the 2018 Housing Delivery Test.

The action plan has been considered by the Housing Programme Officer Board, Housing Partnership Board and by the Council's Corporate Management and Leadership Teams . It sets the scene for further in-depth iterations following continued progress on the Island Planning Strategy Development Plan Document and the annual Housing Delivery Test results.