Housing Delivery Test Action Plan

July 2025



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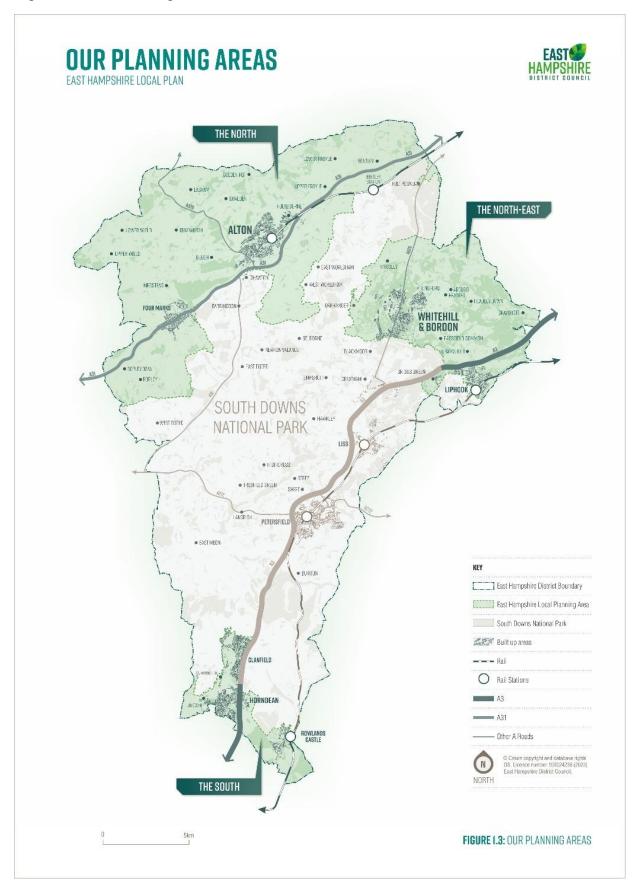
1. Introduction

- 1.1 England is facing a housing crisis and addressing this has been identified as one of the biggest and most urgent challenges facing the country. This has been recognised by the new Government, with numerous changes proposed to the planning system, as well as updates to national policy and guidance.
- 1.2 The effects of the housing crisis are particularly acute in East Hampshire, as the district is one of the most unaffordable areas in Hampshire.
- 1.3 This Housing Delivery Test (HDT) Action Plan has been prepared by East Hampshire District Council to provide an overview of housing delivery within the district. This includes an analysis of housing delivery, barriers to delivery and identification of actions to increase the delivery of housing in the future.
- 1.4 The Housing Delivery Test calculation, as published by the Government, relates to the whole district, which is split into two planning authority areas. East Hampshire District Council is the local planning authority for the area of East Hampshire outside of the South Downs National Park (SDNP). As such, there is a disparity in that this Action Plan relates to the area for which the Council is the local planning authority (See fig.1 below) as that is the area for which it can consider 'actions', but the overall figure relates to the whole district. This remains a key concern for East Hampshire District Council, on which it will continue to lobby Government about its unique position and how it is disadvantaged by this position¹.

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¹ See all communication with Government so far on the issue of East Hampshire housing number - https://www.easthants.gov.uk/planning-services/planning-policy/local-plan/emerging-local-plan/communications

Figure 1: Our Planning Areas



Why is a Housing Delivery Test Action Plan being prepared?

- 1.5 The HDT was introduced by government through the National Planning Policy Framework (NPPF) in July 2018 to monitor whether a local planning authority is building enough homes to meet its identified Local Housing Need (LHN). Whilst the HDT applies to the whole of the district (including the SDNP), the SDNPA is not required to prepare an Action Plan. As stated, this Action Plan only relates to the area in East Hampshire outside of the SDNP.
- 1.6 The HDT measures the number of homes built (completed) against the housing target for a plan making area over the previous three-year period. This 2023 HDT considers the number of homes delivered between 2020/21 and 2022/23. However, East Hampshire Local Planning Authority is only responsible for planning decisions in East Hampshire outside the SDNP, and whilst the commentary says "for the housing target for a plan making area" this is not the case in East Hampshire and needs to be looked at urgently by the Government moving forward.
- 1.7 The HDT results are based on a percentage score which is published annually by the Government. Local Planning Authorities (LPAs) are required to take appropriate actions where certain delivery target thresholds, as set out in the NPPF, are not met. A 'rule book' published by the Government is available². It should be noted, the 2023 measurement includes a reduction in the period for measuring total homes required. This would usually be measured over a three-year period, but an 8-month period has been used for the 2020/21 monitoring year. This is to account for the considerable variations in levels of housing delivery as local planning authorities and construction industry faced disruption on a national, regional, and local level due to the pandemic.
- 1.8 The results of the 2023 HDT showed that 1,453 new homes were delivered in the district between 2020/21 and 2022/23, equating to 88% of the district's housing target over the three-year period. As the 2023 HDT result is below 95%, the Council is required to prepare and publish an HDT Action Plan, which identifies the reasons for under-delivery of housing, explores ways to reduce the risk of further under-delivery and set out measures we intend to take to improve levels of delivery where we can. As shown in Section 3, a total of 97% of EHDC's local planning authority target is being met, which would not trigger the need for a HDT Action Plan. However, EHDC consider it is still important to produce an HDT Action Plan to improve the delivery of housing to meet needs.
- 1.9 This Action Plan demonstrates the Council's continued commitment to positively responding to the challenge of boosting housing delivery in the district.

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 $^{^2\} https://www.gov.uk/government/publications/housing-delivery-test-measurement-rule-book$

Collaboration

- 1.10 The Council recognises that delivering growth within the district is complex. Whilst a number of the actions identified in the HDT Action Plan are principally within the remit of the Council to resolve (such as the production of planning documents and the timely determination of planning applications for housing schemes), the Council will also need support and the co-operation of those involved in delivering new homes. Planning Practice Guidance (PPG) recommends that the HDT Action Plan is prepared in collaboration with key stakeholders. It suggests key stakeholders are developers, land promoters, private and public landowners, infrastructure providers (such as utility providers), county councils and neighbouring councils.
- 1.11 One key stakeholder is the SDNPA, given the HDT result is based on delivery in the SDNP but that is an area for which East Hampshire District Council has no planning control. We will continue to regularly liaise with the SDNPA on strategic matters associated with the production of our respective Local Plans, which includes provision of housing to meet needs. We will also however seek input from the SDNPA with regards to future Action Plans, as at present this is a district wide assessment.
- 1.12 As a pragmatic response to the housing delivery situation in East Hampshire and in order to assist with information gathering on the new local plan, the Council held a 'Developer Forum' on 2 April 2025. A total of 57 representatives from the development industry attended, which included developers, Councillors, land promoters and land owners. Presentations were given by the planning policy team, the Council's Management Team and the Councillor Portfolio Holder for Regulation and Enforcement. Following presentations, there were workshop sessions looking at challenges relating to infrastructure, planning policy, construction costs and increased housing numbers. There was also specific feedback sought for this Action Plan. More information on the Developer Forum is available in Appendix A.
- 1.13 Any further action plans will be subject to a period of consultation with key stakeholders, to enable other key stakeholders to input. It will be also be informed by further dialogue with the SDNPA, and the Government.

2. Policy Context

National Planning Policy

- 2.1 In a bid to address the national housing crisis, the previous Government published its Housing White Paper, named 'Fixing our broken housing market' in February 2017 ³. The White Paper sets out the Government's plans to boost the supply of new homes in England and over the longer term, create a more efficient housing market whose outcomes more closely match the needs and aspirations of all households and supports economic prosperity. The White Paper outlined that the country needed between 225,000 to 275,000 more homes per year to keep up with population growth in order to start tackling years of under-supply at the national level. The Government at that time, then committed, in the autumn budget of 2017, to delivering 300,000 homes per year by the mid-2020s.
- 2.2 The previous Government also produced a Levelling Up and Regeneration Bill (LURB)⁴ that was published on 11 May 2022 that is seeking to introduce new planning reforms in the longer-term. The LURB⁵ reached Royal Assent at the end of October 2023 and the National Planning Policy Framework (NPPF) was also updated in December 2024. It is noted that the latest guidance provided by Homes England⁶ continues to state that the Government estimates that 300,000 new homes are needed per year.
- 2.3 Changes to the NPPF in July 2018 introduced new measures and reforms to the planning system intended to deliver more housing, improve housing affordability and where possible, remove barriers to new housing development. One of these measures included the introduction of a Housing Delivery Test (HDT), to ascertain the performance of local planning authorities in terms of housing delivery. The HDT become one of the previous Government's key initiatives to help boost housing growth and to encourage local planning authorities to have a more proactive role in supporting housing delivery in its area, as well as taking accountability for underdelivery
- 2.4 The current Government is also focussed on boosting housing delivery to help address the housing crisis and boost economic growth. In particular it commits to build 1.5 million new homes over its five-year parliamentary term (i.e. similarly 300,000 homes per year). This objective remains evident from the NPPF (Dec 2024), which confirms that the revised standard method in the PPG should be used for determining local housing need.

³ Fixing our Broken Housing Market, MHCLG, February 2017

⁴ Levelling Up and Regeneration Bill, DLUHC, May 2022

⁵ Levelling Up and Regeneration Act, DLUHC, October 2023

⁶ Fact Sheet 1. The need for homes, Homes England, January 2024

- 2.5 The current Government also identifies the HDT as a key component to monitoring and addressing insufficiency in the delivery of housing to meet needs. The NPPF (para. 79) says:
 - "To maintain the supply of housing, local planning authorities should monitor progress in building out sites which have permission. Where the Housing Delivery Test indicates that delivery has fallen below the local planning authority's housing requirement over the previous three years, the following policy consequences should apply:
 - a) where delivery falls below 95% of the requirement over the previous three years, the authority should prepare an action plan to assess the causes of under delivery and identify actions to increase delivery in future years;
 - b) where delivery falls below 85% of the requirement over the previous three years, the authority should include a buffer of 20% to their identified supply of specific deliverable sites as set out in paragraph 78 of this framework, in addition to the requirement for an action plan;
 - c) where delivery falls below 75% of the requirement over the previous three years, the presumption in favour of sustainable development applies, as set out in footnote 8 of this Framework, in addition to the requirements for an action plan and 20% buffer."
- 2.6 Further information on the preparation of the Action Plan is available in the <u>Planning Practice Guidance.</u>

Local Planning Policy

- 2.7 The East Hampshire Joint Core Strategy (JCS) was adopted in 2014. Provision is made in the JCS for a minimum increase of 10,060 new dwellings in East Hampshire over the period 2011to 2028. This is equivalent to a minimum 592 dwellings per annum.
- 2.8 The JCS is over 11 years old and considered 'out-of-date' only in terms of the Local Housing need (LHN) referred to. In line with the NPPF, the housing requirement falls to be determined by the LHN derived from the application of the Government's standard method.
- 2.9 Since 2018 LHN has been calculated using the standard method set out in the NPPF and PPG. The standard method was revised in December 2024, however, the outputs of the new standard method do not currently affect the current HDT measurement. As with both versions of the standard method, the LHN varies on an annual basis due to the various data sources used within the associated calculations. As a result, the number of homes required within the HDT measure varies each year monitored, until such time that an updated local plan is adopted and the housing requirement determined.

Local housing Requirement

Joint Core Strategy

- 2.10 As outlined above, the JCS sets out a district-wide local housing need for East Hampshire. The housing requirements were supported by a Strategic Housing Market Assessment (SHMA) to assess the full housing needs of the district. The SHMA analysed the housing markets that affect the district to determine the need for housing that should be met within East Hampshire, including the National Park.
- 2.11 The SHMA identified that the Objectively Assessed Housing Need (OAHN) for the district lies within the range of 520-610 dwellings per annum. The JCS Inspector's report (paragraph 25) stated that the Inspector considered the OAHN to be around 610 dwellings per annum (dpa), that being 10,370 new dwellings up to 2028. The Inspector noted that the Plan proposed 592 dpa (10,064 dwellings) which is less but not significantly so (about a 4% difference) and that he considered the difference to be well within a reasonable margin for error. The Inspector concluded that the evidence submitted to the examination supports the figure of 10,060 as the minimum number of new homes that should be provided to 2028. This figure was not formally disaggregated between EHDC and the SDNPA, as separate local planning authorities.
- 2.12 Despite no formal agreement on the disaggregation of the housing requirements at the time of adoption of the JCS, in 2015, a Memorandum of Understanding (MoU) was signed by both EHDC and the SDNPA, which committed to meeting the housing need for East Hampshire. Recognising the content of the JCS and its supporting evidence base, it was agreed at the time that based on environmental and landscape constraints within the National Park an appropriate apportionment for doing so would equate to a minimum of 8,366 dwellings outside the National Park and a minimum of 1,694 dwellings within the National Park. Therefore, East Hampshire LPA should monitor its housing land supply against a minimum of 492 dpa (8,366 dwellings over the plan period equates to 492dpa). This approach was supported by the Examiner of the East Hampshire Housing and Employment Allocations Plan which was adopted by the Council in April 2016.
- 2.13 Subsequently (March 2018 and December 2018), Statements of Common Ground (SoCG) were agreed between the two local planning authorities to support both emerging Local Plans at the time, further endorsing the position that the SDNPA will meet the requirement of 100 dwellings per annum (dpa) until 2028.

Standard Method

2.14 Since the adoption of the JCS, the NPPF has been revised on numerous occasions. The 2018 iteration introduced a standard method for determining local housing need, which utilised a formula based on household projections and affordability ratios. It is this version of the standard method that currently informs the HDT requirements at a

district-wide level. The following shows the district wide housing requirement over the three years within the HDT measurement:

Table 1: East Hampshire district-wide Local Housing Need

Year	District-wide LHN
2020-2021	415
2021-2022	597
2022-2023	632

- 2.15 Despite the HDT measurement being calculated on a district-wide basis, the PPG has always recognised that where strategic policy-making authorities do not align with local authority boundaries (either individually or in combination), or the data required for the model are not available such as in National Parks, an alternative approach will have to be used. However, it was recognised that any locally determined methodology will need to consider the best available information on anticipated changes in households as well as local affordability levels. As a consequence, EHDC commissioned consultants to ascertain the local housing needs separately inside and outside the SDNP, to help inform supply calculations. This disaggregated approach factored in the relevant amount of population in each area, as well as the difference in affordability.
- 2.16 Based on the above, EHDC does not consider the HDT should be based on the district-wide outputs of the standard method. The SDNPA is a separate local planning authority and EHDC has no control over the delivery of housing within that area. Instead, EHDC considers the HDT should be based on the local housing need and delivery within its own boundaries, until such time that the new local plan is adopted, which will set out the housing requirement and will account for unmet needs of neighbouring authorities, such as the SDNPA, where necessary. As a result, EHDC considers the LHN for the HDT measurement should be:

Table 2: East Hampshire Local Planning Authority Local Housing Need

Year	EHDC LHN
2020-2021	315
2021-2022	497
2022-2023	535

2.17 Although not relevant for the purposes of the current HDT measurement or this Action Plan, the standard method for determining LHN was revised in December 2024. Instead of utilising population projections; housing stock is used. Affordability ratios are also averaged over a five-year period. The affordability adjustment factor was also amended. Utilising the revised standard method, East Hampshire's district-wide LHN is currently 1,119 dwellings per annum. Similar to previous iterations, EHDC considers this figure should be disaggregated between the two relevant local planning authorities and used to determine future land supply calculations and HDT measurements. Therefore, EHDC, as the local planning authority, currently has a

LHN of 828 homes per annum. This accounts for the disaggregation of the housing number with the SDNP – as discussed in detail in Counsel advice received in March 2025. When future HDT measurements are made, EHDC will continue to advocate that the relevant requirement and delivery should be on a disaggregated basis, solely for EHDC's local planning authority area.

2.18 In addition, it is important to note that the LHN figures identified both by the local evidence and the standard method do not produce a housing requirement figure. Once adopted, the housing requirement in the new Local Plan will be used.

Five-year housing land supply (5YHLS)

- 2.19 The East Hampshire Five-Year Housing Land Supply Position Statement (for the period 2023/24 to 2028/29) sets out the current housing land supply calculation and position.
- 2.20 The council is currently unable to demonstrate a 5-year housing land supply against its LHN figure as per the requirement of national policy.
- 2.21 The council is committed to responding positively to the challenge of increasing the delivery of new homes and is progressing its new Local Plan in accordance with the Local Development Scheme (March 2025). A Regulation 19 consultation is scheduled for summer 2026 with adoption of the new Local Plan anticipated in summer 2027.

Other strategies

- 2.22 One of the aims of the <u>Council's Strategy</u> 2024-2028 is "The economy of the area to grow, and grow sustainably, so that we will see increased number of quality jobs, higher earnings and productivity levels, increased housing provision as well as a reduction in carbon emissions.", noting that "We will facilitate high quality, sustainable development at key strategic housing and employment sites in Whitehill & Bordon, Alton and the Southern parishes."
- 2.23 The Council also has an Affordable Housing Strategy 2022-2025, and Regeneration and Economy Strategy 2024-29.

3. Housing Delivery Test Results

3.1 The latest HDT results were published in February 2025. The results of the 2023 HDT measurement revealed that housing delivery in East Hampshire District was 88% of the district's housing target over the three-year period.

Table 3: Housing Delivery Test: 2023 Measurement

Year	Requirement	No. homes delivered	
2020/21	415	404	
2021/22	597	563	
2022/23	632	486	
Total	1644	1453	
HDT	88%		
Measurement			
HDT 2023	Action Plan		
Consequence			

- 3.2 Table 3 shows there has been insufficient housing delivery across East Hampshire over the relevant three-year period (2020-2023). Therefore, EHDC is required to produce an Action Plan to identify the reasons for under-delivery and how it can be improved. In line with the PPG, there are no consequences for the SDNPA for failure to deliver enough housing.
- 3.3 As stated earlier in this document, EHDC does not consider the HDT should be measured on a district-wide basis, due to the inability to influence housing delivery in another local planning authority. Therefore, EHDC considers a true reflection of the 'HDT: 2023 Measurement' is represented by Table 4.

Table 4: HDT in EHDC Only

Year	Requirement	No. homes delivered
2020/21	332	360
2021/22	478	495
2022/23	507	445
Total	1,317	1300
HDT	99%)
Measurement		
(EHDC only)		
HDT 2023	None	Э
Consequence		

3.4 If only the number of homes required and delivered within EHDC (outside the SDNP) are considered, then there are no consequences regarding the HDT measure. However, EHDC recognises the importance of delivering homes with the area to meet the needs of its residents and support the production of an Action Plan. The Council also recognises that there is a significant step change in the district's housing requirement from December 2024. Therefore, EHDC is seeking to meet this challenge and has the ambition to increase both the quantum and speed of new housing delivery within its local planning authority area.

4. Housing Delivery Analysis

Past Performance on housing delivery

4.1 Prior to the adoption of the Joint Core Strategy in 2014, housing delivery was monitored against the South East Plan (SEP). At the time, a housing requirement of 260 dwellings per annum was identified for East Hampshire to cover the period 2006 to 2026. This requirement included the area within the South Downs National Park. This target recognised the development constraints and strong environmental protection policies for the district included in previous regional and structure plans. Despite a time of economic recession, EHDC delivered sufficient homes to meet this target. As seen from table 5, there was a considerable over-provision between 2006 and 2013 in comparison to the SEP housing requirements.

Table 5: Housing Requirement in East Hampshire 2006 to 2013

Year	Requirement	Adopted	District	Difference
		Plan	Provision	
2006/07	260	SEP	280	20
2007/08	260	SEP	546	286
2008/09	260	SEP	580	320
2009/10	260	SEP	266	6
2010/11	260	SEP	272	12
2011/12	260	SEP	335	75
2012/13	260	SEP	341	81
Total	1,820		2,620	800

- 4.2 Also, judged against the housing requirements of the East Hampshire District Local Plan: Second Review (1996-2011), the Council achieved the baseline housing requirement figure (practically) with 5,427 completions out of a requirement of 5,500 dwellings, without the need to release reserve sites.
- 4.3 Within East Hampshire the current housing requirements are identified in the Joint Core Strategy (JCS), adopted in May 2014 by East Hampshire District Council (EHDC) and in June 2014 by the South Downs National Park Authority (SDNPA). The housing requirements were supported by a Strategic Housing Market Assessment (SHMA)⁷ to assess the full housing needs of the district. The SHMA analysed the housing markets that affect the district to determine the need for housing that should be met within East Hampshire, including the National Park.

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⁷ NLP - East Hampshire Strategic Housing Market Assessment and Local Housing Requirements Study (2013)

- 4.4 The SHMA identified that the Objectively Assessed Housing Need (OAHN) for the district lies within the range of 520-610 dwellings per annum. The JCS Inspector's report (paragraph 25) stated that the Inspector considered the OAHN to be around 610 dwellings per annum (dpa), that being 10,370 new dwellings up to 2028. The Inspector noted that the Plan proposed 592 dpa (10,064 dwellings) which is less but not significantly so (about a 4% difference) and that he considered the difference to be well within a reasonable margin for error. The Inspector concluded that the evidence submitted to the examination supports the figure of 10,060 as the minimum number of new homes that should be provided to 2028.
- In 2015, a Memorandum of Understanding (MoU) was signed by both EHDC and the SDNPA, which committed to meeting the housing need for East Hampshire noted above. It was recognised and agreed at the time that based on environmental and landscape constraints within the National Park an appropriate apportionment for doing so would equate to a minimum of 8,366 dwellings outside the National Park and a minimum of 1,694 dwellings within the National Park. Therefore, East Hampshire LPA should monitor its housing land supply against a minimum of 492 dpa (8,366 dwellings over the plan period equates to 492dpa). This approach was supported by the Examiner of the East Hampshire Housing and Employment Allocations Plan which was adopted by the Council in April 2016.
- 4.6 The adopted Joint Core Strategy (2014) has a base date of April 2011 for monitoring housing delivery. Since the start of this plan period, a total of 6,098 new homes have been completed, which represents a 298 dwelling shortfall from the requirement in the JCS (outside the SDNP). The period 2017-2020 saw delivery above the Joint Core Strategy target noticeably in 2018/19 948 homes were completed; 456 above target. However, 2020/21 was unsurprisingly low delivery due to the Covid pandemic, and whilst it picked up in 2021/22, it then proceeded to drop off and be particularly low in 2023/24 with only 252 homes completed.

Table 6: Housing Delivery Performance against JCS requirement

Year	JCS Target	Completions	Shortfall/over-
		(net)	supply
2011/12	492	264	228
2012/13	492	279	213
2013/14	492	325	167
2014/15	492	485	7
2015/16	492	404	88
2016/17	492	424	68
2017/18	492	791	299
2018/19	492	948	456
2019/20	492	626	134
2020/21	492	360*	132
2021/22	492	495**	3
2022/23	492	445***	47
2023/24	492	252	240
Total	6,396	6,098	-298

5. Reasons for under-delivery

5.1 Under delivery is complex and related to many parts of the overall process and influenced by national and international situations. The following section draws out some of those challenges, with much of this information sourced from the developer forum.

Emerging Local Plan

- 5.2 EHDC committed to reviewing the Local Plan in early 2018, undertaking an initial Regulation 18 Consultation on a Draft Local Plan in early 2019. However, the Council's attempts to progress the Local Plan has been against the backdrop of uncertain times and changes to priorities.
 - Council declared a Climate Emergency (2019)
 - Government White Paper (2020)
 - Covid-19 Pandemic (2020-2021)
 - Council decision to conduct further early-stage consultation on the Local Plan (2023)
 - Local elections (2023)
 - New Government (2024) and changes to NPPF, PPG (overriding focus on growth).

South Downs National Park

5.3 A total of 57% of East Hampshire is within the South Downs National Park. One of the purposes of a national park is to conserve and enhance the natural beauty, wildlife and cultural heritage. Therefore, development is restricted and LHN does not have to be met. As a result, the national park designation results in a limited land supply of sites for development and not enough homes being built to meet the needs of the area. Although EHDC discusses the strategic matter of housing with the SDNPA through Duty-to-Cooperate conversations, we have no control on what housing will be delivered in the area. The restrictive nature of a national park designation significantly hinders the delivery of homes in that area, which would contribute to the HDT measurement for the wider district.

Construction challenges

- 5.4 Costs associated with construction skills, labour supply, building materials, new and in-demand technologies, utility connections are affecting the delivery of new homes.
 - There are shortages in the skilled labour necessary to deliver housing in accordance with planning permissions.
 - Labour supply in the southeast is a particular issue because of the high housing requirements across the region (this competition can also increase costs). Retention of the workforce for the duration of a project can also be difficult.

- Over the last five years, there has been a significant increase in construction costs, meaning that some sites are no longer profitable.
- Rapid inflation of building material costs has undermined the planning of new development, because plans have needed to change before they could be implemented (to remain within budget).
- There have been difficulties in procuring EV charging infrastructure, air source heat pumps due to market competition (many developers seeking to acquire the same for their sites).
- Utility providers give quotes for making connections than are only valid for seven days, because material and labour costs are volatile. Utility providers have a monopoly so there is no alternative. Full planning consent is necessary before utility providers engage with developers.
- Theft and anti-social behaviour affecting plant and machinery has led to increases in security costs.

Infrastructure costs

- 5.5 There can be a lack of certainty regarding infrastructure requirements, and how financial contributions are calculated.
 - The Local Plan viability assessment can give a false impression of viability because it does not adequately represent requests for financial contributions made at the planning application stage.
 - Extraordinary build costs can relate to utilities issues and provision of associated infrastructure.

Planning Policy implications

- 5.6 The requirements of planning policies can have implications for completions of new homes.
 - The application of parking and amenity standards, highways standards, policies on self-build housing and the density of new housing development can cause potential delay through the planning process, because these issues are often reliant on joint working to negotiate acceptable solutions.
 - Nutrient neutrality can be a constraint to development. Other than agreed on site mitigation, the council has signed up to a number of schemes whereby developers can obtain credits to address nitrogen mitigation. However, currently there are no mitigation schemes available in East Hampshire district to address the impacts from phosphorus. Other than a bespoke solution which requires the approval of Natural England, there is currently no strategic solution to address phosphorus impacts in certain parts of East Hampshire, namely those proposals falling within the Itchen water catchment.

Affordable Housing

- 5.7 Developments that meet specific thresholds are required to provide affordable housing.
 - Affordable housing requirements can lead to delays at the stage of implementing a planning permission, because interest from affordable housing providers is currently low due to problems with the financing of small schemes.
 - Related to this, the use of Section 106 Obligations to deliver policy requirements can itself lead to significant costs for small developers, who cannot access development finance at low interest rates. This is because there are often delays associated with drafting these legal contracts before permission can be granted and work can commence on-site.

Development Management

5.8 Some planning applications are delayed whilst issues are resolved, particularly taking time when they involve statutory consultees and additional parties. Also, planning applications that have not engaged with pre-app are more liable to have unresolved issues that need addressing.

6. Action Plan

6.1 Housing delivery, especially the provision of affordable housing, is already a high-level corporate and political priority for EHDC, as detailed in the East Hampshire Council Strategy 2024-28 – Making a big difference. Strong corporate leadership will be an ongoing requirement to ensure housing delivery remains a focus across the Council. This is also reflected in other Council strategies and policy documents (see Section 2).

Developer Forum

- 6.2 The Council recognises the fundamental importance of building relationships with the developers, landowners and agents within the district. Contact with these partners is an essential part of assessing whether sites are available for development as part of the Land Availability Assessment (LAA). This is carried out on a regular basis to ensure that only those sites that are genuinely available can be considered as part of the potential housing land supply.
- 6.3 More recently (April 2025), the Council hosted a developer forum, which brought representatives of the local development industry together and engaged them in collaborative discussions, which has helped the council to better understand the issues to increasing housing delivery that could be tackled through the production of its emerging Local Plan and this Action Plan.

Ways to reduce the risk of further under-delivery and measures to improve levels of delivery

Planning policy

- 6.4 Policy approaches can help with the delivery of more new homes, whilst balancing the wider sustainable, community and economic needs of East Hampshire. In order to deliver sites and respond to changes in the economy the Council takes a flexible approach to the application of its adopted policies. This includes residential tenure mix, loss of employment and other land use, where appropriate.
- 6.5 At present the development plan for EHDC consists of:
 - Joint Core Strategy (2014)
 - Housing and Employment Allocations (2016)
 - Saved policies remaining in the Local Plan: Second Review (2006)
 - Neighbourhood Plans (various)
- 6.6 The policies in the adopted Local Plans are kept under review to monitor their effectiveness. This is reported through the Authority Monitoring Report on an annual basis.

- 6.7 The Council is currently working on a new local plan, which will address the local planning authority's development needs over the period to 2042. Once adopted, the local plan will identify the strategy, policies and sites to deliver growth across the area, which will assist in the delivery of homes.
- 6.8 The Council supports the Government's objective of significantly boosting the supply of homes where it is needed to ensure the needs of communities are addressed. The Council also agrees with the statement in the NPPF, that the planning system should be genuinely plan-led. Although the new local plan will be a key mechanism in improving housing delivery in the district, it will not be adopted until 2027. Please see the Council's updated Local Plan timetable.

Infrastructure

- 6.9 There can sometimes be a lack of certainty regarding infrastructure requirements, and over how financial contributions are calculated.
 - More clarity is needed over how CIL contributions may be used and how this
 could affect the need for direct contributions through Section 106 obligations,
 particularly for highways and transport infrastructure.
 - The Local Plan viability assessment can give a false impression of viability because it does not adequately represent requests for financial contributions made at the planning application stage.
 - More clarity is needed on how infrastructure contributions are calculated, and a consistent approach should be taken.
 - More clarity on the specific infrastructure requirements for a development site
 would be helpful at the pre-application stage, without the need to separately
 engage with infrastructure providers through other pre-application processes
 - Better dialogue between EHDC, developers and infrastructure providers should be used to ensure that the delivery of new facilities is effective and that future occupants can be found (e.g. new GP surgeries)
 - More strategic infrastructure projects (e.g. to address highways, biodiversity net gain, flood risk concerns) may be needed to deliver the much-increased housing requirements.

Decision-Making

- 6.10 A number of actions have been identified regarding the plan-making process, however, the approach to decision-making and the relevant decision making procedures are also key to improving both housing land supply and the subsequent delivery of homes.
- 6.11 Planning applications for housing which would be acceptable and likely to make an important contribution to housing land supply/delivery will be identified at an early stage in the application process, with a focus on achieving timely decisions.

Early Engagement

6.12 In bringing forward future applications the Council would encourage applicants to undertake early and meaningful engagement with the local community and relevant stakeholders regarding their proposals for development. In particular, the Council would encourage early and direct engagement with relevant Ward Members, and Town and Parish Councils with a view to understanding and where appropriate responding to their priorities prior to submission of a planning application. This might include identifying appropriate S106 contributions necessary to ensure strong, vibrant and healthy communities.

Preapplication process

- 6.13 The Council would also proactively encourage the early submission of pre-application proposals seeking to flush out, at an early stage, the key issues for consideration and concerns relating to any application proposal. The Council will seek to do this in a collaborative way accepting that the absence of any detailed input of key consultees may give rise to a "subject to" comment in any advice that is provided. Therefore, it is strongly advised that additional advice is sought from relevant stakeholders, where applicable. This would include utilising Hampshire County Council's pre-application advice service to discuss matters relating to proposed access arrangements, the transport impacts of new development proposals and possible mitigation associated with development. Similarly, Natural England offer Discretionary Advice Service (DAS) advice for developers at the pre-application stage.
- 6.14 Further details on how to submit a pre-application enquiry and associated fees, please see the <u>Council's website</u>.

Planning Performance Agreements (PPAs)

6.15 The Council has experience of delivering development proposals by early engagement through Planning Performance Agreement (PPA) arrangements. This is a bespoke way of entering into early dialogue on emerging proposals, leading through to application submission and determination, and ultimately condition discharge on successful schemes. The Council can provide more certainty of timescales through managing the PPA process and being able to dedicate resources to those projects. The Council encourages early conversations with the Development Management Team to decide whether PPA is an appropriate route for a potential project.

Speeding up delivery following a decision

6.16 The Council will seek to condition any planning permission to commence within 2 years from date of grant of planning permission to maximise the likelihood of delivery of housing in the short term. Where outline permission is granted, the Council will take a similar approach in reducing the implementation period to ensure expedient carrying out of development – normally 12 months until the submission of a related reserved matters application.

6.17 In the future, the Council may consider in the next Action Plan including a resolution that if the S106 is not concluded within 12 weeks of the resolution to permit, officers will have delegated authority to refuse the application. This could help ensure that permissions are delivered in a timely manner, assisting in the reduction of the lead in time for completions to take place on sites. However, the Council needs to consider resourcing but will look into this and discuss at a future developer forum.

Review S106 procedures

- 6.18 Where positive pre-application advice has been provided, resulting in the identification of required planning obligations, the submission of a draft legal agreement with the planning application will be encouraged. This should enable the agreement to be ready for signature on the point of decision-making.
- 6.19 In parallel with this, the Council is working towards the production of a standard S106/Unilateral Undertaking template to assist and speed up this process.

Review of local planning application requirements

- 6.20 The Council updated its local planning applications requirements in May 2024. However, the Development Management team will continue to review and update the validation checklist to set out the submission package required to support valid planning applications made to the Council. Developers complying with the provisions of current and updated guidance will assist in reducing validation times.
- 6.21 Similarly, it is important that applications can demonstrate that proposed development is "deliverable" as part of the submitted documents. Deliverable sites will be those that are not, for example, dependent upon provision of significant off-site infrastructure which would prevent them from delivering completed dwellings within 5 years. Evidence of the site deliverability can also be demonstrated where all the land required to deliver the proposed housing is in the applicant's control. Applicants can also evidence that they intend to develop sites promptly following the grant of permission so that proposals will begin to be delivered within a short period and deliver housing (for example through the submission of a draft phasing plan).
- 6.22 Applications for full planning permission, rather than outline consent, are more likely to lead to the early delivery of housing. For larger schemes, hybrid applications (part full and part outline) may also demonstrate a greater commitment to delivery. In cases where outline planning applications are made, the submission of a parameter plan showing housing mix and layout, alongside a more illustrative plan would assist in providing greater certainty over how housing might be delivered in a timely manner.

Transitioning to a new planning and development management software

6.23 The Council upgraded its planning system in November 2024, seeking to improve the application process and help residents navigate through planning applications and decisions more effectively. There have been challenges with this, but we continue to work to resolve these and overall deliver improvements.

Planning Resourcing

6.24 Many councils are experiencing challenges with resourcing planning officers, specialist officers (ecology, trees, heritage etc) and support staff, with East Hampshire District Council also experiencing this at times. We continue to monitor this and resource where possible. As the number of planning applications increases, we will continue to monitor this. More active PPAs can give potential for more resource.

What is expected from developers?

- 6.25 Whilst the Council works to increase housing delivery, there are also aspects of the process where developers can also assist with this. As a result, the Council would expect those submitting applications to:
 - Meet the requirements of the development plan
 - Carefully consider the proposed design at early stages
 - Engage in pre-app with the Council
 - Engage in early discussions/pre-app with key stakeholders and infrastructure providers such as Natural England, Hampshire County Council, Integrated Care Board.
 - Gather information and engage with other services within the Council to understand more about local requirements, such a housing and community teams.
 - Provide supportive information in line with <u>local planning application</u> requirements
 - Provide a Sustainable development statement, summarising why the applicant considers the proposal to be sustainable development
 - Collaborate with other developers where possible looking for ways to work together and share information, particularly where sites adjoin with other sites being promoted/progressed, and in areas that are experiencing development pressures. There may be shared opportunities that benefit both sites, and wider benefits for the community
 - Submit illustrative plans, and where possible parameter plans, to help inform outline applications
 - Include phasing plans clearly setting out expected delivery timescales once planning permission has been sought and detailing any delivery partners (housebuilders) if known.

7. Implementation and Monitoring

7.1 Table 7 below sets out the key actions the Council is implementing to help boost housing delivery and supply within the local planning authority area.

Table 7 Key Actions for implementation

Key Actions for implementation				
Action	Responsible department	Monitoring (expected delivery date)		
Through the Local Plan preparation, the council will respond positively to the challenge of housing need and identify a sustainable growth strategy by establishing a housing requirement and adopting a new Local Plan.	Planning policy and wider Council	In accordance with LDS 2025		
The Council will continue to strongly advocate the provision of more housing in the South Downs National Park, in sustainable locations such as Petersfield, Liss and Liphook, through the Duty to Cooperate and responses to the SDNPA Local Plan Review.	Planning policy and wider Council	In accordance with LDS 2025, and SDNPA LDS 2024.		
Continue to monitor sites to support an accurate Land Availability Assessment (LAA) to inform the draft Local Plan	Planning policy	Annual publication of the LAA		
Complete new viability work to support the new Local Plan	Planning policy and wider Council (including housing team)	In accordance with LDS 2025		
Continue dialogue with developers and landowners to monitor build out rates and obtain information on barriers to delivering housing	Planning policy and wider Council	A further developer forum in Autumn 2025		
Host another Developer Forum in the Autumn, including a session focusing on implementation, and aspects of this Action Plan noted for consideration in the future	Planning policy	A further developer forum in Autumn 2025		
Next HDT Action Plan will be subject to consultation with infrastructure providers, neighbouring councils and county council	Planning policy	Next Action Plan		
Update Open Space Strategy 2018 to include clearer guidance and an open space calculator	Planning Policy	In progress of being commissioned		

Ensure transparency of how developer contributions are calculated	Planning policy and Developer Contributions Team	Ahead of next Action Plan
Prepare draft Infrastructure Plan, in liaison with infrastructure providers and developers	Planning policy and Developer Contributions Team	In accordance with LDS 2025
Prepare Infrastructure Business Plan (including CIL Spending Plan)	Planning policy and Developer Contributions Team	In accordance with LDS 2025. This will sit alongside the IP
Preparation of a standard S106/Unilateral Undertaking template	Legal team with Developer Contributions and Housing team	In progress
Prepare Community Buildings Assessment (Local Plan evidence base)	Planning Policy, Communities and Developer Contributions	In progress, scheduled to be completed in the autumn
Through Duty to Co-operate, advance liaison with infrastructure providers, and front load statements of common ground	Planning policy	In accordance with LDS 2025
 Improvements to pre-application advice service: Provide clarity on the specific infrastructure requirements for a development site at the pre-application stage Make policy requirements clear at the outset (e.g. self build, affordable housing) Identify early and prioritise applications that would make a significant contribution to housing supply be able to deliver quickly (e.g. full applications) 	Development management, planning policy and Development contributions team	Immediately
The Council will condition any planning permission for new homes to commence within two (2) years from date of grant of planning permission to maximise the likelihood of delivery of housing in the short term.	Development management	Immediately
Where outline permission is granted for new homes, the Council will require a reserved matters application to be submitted within 12 months.	Development management	Immediately

Where positive pre-application advice has been provided, resulting in the identification of required planning obligations, the submission of a draft legal agreement with the planning application will be encouraged	Development management	Immediately
Review and update the validation checklist	Development management	Ongoing
Prioritise planning applications for new homes that can demonstrate quick delivery is possible, and delivery is not reliant on unconfirmed infrastructure requirements	Development management	Immediately
New planning system (Idox) Put extra resource into clearing backlogs Working to ensure the new Idox system meets the needs of all involved in the planning process	Development management	Ongoing

7.2 Monitoring and review of this Action plan will take place periodically, and no later than 12 months following adoption. Such reviews will establish if the shortfall for housing has been reduced and access the overall effectiveness of this Action Plan.

8. Summary

- 8.1 The is the first Action Plan produced by East Hampshire District Council. However, with the recent updates to the NPPF, PPG and introduction of a new standard method for calculating local housing need, there are likely to be further iterations. This Action Plan covers the HDT period from 2020/21 and 2022/23, yet it is already known that there was a significant under-delivery of homes across East Hampshire during the 2023/24 monitoring year. Although some actions have taken place before the adoption of this Action Plan, many others will only be realised in future monitoring.
- 8.2 This housing delivery Action Plan demonstrates the proactive approach being taken by the Council and its partners to increase the level of housing delivery in the Local Plan area. Significant steps have been taken within the Planning Service and beyond to help bring forward identified development sites and identify new ones. Further key steps have been identified in this Action Plan.

Appendix A

East Hampshire Local Plan Developer Forum (April 2025): Briefing Note on Outcomes & Actions

Background

Planning policy officers invited the promoters of land for housing development within East Hampshire District Council's (EHDC's) planning area to a bespoke event, a 'developer forum', held on the morning of 2nd April 2025 at The Maltings in Alton.

The event was held for purposes of informing the development industry of progress on the emerging East Hampshire Local Plan 2024-2042; to facilitate a collaborative approach towards increasing housing delivery within East Hampshire; and to help identify the planning issues and their potential solutions for increasing housing delivery. The event followed similar presentations on the emerging Local Plan and changes to the planning system that were delivered to EHDC councillors and parish councils within East Hampshire in early 2025.

Changes to the planning system, including a revised National Planning Policy Framework, were made by the Government in December 2024. These changes had the effect of significantly increasing the estimated need for new homes within East Hampshire. Due to lower levels of housing completions in recent years, EHDC will also need to produce an Action Plan that could help to increase housing delivery in the planning area, per the requirements of the Housing Delivery Test. By bringing representatives of the local development industry together and engaging them in collaborative discussions, EHDC intends to better understand the issues to increasing housing delivery that could be tackled through the production of its emerging Local Plan and through its forthcoming Action Plan.

The developer forum event of April 2025 involved workshop discussions, involving ten groups of attendees that were invited to discuss issues for the development industry that are likely to affect the future delivery of new homes in East Hampshire. This briefing note summarises the points raised during those discussions, to identify the main implications for work on the emerging Local Plan and the Action Plan.

Developer Forum: The Event

A total of 109 developers, agents and landowners (referred to hereafter as 'development industry representatives') were invited to the developer forum event. Potential attendees were selected according to their involvement in EHDC's plan-making process, either from making previous representations to Local Plan consultations or

from correspondence for EHDC's Land Availability Assessment evidence base study. A total of 57 development industry representatives attended the event.

Presentations on the Local Plan and the Council's priorities for development were delivered by planning policy officers, the Planning & Special Projects Lead and EHDC's Portfolio Holder for Planning.



Following the presentations, attendees were split into ten groups to participate in groups discussions on one of four topics regarding the delivery of new homes:

- Constructions costs
- Local infrastructure requirements
- Planning policy implications
- The planning process

The majority of the groups discussed the first three topics from the above list. Following a short break and feedback on the issues that had been identified for 'the planning process', all groups were then given an opportunity to discuss that topic and, in doing so, to make suggestions on the future content of an East Hampshire Action Plan. The forum concluded with a questions and answers session relating to the presentations and workshop discussions.

Workshop Outcomes

Summaries of the main points emerging from the discussions are provided in relation to each of the four topics. The majority of views and opinions recorded on the day related to EHDC's handling of planning applications and decision-taking processes.



Topic 1: Construction Costs

Costs associated with construction skills, labour supply, building materials, new and indemand technologies, utility connections, and site security were raised as issues affecting the delivery of new homes. Attendees suggested that the associated costs have either directly increased or that delays relating to these matters have led to overall cost increases during or prior to the construction phase of development.

Key points raised:

- There are shortages in the skilled labour necessary to deliver housing in accordance with planning permissions
- Labour supply in the southeast may be a particular issue because of the high housing requirements across the region (this competition can also increase costs). Retention of the workforce for the duration of a project can also be difficult
- Over the last five years, there has been a significant increase in constructions costs, meaning that some sites are not profitable
- Rapid inflation of building material costs has undermined the planning of new development, because plans have needed to change before they could be implemented (to remain within budget).
- There have been difficulties in procuring EV charging infrastructure, air source heatr pumps due to market competition (many developers seeking to acquire the same for their sites)
- Utility providers give quotes for making connections than are only valid for seven days, because material and labour costs are volatile. Utility providers have a

- monopoly so there is no alternative. Full planning consent is necessary before utility providers engage with developers
- Theft and anti-social behaviour affecting plant and machinery has led to increases in security costs

Topic 2: Local Infrastructure Requirements

Attendees raised concerns about a lack of certainty regarding infrastructure requirements, and over how financial contributions are calculated. A more streamlined and integrated pre-application enquiry process from EHDC could improve certainty, and allow a greater focus on site-specific priorities, which is more helpful than the repetition of general policies.

Key points raised:

- More clarity is needed over how CIL contributions may be used and how this could affect the need for direct contributions through Section 106 obligations, particularly for highways and transport infrastructure
- The Local Plan viability assessment can give a false impression of viability because it does not adequately represent requests for financial contributions made at the planning application stage
- Extraordinary build costs can relate to utilities issues and provision of associated infrastructure
- More clarity is needed on how infrastructure contributions are calculated, and a consistent approach should be taken
- More clarity on the specific infrastructure requirements for a development site
 would be helpful the pre-application stage, without the need to separately
 engage with infrastructure providers through other pre-application processes
- Better dialogue between EHDC, developers and infrastructure providers should be used to ensure that the delivery of new facilities is effective and that future occupants can be found (e.g. new GP surgeries)
- More strategic infrastructure projects (e.g. to address highways, biodiversity net gain, flood risk concerns) may be needed to delivery the much-increased housing requirements

Topic 3: Planning Policy Implications

The application of parking and amenity standards, highways standards, policies on self-build housing and the density of new housing development were identified as the causes of potential delay through the planning process, because these issues are often reliant on joint working to negotiate acceptable solutions. The use of design codes and plot passports could help to mitigate delays. In the context of increased housing requirements, attendees suggested that more land would need to be allocated and that 'land would need to work harder', although this should be done without detriment to good place-making. It was suggested that other planning policy requirements, such as to achieve net zero carbon or to conserve biodiversity, can add to development costs. Finding an affordable housing provider to help deliver policy-compliant affordable housing has proved challenging in the case of smaller developments, due to the problems facing registered providers in financing these projects.

Key points raised:

- Planning can be dominated by the application of parking standards, building separation distances, garden sizes. For some sites, innovation can be acceptable but it takes time to negotiate solutions between developers and planners
- A vision-led approach to transport planning could help authorities to move away from the rigid application of road and parking standards, e.g. giving people the opportunity to choose lower car ownership options for the benefit of larger gardens
- The increased housing requirements indicate that increased housing densities should be considered on suitably located sites. New and innovative approaches to building and plot design should be considered to ensure good place-making.
- Self- or custom-build housing requirements can add delays to housing delivery unless policy requirements are made clear at the outset (e.g. through design codes and plot passports)
- Net zero carbon policies can increase building costs because different materials or technologies may be needed relative to those necessary to comply with building regulations
- Costs relating to biodiversity conservation and enhancement can add significantly to development costs (example cited to meet nutrient neutrality: £95k for one dwelling in Alresford)
- The current planning policy requirements for affordable housing do not reflect the market conditions facing affordable housing providers

Topic 4: The Planning Process

Delays in the planning process were widely identified as a significant concern for developers and site promoters in EHDC's planning area. Some delays have emerged due to recent changes to the Council's IT system that is used to register and process planning applications, leading to understandable frustrations on the part of applicants. It will be important to address the backlog of applications. However, a variety of other systemic issues were highlighted. For example, attendees noted that the use of Section 106 Obligations to deliver policy requirements can lead to significant costs for small developers. There can be delays associated with the drafting of these legal contracts before permission can be granted and work can commence on-site. These delays can prove more expensive for small developers, because they cannot access development finance at low cost.

Key points raised

- Applications can take too long to determine due to communication delays between applicants and officers, and between consultees and officers.
- Some consultees give advice to officers that is perceived to be too rigid or strict in relation to certain topics (e.g. landscape impacts), when greater realism and pragmatism could expedite decision-making
- Officers should push back more frequently against unreasonable requirements from statutory consultees
- It is difficult to understand how some requests for developer (financial) contributions are calculated (e.g. open space) and there seems to be a lack of consistency between planning applications
- Infrastructure requirements can add significantly to the costs but are not always apparent up-front and can evolve during a planning application process
- A well-resourced planning service is important so that developers can have conversations with planning and legal officers to resolve issues as quickly as possible
- The processing of applications for discharging planning conditions, particularly pre-commencement conditions, could be streamlined or expedited to help increase the delivery of new homes

The following list of questions will need to be considered in detail through the planmaking process, to help inform the Regulation 19 Local Plan:

- What infrastructure will be necessary to make the development strategy acceptable in terms of national planning policy for its inclusion in a local plan?
- How can the Infrastructure Delivery Plan and policies within the Local Plan satisfactorily co-ordinate the improvement or delivery of essential infrastructure with the delivery of new homes?
- How should a revised viability assessment for the Local Plan deal with the uncertainties over development costs, including with regard to finance?
- How should policies for vehicle parking, housing density and design/layout, biodiversity and climate change take account of housing delivery concerns?

Implications for the Action Plan

In relation to some of the key points that were made regarding the planning process, attendees were encouraged to raise, debate and discuss potential solutions that could be brought forward through EHDC's emerging Action Plan. The following list highlights some of the ideas that were recorded:

- More meetings or phone calls between developers and planning officers could help to reduce communication delays associated with email responses
- Improved working relationships (e.g. more frequent, in-person contact) with statutory consultees could help to resolve/reduce the number of unreasonable responses to planning applications
- Guidance could be produced by EHDC to suggest how sites may be brought forward through the planning system in the period before the adoption of the emerging Local Plan (see Horsham District Council and Chichester District Council for examples of this)
- Further research on what communities want or need from new development could improve the reception of new development proposals and reduce delays associated with objections
- There could be greater integration of pre-application and planning application processes, focusing on highlighting and resolving the important, site-specific issues for emerging proposals
- The use of, and adherence to planning performance agreements between applicants and officers could reduce delays experienced within the planning application process

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• EHDC could produce templates for standard s.106 obligations, to help reduce

the time spent drafting these agreements between solicitors.