

Briefing note: Housing Delivery Test & 5 Year Housing Land Supply

1.0 What is the Housing Delivery Test (HDT)?

1.1 The HDT was introduced by the Government in 2018 as part of the National Planning Policy Framework (NPPF) and is an annual measurement of housing delivery in all plan-making authorities. The HDT score is a percentage of the net number of homes delivered in an area against the number of homes required over a rolling 3 year period. The number of homes required is based on either adopted local plan policy (in IWC case is currently the Core Strategy), or where these policies are out of date, using the Government's standard method housing need figure instead. Depending on the % score achieved, different planning 'sanctions' are imposed on plan-making authorities.

IWC HDT results

1.2 The first step in calculating the IWC HDT scores is to determine the number of homes required and the number of homes delivered in each year. As the Core Strategy was over 5 years old when the HDT was introduced, household projections are used to determine the number of homes required per year prior to 2018. For the years 2018 onwards (and until such time as the Island Planning Strategy (IPS) is adopted) the Government's standard method housing need figure for the Isle of Wight is used¹ (see Source column in Table 1). The four years HDT results for IWC are set out in the two tables below:

Table 1: Homes required vs Homes delivered on the Isle of Wight, 2015/16 to 2020/21

Monitoring year	# of homes required	Source	# of homes delivered	
2015/16	523	2012 Household projections	417	
2016/17	523	2012 Household projections	324	
2017/18	531	2014 Household projections	371	
2018/19	675	Standard method	354	
2019/20	616*	Standard method	253	*Reduced by 1 month due to impact of Covid
2020/21	458*	Standard method	411**	*Reduced by 4 months due to impact of Covid

Data Source: [Housing Delivery Test - GOV.UK \(www.gov.uk\)](https://www.gov.uk/housing-delivery-test)

**IWC Annual Monitoring Report (AMR) for 20/21 shows 445 homes delivered due to historic under reporting of 34 – no material impact on HDT result (60% instead of reported 58%)

Table 2: Isle of Wight Council Housing Delivery Test scores 2018 - 2021

Year	Homes required	Homes delivered	% HDT Score
2018	1577 (523+523+531)	1112 (417+324+371)	71
2019	1729 (523+531+675)	1049 (324+371+354)	61
2020	1822 (531+675+616)	978 (371+354+253)	54
2021	1749 (675+616+458)	1018 (354+253+411)	58

Data Source: [Housing Delivery Test - GOV.UK \(www.gov.uk\)](https://www.gov.uk/housing-delivery-test)

¹ [Housing Delivery Test measurement rule book - GOV.UK \(www.gov.uk\)](https://www.gov.uk/housing-delivery-test)

- 1.3 As shown in Table 2 above, the Government’s latest Housing Delivery Test score (published 14 January 2022) shows that **58%** of the housing need has been delivered on the Isle of Wight over the three-year period to 31 March 2021. This is a slight increase from the HDT score in 2020 of **54%** for the three-year period to 31 March 2020.

Impact of the HDT results

- 1.4 As noted in paragraph 1.1, plan-making authorities that fail to meet certain HDT scores have different planning sanctions imposed on them by Government with a view to stimulating appropriate action to help address the under delivery of housing. The three different sanctions and score thresholds in place (the latter at these levels since 2020) are set out below:

HDT score	Planning sanction
Under 75%	‘Presumption in favour of sustainable development’ (see paragraph 11d of National Planning Policy Framework (publishing.service.gov.uk))
Under 85%	Add a 20% buffer to any 5 year housing land supply calculations
Under 95%	Produce a Housing Delivery Action Plan

- 1.5 Because of an HDT score of less than 75% in 2020 and 2021 the Isle of Wight Council currently has all three planning sanctions imposed. IWC is required to prepare and maintain the [Isle of Wight HDT Action Plan \(iow.gov.uk\)](https://www.iow.gov.uk), add a 20% buffer to its Five Year Land Supply (5YLS) requirement (see Section 2.0) and has to apply the NPPF’s ‘presumption in favour of sustainable development’.
- 1.6 The presumption in favour of sustainable development means that the council’s adopted Core Strategy policies for housing are considered to be out-of-date, and this will remain the case until the HDT score increases to over 75% **and** the Council is able to demonstrate a 5-year housing land supply.

How and when could the IWC HDT score exceed 75%?

- 1.7 Table 3 below shows an indicative level of house building that, in conjunction with the adoption of the Island Planning Strategy, would mean the HDT score exceeding 75% and IWC moving away from the ‘presumption in favour of sustainable development’ (see Table 4). These housing delivery figures have been used to give Councillors a guide as to the scale of homes needed to retake control over decision making.

Table 3: Homes required vs Homes delivered on IOW with indicative delivery 2022-2026

Monitoring year	# of homes required	Source	# of homes delivered	
2015/16	523	Core Strategy	417	
2016/17	523	Core Strategy	324	
2017/18	531	Core Strategy	371	
2018/19	675	Standard method	354	
2019/20	616	Standard method	253	<i>Reduced by 1 month due to Covid</i>
2020/21	458	Standard method	411*	<i>Reduced by 4 months due to Covid</i>
2021/22	668	Standard method	425	<i>Indicative delivery to demonstrate HDT score</i>
2022/23	479	Island Planning Strategy	425	<i>Indicative delivery to demonstrate HDT score</i>
2023/24	479	Island Planning Strategy	425	<i>Indicative delivery to demonstrate HDT score</i>

2024/25	479	Island Planning Strategy	425	Indicative delivery to demonstrate HDT score
2025/26	479	Island Planning Strategy	425	Indicative delivery to demonstrate HDT score

Table 4: IWC indicative Housing Delivery Test Scores 2022-2026 using Table 3 data

Year	Indicative Homes required	Indicative Homes delivered	% HDT Score
2022	1742 (616+458+668)	1089 (253+411+425)	63
2023	1605 (458+668+479)	1261 (411+425+425)	79
2024	1626 (668+479+479)	1275 (425+425+425)	78
2025	1437 (479+796+479)	1275 (425+425+425)	89
2026	1437 (479+479+479)	1275 (425+425+425)	89

- 1.8 As Table 4 demonstrates, if the IPS is adopted in 2023 and housing delivery is at the average level of 425 homes per annum from 2021/22 onwards shown in Table 3, then the IWC would move out of the 'presumption in favour of sustainable development with the **2023 HDT score** (published January 2024). The 20% buffer on 5 year housing land supply would also fall away using the **2025 HDT score** (published January 2026). The level of housing delivery indicated in Table 3, 425 homes per year, would also offer the potential for approximately 149 affordable homes per year based on 35% of all new units being affordable.
- 1.9 For information, Table 5 below shows the impact on the HDT score of different average annual housing delivery rates from 2021/22 onwards, and whether these would enable any of the planning sanctions to be removed, subject to the IPS being adopted that included a housing requirement figure of 479 dwellings per annum (dpa).

Table 5: Indicative impact on number of homes delivered on HDT score

Average annual housing delivery	Maximum HDT score	Year achieved	Presumption falls away	20% 5YRHLS buffer falls away	Housing Delivery Action Plan
250 dpa	57%	2023	No	No	No
300 dpa	63%	2023	No	No	No
350 dpa	72%	2025	No	No	No
375 dpa	77%	2025	Yes	No	No
400 dpa	82%	2025	Yes	No	No

*all figures above based on adoption of IPS in 2023 at 479dpa

2.0 What is the 5 year housing land supply (5YRHLS)?

2.1 A 5 year housing land supply is a list of specific deliverable² sites that should be sufficient to provide at least 5 years' worth of housing (and any appropriate buffer) calculated against the housing requirement set out in adopted strategic policies, or where these strategic policies are more than 5 years old, against the standard method local housing need figure.

IOW 5YRHLS position

2.2 As the Island Plan Core Strategy was adopted in 2012 and is more than 5 years old, IWC must use the standard method housing need figure when calculating our 5YRHLS (see rows A & B in Table 6). The standard method for the Isle of Wight is currently 668 dwellings per annum (dpa).

2.3 As explained in paragraph 1.5, due to the IWC HDT scores since 2018 the council has to add a 20% buffer to the five-year requirement (row c in Table 6). This generates a five-year requirement of 4,008 dwellings (row d), or for the purposes of this calculation only, 802 per year (row e).

2.4 The IWC last formally published the 5YRHLS position in 2018³ and this identified that the Council could only demonstrate 4.1 years supply. The figures within Table 6 overleaf provide an update as of 1st April 2021 (the end of the monitoring year 2020/21), showing that the position has worsened slightly with the Council only able to demonstrate **4.0 years supply**.

2.5 In terms of what makes up our housing supply, this effectively consists of five main elements, as listed below (rows f, g, h, i & j in Table 6):

- Large sites (10+ units) with full planning permission to be constructed in the next 5 years;
- Small sites (5-9 units) with full planning permission to be constructed in the next 5 years;
- Other sites deemed deliverable within 5 years;

NOTE: we are also able to count homes that we believe will be constructed in the next five years from other 'deliverable' sites and these include those with outline planning permission, those where a planning application is currently being determined and other sites such as proposed allocations in the IPS where there is a strong indication that delivery will occur. It is important to note that the entire number of homes proposed may not be counted, e.g. for a site such as Pennyfeathers in Ryde, whilst over 900 have outline permission, we would only anticipate 40 being completed before 2025/26 that would count for this 5YRHLS calculation

- Neighbourhood plan allocations (currently none on the Isle of Wight);
- Windfall allowance;

NOTE: Paragraph 71 of the NPPF allows local authorities to make an allowance for windfall sites in their anticipated supply. There has to be compelling evidence that windfall sites will provide a reliable and realistic source of supply having regard to the SHLAA, historic windfall delivery and expected future trends. During the five monitoring years of 16/17 to 20/21, a total of 556 units have been completed across the Island on smaller sites of less than 5 units at a rate of over 100dpa, despite the last two years being affected by the Covid pandemic and multiple lockdowns. As such a windfall allowance of 100dpa from small sites of under 5 units is considered appropriate and will continue to provide a key source of supply for the island.

² [Annex 2: Glossary - National Planning Policy Framework - Guidance - GOV.UK \(www.gov.uk\)](#)

³ [2776-5YLS2018.pdf \(iow.gov.uk\)](#)

Table 6: IWC Five year housing land supply calculation

Isle of Wight Council's five-year land supply calculation at 1 April 2021		
Housing requirement		
a	Annual housing need (Standard methodology)	668
b	5-year requirement (a x 5)	3,340
c	20% buffer (b / 100 * 20)	668
d	TOTAL HOUSING REQUIREMENT	4,008
e	Annual figure (d / 5)	802
Housing supply		
f	Large sites (10+ units) with full planning permission	958
g	Small sites (5-9 units) with full planning permission	258
h	Other sites (5+ units) deemed deliverable within 5 years*	1,489
i	Neighbourhood Plan allocations	0
j	Windfall allowance per annum (sites of less than 5 units)	100
k	5-year windfall total (j x 5)	500
l	TOTAL HOUSING SUPPLY (f + g + h + i + k)	3,205
J	5 YEAR HOUSING LAND SUPPLY AGAINST REQUIREMENT (l / e)	4.0

*Consisting of sites of over 5 units with outline planning permissions, pending full applications, proposed allocations / deliverable SHLAA sites

Impact of the 5YRHLS position on decision making

- 2.6 As Table 6 demonstrates, the IWC cannot demonstrate a 5 year housing land supply. Therefore in line with paragraph 11 (d) of the NPPF we have to apply the 'presumption in favour of sustainable development' when making decisions on planning applications (see paragraph 1.6).
- 2.7 It is important to recognise however that the IWC is not required to approve all the applications for new housing it receives simply because of this presumption. It is not a 'carte blanche' for residential development as an application will still need to demonstrate how it represents sustainable development in line with the NPPF.
- 2.8 The LPA has successfully defended a number of appeals for residential development in unsustainable locations where the Planning Inspector has found that despite the Housing Delivery Test scores and the lack of 5 year housing land supply, this did not outweigh the harm caused by development being in an unsustainable location.
- 2.9 As a guide, to increase our 5YRHLS position to show we do have that level of supply we would need to increase our 'supply' **by a minimum of 800 homes** that could realistically be completed within the next 5 years, over and above all of the homes already included in these calculations.

Impact of adopting the IPS on 5YRHLS position

- 2.9 Table 7 shows the 5YRHLS position if the current IPS annual housing number of 479dpa was used instead of the current Standard Method of 668dpa. This demonstrates that if the IPS were adopted at that level, and our sources of supply were the same, we would immediately be able to demonstrate a 5 year housing land supply and remove one of the measures imposing the presumption in favour of sustainable development on IWC.

Table 7: IWC Five year housing land supply calculation using Draft IPS number

Isle of Wight Council's five-year land supply calculation at 1 April 2021 using Draft IPS housing number		
Housing requirement		
a	Annual housing need (Draft Island Planning Strategy)	479
b	5-year requirement (a x 5)	2,395
c	20% buffer (b / 100 * 20)	479
d	TOTAL HOUSING REQUIREMENT (based on IPS numbers)	2,874
e	Annual figure (d / 5)	575
Housing supply		
f	Large sites (10+ units) with full planning permission	958
g	Small sites (5-9 units) with full planning permission	258
h	Other sites (5+ units) deemed deliverable within 5 years*	1,489
i	Neighbourhood Plan allocations	0
j	Windfall allowance per annum (sites of less than 5 units)	100
k	5-year windfall total (j x 5)	500
l	TOTAL HOUSING SUPPLY (f + g + h + i + k)	3,205
J	5 YEAR HOUSING LAND SUPPLY AGAINST REQUIREMENT (l / e) using IPS numbers	5.6

*Consisting of sites of over 5 units with outline planning permissions, pending full applications, proposed allocations / deliverable SHLAA sites

Impact of the determination of greenfield planning applications / allocations on the 5YRHLS

- 2.10 The final analysis within this briefing note will assess the impact that decisions made on planning applications / proposed allocations can have on our current 5 year housing land supply. Every application that is refused on sites considered acceptable in principle and representing sustainable development means our 5 year HLS position weakens (i.e. there are less homes we can include that we think would have been built in the next 5 years and we get further away from being able to show a 5 year supply).
- 2.11 For example, within Row F of Table 6 the planning permissions at Blanchards (Brighstone), Place Road (Cowes) and Westridge (Ryde – Phase 1 only) are expected to contribute 55, 51 and 58 homes respectively from 21/22 to 25/26 (some properties already having been completed on the latter two schemes). As shown in column B of Table 8, if planning permission had been refused and these 164 properties were removed from the calculation, it would see our 5YRHLS reduce from **4.0** to **3.8**.

- 2.12 Row H within Table 6 is effectively the ‘pipeline’ of supply from a variety of sites at different stages of the planning process. If applications on these sites are refused on principle then the 5 year position once again worsens. For example the total in Row H includes contributions of homes from current planning applications (as of 1 April 2021) at Westridge Farm Phase 2 (216 homes in the next 5 years), Crossways (25 homes), Land rear of Gunville Road (10 homes) and Birch Close (10 homes) – all greenfield sites and also all proposed for allocation in the Draft Island Planning Strategy (HA060, HA046, HA031 and HA114 respectively). As shown in Column C of Table 8 if applications were refused on all of these schemes and the 261 homes removed the 5 year calculation worsens from **4.0** to **3.7**.
- 2.13 The Row H pipeline also includes contributions of homes from a number of greenfield sites proposed for allocation in the Draft IPS, that as of 1 April 2021, were not subject of a planning application. These sites are listed below with the number of homes included in the next 5 years calculation, totalling 483 homes. As Column D of Table 8 shows if all of these were not proposed for allocation and removed from the calculation the 5YRHLS would fall from **4.0** to **3.4**.
- HA005 Land east of football club, Camp Road, Freshwater: 70 homes within next 5 years;
 - HA006 Heathfield Campsite, Freshwater: 70 homes within next 5 years;
 - HA025 Land rear of 84 Wyatts Lane, Cowes: 20 homes within next 5 years
 - HA032 Land at Horsebridge Hill & Acord Farm, Newport: 90 homes within next 5 years;
 - HA037 Land at Former Library HQ, Newport: 25 homes within next 5 years;
 - HA062 Land off Quarry Road, Ryde: 30 homes within next 5 years;
 - HA064 Land north of Mill Road, Bembridge: 78 homes within next 5 years;
 - HA096 Land adjoining Scotland Farm, Godshill: 100 homes within next 5 years
- 2.14 Removing all of the sites referred to in paragraphs 2.11, 2.12 and 2.13 would result in the 5YRHLS falling from **4.0** to **2.9** as shown in Column E of Table 8.

Table 8: Impact of removing permissions / allocations from current 5YRHLS calculations

		A	B	C	D	E
Housing supply		Current 5YRHLS	Removing perms	Removing g/f app sites	Removing g/f IPS sites	Removing all (B, C & D)
f	Large sites (10+ units) with full planning permission	958	794	958	958	794
g	Small sites (5-9 units) with full planning permission	258	258	258	258	258
h	Other sites (5+ units) deemed deliverable within 5 years*	1,489	1,489	1,228	1,006	745
i	Neighbourhood Plan allocations	0	0	0	0	0
j	Windfall allowance per annum (sites of less than 5 units)	100	100	100	100	100
k	5-year windfall total (j x 5)	500	500	500	500	500
l	TOTAL HOUSING SUPPLY (f + g + h + i + k)	3,205	3,041	2,944	2,722	2,297
J	5 YEAR HOUSING LAND SUPPLY AGAINST REQUIREMENT	4.0	3.8	3.7	3.4	2.9

- 2.15 To provide context it is also useful to consider the impact of some of the removals set out above on our 5YRHLS position but instead calculating it using the Draft IPS housing number of 479dpa rather than the standard method number of 668dpa. As Table 9 demonstrates, two of the three scenarios see the 5YRHLS fall below 5.0, even using the lower housing number.

Table 9: Impact of removing greenfield applications / allocations from Draft IPS 5YRHLS calculations

		A	B	C	D
Housing supply		Possible IPS 5YRHLS	Just removing g/f app sites	Just removing g/f IPS sites	Removing both (B & C)
f	Large sites (10+ units) with full planning permission	958	958	958	958
g	Small sites (5-9 units) with full planning permission	258	258	258	258
h	Other sites (5+ units) deemed deliverable within 5 years*	1,489	1,228	1,006	745
i	Neighbourhood Plan allocations	0	0	0	0
j	Windfall allowance per annum (sites of less than 5 units)	100	100	100	100
k	5-year windfall total (j x 5)	500	500	500	500
l	TOTAL HOUSING SUPPLY (f + g + h + i + k)	3,205	2,944	2,722	2,297
J	5 YEAR HOUSING LAND SUPPLY AGAINST IPS BASED REQUIREMENT	5.6	5.1	4.7	4.0

- 2.16 In summary whilst the IWC is positive towards development this has not led to the council being able to demonstrate a 5 year housing land supply for a number of years or meet Housing Delivery Test thresholds. This positivity is reflected in being able to demonstrate 4 years housing land supply, a calculation that is driven by permissions granted and which represents 80% of what is required in the NPPF, despite only 63% of the required homes being built on the island in the last 5 years.
- 2.17 The adoption of the Island Planning Strategy, with an island realistic housing number of 479dpa and the allocations necessary to support this, would enable IWC to demonstrate a 5 year housing land supply for the first time in many years, whilst also resetting future Housing Delivery Test calculations to achievable levels.

Key points

- The IWC has been making planning decisions under the 'presumption in favour of sustainable development' since 2018;
- The IWC needs to be able to demonstrate a 5 year housing land supply AND score above 75% on the HDT to have the 'presumption in favour of sustainable development' removed from decision making;
- The housing number of 479dpa in the IPS requires greenfield development sites;
- On adoption of the IPS, IWC will be able to demonstrate a 5 year housing land supply;
- If the IPS is not adopted, the IWC would not be able to remove the 'presumption in favour of sustainable development' and regain control over planning decision making unless over 500 homes a year were built for 3 consecutive years, something that has not happened since 2008, and a further 800 homes were added to the 5YRHLS and that level of supply was also maintained for 3 consecutive years