

Housing Delivery Test: Action Plan (2018 Base Year)

AUGUST 2019



DEPARTMENT FOR PLACE: STRATEGIC PLANNING

1. Introduction

Delivering a sufficient supply of homes is a national issue and over recent years the Government has placed greater emphasis on the planning system facilitating a step change in housing building to significantly boost the supply of homes and meet identified needs.

- The Borough of Southend is located in South East Essex and forms a sub-regional centre for employment and retail provision, and is a major tourist resort and leisure destination. Southend is a densely populated urban borough with a population of approximately 179,800 residents covering an area of 4,175 hectares, equating to almost 43 persons per hectare (ONS population estimates, 2016). Pressures on land continue to grow as the population increases, with the main pressure for development for the foreseeable future relating to housing provision.
- Southend had been performing well in terms of housing delivery when considered against targets in the adopted Southend Core Strategy (2007) and does not historically have an issue of under-delivery based on these targets. Cumulative net dwellings delivered between 2001 and 2018 being 340 per annum, Core Strategy targets (Policy CP8) being 325 dwellings per annum (see **Figure 1**);
- The Housing Delivery Test (HDT) was introduced as part of the National Planning Policy Framework (NPPF, 2019). HDT, in

Southend's case, measures net additional dwellings provided in a local authority area over the last 3 years against the standard methodology for calculating objectively assessed need for that period. For Southend, the current delivery rate as of 31 March 2018 equates to 49% of the assessed needs (see also **Figure 2**);

HDT for Southend (2015-2018) (49%) =

Total net homes delivered over three year period (1,223)

Total number of homes needed over three year period (2,495)

- Where delivery of homes is less than 95%, Local Planning Authorities have six months to prepare an action plan, the role of which is to identify the reasons for under-delivery and set out measures the authority intends to take to improve levels of delivery;
- Southend Borough Council has therefore prepared this action plan to identify reasons for under-delivery and set out measures the authority intends to take to improve delivery.
- The Council has, in the past, been able to demonstrate a good supply of readily available housing sites to meet a five-year housing land supply, based on Core Strategy targets. This in part is due to Southend's high windfall¹ rate in the existing urban area and, more recently, the conversion of a number of obsolete and out dated large office blocks to residential units

¹ Windfall is defined in the NPPF as 'Sites which have not been specifically identified as available in the Local Plan process. They normally comprise previously-developed sites that have unexpectedly become available'

particularly within the Central Area of the town;

- The Government has introduced a standard method for assessing local housing need over the next 20 years. This is an unconstrained assessment (it doesn't take into account other constraints such as land availability) of the number of homes needed in an area. For Southend, this equates to **909 – 1,176 dwellings per annum over the next 20 years;**

- There is also estimated to be a shortfall in affordable housing provision in Southend. Between 2001 and 2018, 749 affordable homes have been delivered in Southend.

Figure 1: Total housing completion in Southend 2001-2018 (depicting average Core Strategy targets and average completions and the housing delivery target test measurements)

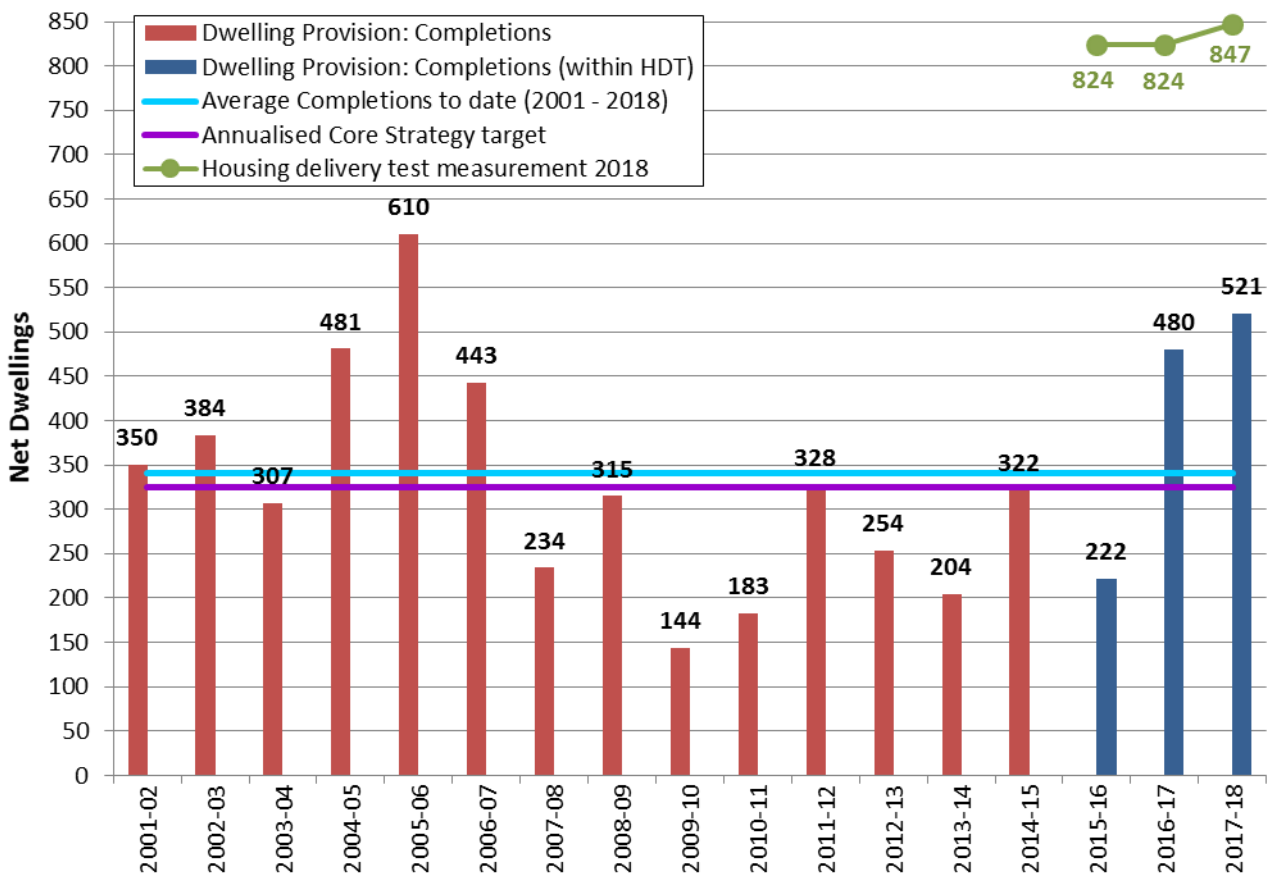
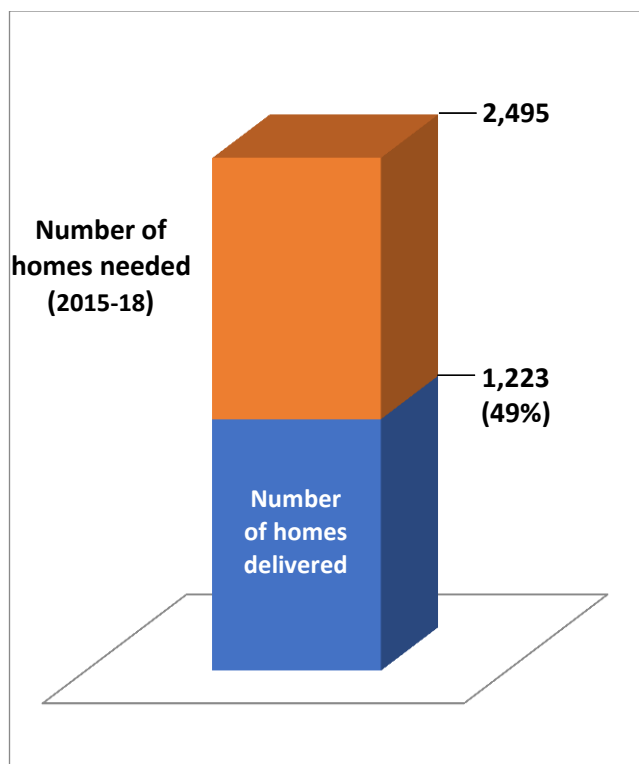


Figure 2: Housing Delivery Test – number of houses needed vs number of houses built in Southend 2015-2018



2. Relationships to other Plans and Strategies

The Southend Housing Delivery Test Action Plan complements a number of existing corporate plans and policies relating to housing delivery in Southend, including:

- **Southend Core Strategy²** (2007) – Policy CP8 makes provision for 6,500 net additional dwellings between 2001 and 2021. The Core Strategy will be reviewed as part of the production of the Southend new Local Plan.
- **Southend Development Management Plan** (2015) – provides a suite of policies for

² https://www.southend.gov.uk/downloads/file/1540/core_strategy_document1.pdf

managing development in the Borough, including policies relating to dwelling mix, size and type, residential standards and specialist residential accommodation.

- **Southend Central Area Action Plan³** (2018) – builds upon the Core Strategy, providing policy for the central area of the Borough (including the town centre) including site allocations to deliver the remaining proportion of planned regeneration and growth in Southend Central Area to meet or exceed Core Strategy targets to 2021. It includes site allocations, including sites allocated for housing.
- **Southend new Local Plan Issues and Options⁴** (2018) – identifies that housing in Southend, and South Essex as a whole, has become less and less affordable in recent years, and a major issue facing the new Local Plan is how we can work towards providing a step change in housing delivery in the future without detrimentally impacting the character of the town and its environment. The next stage in the consultation process on the Local Plan will be the preferred approach stage.
- **Southend Housing and Economic Land Availability Assessment⁵** (2018) – the

³ https://www.southend.gov.uk/downloads/file/5409/southend_central_area_action_plan_-_2018

⁴ <https://localplan.southend.gov.uk/>

⁵ <https://localplan.southend.gov.uk/sites/localplan.southend/files/2019-03/Southend%20Housing%20Land%20Availability%20Assessment%202018.pdf>

HELAA involves a technical assessment of sites which could potentially contribute towards the future supply of housing and employment land within Southend-on-Sea. It provides background evidence on the potential availability of sites. It highlights that Southend is a largely urban authority where it is inevitable that further intensification of the existing urban area will continue, as land and buildings reach the end of their useful life and are considered potentially suitable for residential use; including the delivery of windfall sites which accounted for 75% of all dwelling completions between 2001 and 2017, small sites also being recognised as making an important contribution to this (c. 24%). The HELAA findings indicate that Southend is unlikely to be able to meet its full housing needs and will therefore need to explore this under-provision through the Duty to Cooperate process.

- **Addendum to South Essex Strategic Housing Market Assessment (SHMA)⁶** (May 2017) – produced as a joint study for the Housing Market Area, commissioned by Basildon, Castle Point, Rochford, Southend and Thurrock Councils. It was produced prior to the new standard methodology for calculating housing need being introduced, however set out an objectively assessed need for housing in Southend of 1,072 dpa (2014 - 2037),

6

<https://localplan.southend.gov.uk/sites/localplan.southend/files/2019-02/Addendum%20to%20the%20South%20Essex%20SHMA%2017.pdf>

broadly similar to the outcome of the standard methodology. It addresses a number of issues in order to provide a more detailed understanding of factors affecting the housing market area, for Southend suggesting: a growing older population, a strong demand for smaller housing, significant projected population growth, forecasted strong employment growth. It also identified an unmet need for affordable housing in the Borough.

- **Southend 2050 Ambition and Roadmap⁷** – recognises that demand for housing and levels of homelessness is increasing, with a new housing vision looking to address these issues by prioritising the supply of a range of safe, local affordable, housing options for sale and rent. It recognises that those working in Southend have amongst the lowest average wages of urban areas in the country, while average house prices are amongst the highest in terms of affordability (with prices rising faster than elsewhere). The ambition is built around 5 themes, Pride and Joy, Safe and Well, Active and Involved, Opportunity and Prosperity, and Connected and Smart. The ‘outcomes’ for the Safe and Well theme look to what the Council hopes to have achieved in five years’ time, for housing the outcome is that, “*we are well on our way to ensuring that everyone has a home that meets their needs*”. Within the ‘Opportunity and Prosperity’ theme, the outcomes relating to planning and housing are, that in five years’

7

https://www.southend.gov.uk/southend2050/downloads/file/2/2050_ambition_and_roadmap

time: “the local plan is setting an exciting planning framework for the borough”, and “we have a fast-evolving, re-imagined and thriving town centre, with an inviting mix of shops, homes, culture and leisure opportunities”.

- **Southend Housing, Homelessness and Rough Sleeping Strategy 2018-2028⁸** – recognises that house prices in the Borough continue to rise more quickly than earnings and inflation, that private rents have risen steeply and are impacting tenants opportunities to access the lower quartile private market without spending over a third of their income on rent, and while there is affordable housing within the local market there isn't enough of it. It highlights that there is a huge pressure on the housing sector locally, that we have an ageing population and the role housing can play in keeping people safe and well. There is a focus on delivering a range of high quality homes.
- **South Essex Joint Strategic Plan** - The South Essex authorities of Basildon, Brentwood, Castle Point, Rochford, Southend-on-Sea, Thurrock and Essex County Council are progressing with a Joint Strategic Plan to provide an overarching framework for a long term growth ambition that will underpin strategic spatial, infrastructure and economic priorities across the sub-region, including housing.

8

https://www.southend.gov.uk/downloads/file/6156/housing_homelessness_and_rough_sleeping_strategy

- **Southend Infrastructure Delivery Plan (IDP)⁹** (2014) – the Infrastructure Delivery Plan was developed alongside the Council's Community Infrastructure Levy Charging Schedule and 123 List. The IDP was developed with input from infrastructure providers, both within the Council and external organisations, and includes details of the infrastructure identified as being needed to support the delivery of the Core Strategy, and is prioritised as critical, essential, policy high priority and desirable. It concludes that in an urban borough such as Southend, growth is likely to be dispersed across a large number of comparatively small sites. As such, where the assessment seeks to apply a formula based approach, it is unlikely that the identified needs will reflect the needs that arise as growth comes forward. The IDP will be updated as evidence for the Southend new Local Plan.
- **Self-Build and Custom Build Register¹⁰** – compiled and managed by the Council's Strategic Housing team, this is a register of people who have expressed an interest in self build and custom build projects and currently has 60 entries.

9

https://www.southend.gov.uk/downloads/file/3255/southend_idp_-_september_2014

10

https://www.southend.gov.uk/info/200232/housing/564/strategic_housing/2

3. Understanding the Key Issues and Challenges for Housing Delivery in Southend

The Council has gathered data from a range of sources, including the Council's Monitoring Reports and 5 year housing land supply data, the Southend Housing and Economic Land Availability Assessment (2018), information from the Council's Call for Sites, and data relating to S106/CIL. Views have also been gathered from key stakeholders involved in the planning and housing supply process during the production of both the Housing and Economic Land Availability Assessment and during recent consultation on the Local Plan Issues and Options stage. Collectively, this information will help the Council understand the key factors influencing and driving current delivery rates.

An analysis of this data, together with local knowledge of sites, land and development activity, has identified a number of key issues for housing delivery in Southend:

i – Supply (including Land Availability)

Southend is a densely populated urban Borough and pressure on land within this contained urban authority area continues to grow as its sees population increases. The main development pressure for Southend, for the foreseeable future, is from housing provision and land availability is the main factor impacting housing delivery rates in Southend. The following provides an overview of this matter and its impact on housing delivery in Southend:

- Southend's historic rate of development since 2001-2018 has been 340 dwellings

per annum, and the standardised methodology represents a significant uplift in annual housing completion rates, presenting a challenge when preparing the Local Plan in determining how best to meet this need.

- Land is a finite, limited resource in Southend, there simply isn't much land available to meet housing needs. Southend is surrounded by foreshore to the south and small areas of green belt to the north and east, land within its tightly defined administrative boundaries is largely built up.
- Windfall sites have historically contributed to a significant proportion of completions, representing 69% of all completions during the period 2001 and 2018. Small sites made an important contribution to this, around 21%.
- In recent years, there has been a proliferation of 1 and 2 bed flatted schemes delivered (particularly in the Central Area), largely in the form of conversion of large, outdated office blocks into residential accommodation through the prior approval process. Such conversions have, in the main, contributed to a specific market segment, and had limited impact in terms of affordable housing provision.
- There is a need for affordable housing delivery in the Borough. Since the latest affordable housing policy (Core Strategy Policy CP8) was introduced in 2007, approximately 600 affordable homes have been delivered in Southend, which represents around 18% of all housing completions between 2007 and 2018.

- Southend has the 2nd lowest housing stock growth of all cities¹¹ in the UK. This, together with the new housing target for Southend, is indicative that demand is outstripping supply.

ii – Demand

In Southend, there continues to be strong demand for housing, however the issue of affordability of housing continues to gain prominence.

- House prices in the Borough are 11 times the average annual salary of people who work in Southend and this continues to rise above the national average for England and Wales.
- However, whilst long term increases in house prices can be indicative of an imbalance between supply and demand, Southend has previously been characterised by relatively low values, and the price growth has therefore come from a relatively modest base and this could be viewed as a move away from this comparative underperformance.
- Rises at the lower quartile level of house prices have shown a similar pattern with price rises well above the national average and, with the exception of Thurrock, the highest rises in South Essex. This has had significant implications for first time buyers in Southend.
- Over a third of newly arising households in Southend are unable to afford a lower

quartile private sector rented property without spending over a third of their income on rent, and levels of material child poverty increase significantly after housing costs are taken into account¹².

- Rental prices in the Borough often exceed frozen local housing allowance rates and the Council's Strategic Housing team have reported that landlords can be reluctant to take low income households/households that rely wholly or partially on benefits. Due to a shortage of suitable affordable housing to move homeless households on to, and with all Council owned temporary accommodation being full, there are newly arising homeless households needing to be placed in private bed and breakfast accommodation in the Borough.

¹¹ Cities defined as 'Primary Urban Areas' and includes areas outside the administrative boundary of Southend

¹² Southend-on-Sea Housing, Homelessness and Rough Sleeping Strategy 2018-2028

iii – Planning

The Council was one of the early authorities to have an adopted Core Strategy in place, and this has been complemented by a number of other planning policy documents including the Development Management DPD, Joint Area Action Plan for London Southend Airport, and Southend Central Area Action Plan. The Core Strategy was adopted by the Council in 2007 and contains housing targets based on now out dated evidence. The Council is therefore bringing forward the Southend new Local Plan, which upon adoption will replace a number of the existing suite of planning policy documents including the Core Strategy.

There is a need to bring forward the Southend new Local Plan in order to provide a clearly defined approach to housing delivery, setting out housing targets, as informed by the standard methodology, including potential site allocations to determine if and where growth can be accommodated and provide further certainty.

- The Council, as part of the Association of South Essex Local Authorities, is working to bring forward the production of the South Essex Joint Strategic Plan. This could provide strategic level policies, including in terms of housing provision, and inform the Local Plan, although any delays to timetable could have implications in terms of the Local Plan delivery.
- There is a need to continue to work closely with other authorities in the housing market area, as part of the duty to cooperate, particularly given the high housing need figure for Southend and the limited availability of land within the Borough, as

well as looking with the Borough's boundaries including capacity in the existing urban area and providing an assessment of the Borough's green belt designations.

- From a Development Management perspective, for 2018/19, 100% of major applications, 98.13% of minor applications and 98.55% of other applications were determined on time. This looks set to continue as for 2019, to date the figures are: 100% of majors, 97.79% of minors, and 99.45% of other applications determined on time.
- Planning performance is evidently not an issue in terms of impact on housing delivery.
- Local evidence indicates that there has historically been narrow competition for sites amongst house-builders in Southend, which can lead to a limited number of developers dominating the local market, and slower build out rates as readily available sites are put on hold while others are built out at pace.
- There is a proliferation of small house builders operating in the Borough, and limited examples of major housebuilders bidding for sites. This can have implications in terms of capacity to build out.

4. Key Actions, Responses and Monitoring

Reflecting the key issues and challenges above, the actions and responses set out below, are aimed at increasing housing delivery across the Borough. These are centred on four main themes:

i – Prioritising housing delivery corporately

- a. Promotion of the Borough through Southend 2050 - Promote Southend as a location for sustainable regeneration and growth through the Southend 2050 programme, engaging on key work streams (including the outcome of ‘being well on our way to ensuring everyone has a home that meets their needs’) and using this as a marketing tool to encourage and attract developers and large scale housebuilders, who could boost delivery.
- b. Enter into discussions with prospective investors - Proactively engage with investors, developers, house builders, land owners and SMEs to promote Southend as a place to invest in in the long term.
- c. Implement changes to the structure of the Council’s corporate management team – approved by full council in July 2019, and to be implemented from early 2020, including an Executive Director for Growth and Housing, and a Director of Housing Delivery, highlighting recognition of the importance of housing delivery and growth for the authority.
- d. Bring forward commitments made in the Council’s Housing, Homelessness and Rough Sleeping Strategy 2018-2028 to prioritise the supply of safe, locally affordable homes,

including a commitment to deliver an acquisitions program to enable more existing stock to be bought up to standard and let to low income households, bring empty homes back into use, unlocking new sites for house building and regeneration.

- e. Exploring the potential of publically owned assets - Explore publically owned assets through a site assessment process and explore appropriate delivery mechanisms for bringing these sites forward, including: Housing Investment Company (the Council has recently established a HIC), private sector partnership (Southend has set up PSP Southend Ltd), land release.
- f. The regeneration of key, publically owned sites, provides an opportunity to bring forward the potential for housing (market and affordable) in the Borough. One important example is Better Queensway¹³, in Southend Central Area, which provides an opportunity to transform this significant area of central Southend into a vibrant new community with high quality housing (including affordable housing) and outdoor space. The Council has appointed Swan Housing as partner on the project, with Porters Place Southend LLP created to deliver the regeneration project, working in partnership with South Essex Homes and with funding from the Housing Investment Fund.

¹³

https://www.southend.gov.uk/info/100003/communities_neighbourhoods_and_the_environment/569/better_queensway_project

ii – Proactive role of planning housing delivery

a. Delivery and adoption of Southend new Local Plan - Progress Southend new Local Plan to examination and adoption, setting a planned sustainable housing target for Southend taking account of the government standardised methodology for housing and a housing trajectory based on deliverable sites.

b. Review local planning policies - Review local planning policies to ensure they remain positive and proactive, and do not unnecessarily prohibit residential development, in order to provide a suite of up to date planning policies that contribute towards sustainable residential development in the Borough.

c. High Density Windfall Allowance - The HELAA highlights that it could be appropriate for the Council to look into the inclusion of a High Density Large Windfall Allowance in key nodes and corridors. As confirmed by the Council's Annual Monitoring Report, development density within Southend is high, with around 80% of development exceeding 50dph. This should be given further consideration through the Southend new Local Plan.

d. Produce an Urban Living Study for Southend - To review the potential of the existing urban area to accommodate residential development, including consideration of development densities. Supporting evidence to inform windfall allowance and policy preparation, guidance and decision making and establish if there are areas of the Borough that could support residential intensification (contributing further to housing need).

e. Call for Sites - Continue to facilitate a Call for Sites on an annual basis to allow new potential

development sites to be submitted to the Council for consideration in the plan making process, including delivery of the local plan and future reviews, as they come forward, and as part of the housing land availability assessment.

Creating the potential to identify a further supply of land for housing delivery in the Borough.

f. Authority Monitoring Report - To continue to monitor housing delivery in the Borough on an annual basis. Identify key trends in housing delivery, monitor delivery of planning policies, potential issues with delivery, and to feed into a calculation of a 5 year land supply to identify where, if any, shortfalls exist and to help establish how these could be addressed.

g. Brownfield Register - Maintain an up to date Brownfield Register for the Borough. To continue to produce and maintain the Council's Brownfield Register, to provide transparent information about suitable and available brownfield sites, offering further opportunity for developers/house builders to establish where available sites are located.

h. Review and update the Southend Housing and Economic Land Availability Assessment (HELAA) – based on recent evidence to provide an up to date account of housing land available in the Borough (including incorporating new entries to the Call for Sites), using the HELAA to inform the Urban Living Study, building on its findings, providing supporting evidence to inform Southend new Local Plan, inform policy, guidance and decision making.

i. Maintain high development management standards - On-going review of planning conditions to ensure their use is proportionate to the circumstances. Reviewing the use of

planning conditions to ensure they continue to be effective and do not hinder residential development coming forward unnecessarily.

j. Investigate potential to implement fast-tracking major residential planning applications –The Council will investigate the potential to providing a fast track service for major residential planning applications with the outcome being to increase the speed of determination.

k. Proactively promoting the planning pre-application service to help shape acceptable development to support housing delivery.

iii – Cross-boundary working

a. Cross-boundary engagement and Duty to Cooperate - Engage with key partners and stakeholders to highlight the Housing Delivery Action Plan, and continue to engage with neighbouring authorities as part of the Duty to Cooperate, to inform the plan making process, highlighting ambitions for sustainable housing and economic growth, including discussions around potential for unmet housing need in the Borough. Active and on-going cooperation will continue to highlight to neighbouring authorities relevant issues in terms of housing delivery, including issues with meeting identified need in the Borough.

b. South Essex Joint Strategic Plan - To provide the overarching strategic level framework for growth and regeneration in South Essex to support local plan delivery.

c. Evidence base production - Continue to engage with neighbouring authorities to produce relevant, consistent and up to date evidence, working with neighbouring authorities as

appropriate. Continue to encourage joint working, cooperation, and provide a strategic approach to housing, job and infrastructure delivery.

d. Promote key growth locations and sites once identified through the Southend new Local Plan - Support and promote key development opportunities in the Borough as identified by the Local Plan, highlighting development potential to developers/land owners/house builders. Raise profile of Southend as an area for development, highlighting the role of the planning process in identifying and allocating sites, and to help boost housing delivery.

e. The production of this evidence, and joint working, together with the consultation on the Issues and Options version of the Southend new Local Plan has continued to highlight the issue for Southend in terms of land availability and the impact this could have on housing delivery in light of the new locally assessed housing need figure for the Borough. It is recognised that Southend is unlikely to be able to meet its own need.

iv – Monitoring

The success of this Action Plan will ultimately be evaluated through the annual Housing Delivery Test results.

However, as identified in this plan, Southend has in the past delivered well in terms of the targets set by its Core Strategy, and a major part of achieving accelerated housing delivery in Southend will be dependent on the allocation of additional large-scale housing sites to meet this higher need target. This will be achieved through the local plan process through the delivery of the Southend new Local Plan and South Essex Joint Strategic Plan. Whilst the programme leading to adoption of these plans is ambitious it must meet statutory public consultation and planning procedures and will take at least two years, and if there are any delays to the timetable of the Joint Strategic Plan, this could have implications for the timetable for delivery of the Southend new Local Plan. There will also likely be a time lag associated with project management, development and build, before new housing is available for occupation.

It is therefore inevitable that the pace of housing delivery in Southend is unlikely to accelerate to the extent that it meets the provisions of the Housing Delivery Test in the short term until the Local Plan is adopted and establishes a new housing target, which is sustainable and deliverable, and subsequently incorporated into the Housing Delivery Test.

Throughout the course of the year, initiatives listed in this Plan will be actioned, progress monitored and any underperformance issues addressed.

A full review of this Action Plan will occur annually so long as the Housing Delivery Test requires it to continually evolve initiatives to improve efficiency in the system of housing delivery and make amendments to existing points as necessary.