

London Borough of Redbridge 2022 Housing Delivery Test Action Plan

Published July 2024



1.0 Introduction

1.1 This Housing Delivery Test (HDT) Action Plan sets out several actions designed to address the significant under-delivery and low supply of housing in the Redbridge. This is in direct response to the published results from the Housing Delivery Test 2022 Measurement (published in December 2023) by the Department of Levelling Up, Housing and Communities (DLUHC), now known as the Ministry of Housing, Communities and Local Government (MHCLG).

1.2 The Housing Delivery Test (HDT) was introduced by the Government as a monitoring tool to assess whether local planning authorities (LPAs) are enabling the delivery of enough new additional homes to meet their local housing needs. The HDT compares the number of new homes delivered over the previous three years with an authority's housing 'requirement' over the same period. The following sets out the actions that LPAs are required to undertake dependent on their HDT results:

Percentage score on HDT:	95% or less	85% or less	75% or less
Consequences for LPA:	Must produce a HDT Action Plan	Previous measure plus 20% buffer on the Five-Year Land Supply	Previous measures plus Presumption in Favour of Sustainable Development

About Redbridge's Target

1.3 Redbridge's housing target is imposed on the Council by the Greater London Authority through the London Plan. The target follows the national position set out in the National Planning Policy Framework. Whilst various policy changes (regional and national) vary the targets, Redbridge's housing target (for the 2018-2020 period) was to deliver 1,123 new homes per year. Following the adoption of the new London Plan, the target has increased to 1,409 per year.

1.4 The target is "capacity-based". This means that the target is based upon the existing pipeline of planning permissions, as well as the identified capacity of large sites for redevelopment, as well as a "small sites component" which mostly comprises windfall development.

1.5 The housing target is a *potential* figure because the number of homes approved and built out on the large development sites is usually less than identified. If the sites do not progress from allocation to permission to construction, then the housing target will not be met.

2.0 The Housing Delivery Test 2022 Measurement results for Redbridge

2.1 The Housing Delivery Test results reveal that during the three-year period of measurement (2019-2022), Redbridge only delivered 50% of its housing requirement target.

- 2.2 The National Planning Policy Framework (NPPF) is a material consideration in planning decisions. The NPPF requires that plans and decisions should apply a presumption in favour of sustainable development where the HDT indicates that the delivery of housing was substantially below (less than 75% of) the housing requirement over the previous three years. Since Redbridge only delivered 50% of its target, the **presumption in favour of sustainable development** is applied to planning decisions.
- 2.3 Note that the housing delivery requirement was adjusted in 2019-20 and 2020-21 due to COVID-19 related impacts on the construction sector.
- 2.4 Redbridge is now the worst authority for housing delivery in London having previously been the fifth worst authority for housing delivery.

Table1: Redbridge HDT results by year 2019-20 to 2021-22

Year	2019-20	2020-21	2021-22	Cumulative 2019-22	HDT implication
Delivery	673	482	283	1471	Presumption in Favour
Target	1028	748	1123	2899	
% delivered	65%	64%	25%	50%	
Surplus / (shortfall)	(355)	(265)	(840)	(1461)	

- 2.5 Table 1 shows the Council's published HDT results for the years 2019-2022. Delivery is below the 75% threshold and so Redbridge is subject to the presumption in favour of sustainable development when determining planning applications. This means the strategic housing policies in the *Redbridge Local Plan 2015-2030* are now "out of date" and in effect superseded. The "tilted balance" applies, which means new housing development should be allowed, unless the adverse impacts of the development would significantly and demonstrably outweigh the benefits.
- 2.6 NPPF Paragraphs 11 to 14 state when and how the presumption in favour of sustainable development is used for granting planning applications unless:
"The application of policies in this Framework that protect areas or assets of particular importance provides a clear reason for refusing the development proposed; or any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole."
- 2.7 In practice, the above quote from the NPPF means it will be difficult to use *Redbridge Local Plan 2015-2030* policies to refuse a development unless it was particularly harmful. It will be more difficult to refuse a development that fails to provide supporting infrastructure; and it will also be more likely that developments are allowed at appeal and costs are awarded against the Council.

3.0 Housing Delivery Analysis

- 3.1 Redbridge is a primarily residential borough in northeast London, of some 310,300 people (2021 Census rounded figure) covering 65.41km². Its main town is the metropolitan centre of Ilford, with smaller district centres at Barkingside, Gants Hill, South Woodford, and Wanstead. The borough benefits from good public transport links to central London via the Central line and recently completed Elizabeth Line, as well as

road links to the national motorway network. The Local Plan Key Diagram (Figure 1) shows the key transport links and growth areas within the borough.

Figure 1: Local Plan Key Diagram



3.2 The existing housing stock is overwhelmingly privately owned, with 98,373 private sector dwellings, 4,485 Council dwellings, and 4,918 Registered Provider dwellings: out of an overall stock of 107,776 dwellings¹. Owner occupation is high but there has been a significant shift to the private rented sector in recent years. Redbridge adopted a new Local Plan in March 2018. This plan provides an up-to-date planning framework and demonstrates a pro-active approach to growth, directing most of the new housing to

¹ Figure as of 31 March 2022. Based on LT 100, accessed 15 February 2024
<https://www.gov.uk/government/statistical-data-sets/live-tables-on-dwelling-stock-including-vacants>

the borough's five Investment and Growth Areas (Ilford, Crossrail Corridor, Gants Hill, Barking, and South Woodford).

- 3.3 Ilford and the Crossrail Corridor are by far the largest of the Investment and Growth Areas regarding the number of homes expected from allocated sites and are also expected to contribute a considerable proportion of windfall sites. Crossrail will provide a transformative effect to the actual and perceived connectivity of these sites to central London.
- 3.4 The need for effective delivery of housing and supporting infrastructure from within the Local Plan is urgent because Redbridge is undergoing rapid change demographically which includes growth in both population and average household size. Much of this is driven by welfare reform and increased property prices and rents in more central boroughs such as Tower Hamlets and Newham.
- 3.5 Redbridge has increasing housing demand as evidenced by the fact that it is the English local authority with the joint largest average household size, of 3.0 people (2021 Census), and has house price growth significantly above the average for London.
- 3.6 Essentially, Redbridge has high growth despite low housing delivery, and its 2021 Census results give a population that was not projected to be reached until 2028 (using 2018-based subnational population projections published in 2020).
- 3.7 The Covid-19 Pandemic led to significant fluctuations in the rental and owner-occupied housing markets, with inner London locations seeing a sharp fall in demand during the initial lockdowns. Redbridge, however, saw an increase in demand; and London's rental market has continued to see high demand for properties after Covid-19 restrictions were lifted.
- 3.8 The shrinking supply of private rented properties, owing to rebounding demand and a withdrawal from the market by small landlords, has resulted in significant difficulties for low-income households, and is increasing demand for temporary accommodation. This is placing an increasing strain on the Council's budget due to the high level of demand and the cost of leasing such accommodation.
- 3.9 Like many authorities, especially in London and the Wider South-East where the housing need (and therefore housing targets) are generally higher, and land availability the most constrained, Redbridge struggles to meet its housing delivery target. Figure 2 sets out Redbridge's performance over the past 16 years. It shows that, even at times when the housing targets have been lower, Redbridge has only exceeded the target once in the past 16 years. Whilst the numbers of homes approved through planning and delivered on site have generally been increasing, the improvements have not kept pace with rising targets.

Figure 2: Housing approvals and completions v. target



3.10 Figure 2 shows that there is typically a time lag between increases / decreases in the number of homes granted planning permission, and corresponding changes in completion figures. There is also a drop-off in numbers as permissions are superseded or lapsed.

3.11 At the end of March 2024, there was a pipeline of approximately 6,590 consented net conventional homes, of which around 2,520 have commenced, and a remaining 4,070 are yet to commence development. This figure will be confirmed through the Council’s housing Starts and Completions exercise.

3.12 These commenced dwelling numbers exclude known schemes which have technically commenced where schemes have discharged all conditions but where no substantial construction activity has been recorded. There are approximately 800 dwellings within such schemes.

3.13 There has been a significant increase in approved dwellings in 2022/23, when 3,392 homes were approved as compared to 953 in 2021/22. This large increase in permissions

is mostly due to 8 development schemes above 50 units, of which the Tesco Goodmayes scheme is the largest (1,280 units); and has contributed significantly to the overall housing pipeline.

3.14 This increase in planning approvals includes schemes of varying complexity and certainty and will naturally take some time to be built out and contribute to housing delivery. However, some major schemes permitted during this time, such as at one at Goodmayes (former Homebase site) for 573 homes, which will see their first completions in the 2024/25 financial year.

3.15 This pipeline of major developments is concentrated in Ilford and the Crossrail Corridor, alongside mostly smaller infill sites dispersed around the borough. The mixture of unit sizes and tenure mixture reflects these sites.

4.0 Key factors affecting housing delivery.

4.1 There are several factors affecting housing delivery, some of which are within the Council's gift and many which are not. At a macro-economic level, Figure 2 effectively demonstrates the impact of wider economic cycles with significant increases in build costs, in the context of rising interest rates and worsening personal finances, all having a negative impact on development activity.

4.2 Nationally, the Local Government Association estimate that 40% of planning permissions expire or remain undelivered; with analysis published in 2021 showing that 2,782,300 homes were approved in England from 2010-2020 whereas 1,627,730 homes were completed within that time ("Over 1.1 million homes with planning permission waiting to be built - new LGA analysis" 08 May 2021). Larger consented schemes can take many years to deliver, and the last 7-8 years have been among the most housing market's most volatile in living memory. More locally, several factors impact on housing delivery rates including:

- Locally specific challenges around viability; build costs are approximately 90% of those in central London for any given building typology, and yet sales values - although rising rapidly - are much lower than compared to the rest of London. This makes Redbridge a relatively unattractive place for private sector led development and reduces the opportunity to cross-subsidise affordable housing.
- Sites allocated in the Local Plan are predominantly large urban sites, some with complex landownership which generally take more time to come forward as applications.
- Some sites in the Local Plan have more specific challenges around the closure / relocation of existing uses and would require additional work with affected businesses and other groups to realise the redevelopment opportunity.
- Some strategic sites are coming forward for pre- application discussions, but many are some distance away from being submitted as a planning application or achieving planning consent.
- Many of the Borough's larger consented schemes, including, Bodgers, Metro Tower are yet to commence (or substantially commence) development. There are currently around 6,590 consented homes, of which around 60% are yet to commence.

5.0 Actions

5.1 Under our previous Housing Delivery Test Action Plans, the Council has:

- Actively engaged private sector developers, Registered Providers, and others to build relationships, facilitate investment and development, and ultimately encourage delivery of high-quality new housing.
 - The Council Cabinet formally approved the Housing Strategy 2023-2028, and the Housing Strategy team is working closely with planners and developers to implement the delivery focused parts of the Housing Strategy and help shape schemes.
- Established its own affordable and commercial development programme to directly deliver new homes on Council owned land including a commitment to commencing 600 new affordable homes by March 2022 and an initial 500 home programme through Redbridge Living.
 - The Housing Revenue Accounts (HRA) programme is continuing on site across several schemes, including the largest council housing schemes in a generation at Little Gearies (103 homes) and Loxford Lane (159 homes). Council development programme consisting of three sites with live planning applications, was brought back in-house to be delivered directly by the Council. This includes Loxford Lane (now part of the HRA) and the Seven Kings Hub site.
 - The current HRA Phase 2 programme is expected to complete in 2025. Due to current borrowing costs, the capacity for additional HRA schemes is limited.
- Actively sought to work with developers and neighbouring landowners to bring forward larger, strategic sites where the Council is not the sole landowner. This has particularly focussed on Ilford Town Centre; and comprises a structured approach to working with the private developers on stalled sites.
- Held a focussed programme of targeted workshops and meetings with developers of sites with planning permission, as well as allocated sites that have not had any planning applications.

2024 Actions

5.2 Following on from the success working with developers, we will continue to work with landowners and developers we are already engaging with. We will continue discussing how we can remove the barriers to development and unlock stalled sites with the continuation of the systematic programme of engagement with developers and landowners of other stalled sites with a focus on medium and small-scale sites.

5.3 The Council will also continue to contact all developers of major development sites where there has recently been a pre-application meeting, but there has been no further contact with the planning department. The purpose of this follow up will be to ascertain timescales for submission of the planning application and any obstacles.

5.4 The Council is also preparing to release small sites, presently comprising surplus amenity grass, or vacant land, as building plots for self-builders.

5.5 Cabinet formally approved the housing strategy for 2023-2028 and the housing strategy is working closely with partners and developers to implement the delivery of the strategy and help shape schemes.

5.6 The Council held its first developer's forum and will undertake further events to engage with developers.

6.0 Implementation Monitoring and Review

6.1 Monitoring of the measures and actions employed by the Council to stimulate housing delivery will continue to be assessed through the AMR (Authority Monitoring Report), and the Council's Starts and Completions exercise, internal quarterly reporting and reports .