

Housing Delivery Test Action Plan 2020

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Executive Summary

The Housing Delivery Test was introduced by the UK Government in 2018 to determine which local authorities have been able to meet their housing requirement and which have not, based on a period of three previous financial years.

Where housing requirements have not been met, the Local Authority must take steps to increase housing delivery:

- Where less than 95% of housing requirements have been met, an Action Plan is required.
- Where less than 85% has been met a 20% buffer is applied when calculating the 5 year housing supply.
- When less than 75% has been delivered the presumption of sustainable development applies.

Watford Borough Council achieved 48% of its housing delivery target during the most recent Housing Delivery Test period which means all of the above steps apply. This is the first Housing Action Plan completed by Watford Borough Council.

The Council has conducted research internally to create a root cause analysis, and undertaken engagement with the development industry to determine what the main barriers are to housing delivery and how best to overcome these to try and increase housing delivery in future years.

This evidence gathering has determined that some of the largest barriers to delivery are, to a large extent, outside of the Councils control, such as a lack of sites available, physical and natural constraints and high land value costs. There are other aspects however which could be impacted by Council action and further engagement with stakeholders. One of the issues identified is the high number of extant permissions in the borough, many of which have permission expiring in the next financial year.

This action plan highlights these barriers to delivery and considers how the council could facilitate increased housing delivery in the borough. The following chart lists the main actions identified.

Main Actions

1. Ensure planning applications and permissions continue to be determined in a timely manner
2. Maintain a high standard of performance from Development Management
3. Proceed with adoption and further promotion of the new Local Plan
4. Continue to work to complete housing projects across the borough
5. Work with developers to create the conditions to enable them to build out allocated sites
6. Create frameworks and master plans to promote areas of development
7. Keep an up to date Infrastructure Delivery Plan
8. Maintain and update the Brownfield Land Register
9. Require appropriate levels of affordable housing are included in overall development
10. Be supportive and proactive about build to rent schemes
11. Increase use of council land for housing delivery

It should be noted that the Council are actively working on these actions.

1.0 Introduction

Housing delivery is a highly important issue for national and local government due to the ongoing housing crisis. In 2017, a national target of 300,000 new homes a year was introduced alongside a 'standard method' for calculating housing requirements. This formulaic approach to calculating housing need, which takes into account affordability and historic levels of under-delivery, raised Watford's annual housing requirement from 260 to 798 homes per annum.¹

To ensure the delivery of this increased number of homes, the Housing Delivery Test (HDT) was introduced through the revised National Planning Policy Framework (NPPF) in 2018. The test is an annual measurement of housing delivery in each local authority area, taking into account delivery over the preceding three years. Should delivery rates as a proportion of local housing requirements fall below certain percentages, the test requires specific actions to be taken.

Table 1: Actions required based on housing delivery

Percentage of housing requirement delivered	Action required
Less than 95%	An action plan must be produced within six months
Less than 85%	A 20% buffer must be added to the five year land supply
Less than 75%	The ultimate sanction of the 'presumption in favour of sustainable development' applies. This introduces a test, which has become known in legal cases as the 'tilted balance' in favour of granting permission for housing development. This means that local development plan policies carry less weight and increased emphasis should be placed on the NPPF in decision making.

Delivering below 95% of the housing requirement means that an action plan must be produced to assess the causes of under-delivery and to identify appropriate measures and interventions that could increase future housing supply.

1.1 Housing Delivery Test 2020 Results for Watford

The latest [Housing Delivery Test results](#) were published in January 2021 by MHCLG and take account of the financial years 2017/18 to 2019/20. The results for Watford are shown below in Tables 1.2 and 1.3.

¹ The Local Housing Needs Assessment (2020) found no justification to deviate from the standard method for calculating housing need. The Housing and Economic Land Availability Assessment (2021) found sufficient sites to meet this target inclusive of a windfall allowance.

Table 2: Watford Housing Delivery Test results 2020

Number of homes required			Total number of homes required	Number of homes delivered			Total number of homes delivered	Housing Delivery Test: 2020 measurement	Housing Delivery Test: 2020 consequence
2017-18	2018-19	2019-20		2017-18	2018-19	2019-20			
313	798	726	1837	312	298	264	874	48%	Presumption

These results demonstrate that Watford has delivered 48% of its housing need within this time period, which means that the Presumption in Favour of Development applies; as does the requirement to produce an action plan.

The significant shortfall in delivery in 2018/9 and 2019/20 coincides with increased housing targets being imposed by Government.

1.2 Action plan methodology

There is no set methodology for producing an action plan; Watford Borough Council have used engagement with stakeholders and qualitative and quantitative analysis to create this document.

Planning Practice Guidance (Housing supply and delivery) sets out broadly what authorities could review and what actions they could consider as part of the action plan. The Planning Advisory Service (PAS) has also produced tools and guidance to assist authorities. The council has reviewed this guidance and taken a proportionate approach to understanding issues of housing delivery in the borough.

Early engagement

In order to determine the issues associated with meeting housing delivery targets, it was important that the Council not only engaged internally, but also externally to other organisations, including those responsible for submitting applications and for the building out of approved developments. The Council created an anonymous survey which was sent to developers currently with sites or those who have dealt with sites previously in the area as well as other potential stakeholders and interested parties. From this survey there were 53 respondents.

In addition to this, the HDT AP was discussed at a Developers Forum, where a shorter survey was provided producing 23 responses.

Through this stakeholder engagement, the Council have gathered a clearer picture of what the perceived issues are in the wider context and how to better work with developers and organisations to achieve a higher build out rate of housing.

Analysis

In investigating the relationship between permissions being granted and the delivery of schemes there is an evident gap between the number of extant permissions granted and the number of completions. This is analysed in this Action Plan for trends and commonalities to consider why some

permissions may not be being built out. In investigating the gap between permissions and delivery, the project methodology will seek to follow the good practice guidance issued by the Planning Advisory Service (PAS). All measures analysed and proposed as potential solutions through this action plan are proportionate to the issue identified and are seen as having some level of potential as ways of increase housing delivery.

1.3 Context and Demographics

Producing an action plan should not just be creating a list of actions; it represents an opportunity for the local authority to analyse the local housing market and set out in context; any planning, geographic or market factors that could be influencing housing delivery. This contextual analysis has informed the identification of the issues, challenges and the actions in this action plan.

Policy context

National Policy

Paragraph 76 of the NPPF (2021) states that to maintain the supply of housing, local planning authorities should monitor progress in building out sites that have planning permission. Where the Housing Delivery Test (HDT) indicates that delivery has fallen below 95% of the local planning authority's housing requirement over the previous three years, the authority should prepare an Action Plan. The Action Plan's role, in line with National Planning Practice Guidance (NPPG), is to assess the causes of under-delivery and identify actions that could increase delivery in future years. NPPG states that Action Plans should identify reasons for under-delivery, explore ways to reduce the risk of further under-delivery and set out measures to improve levels of delivery.

The HDT applies to all local planning authorities in plan-making areas. The test is published each year and provides a measure based on the preceding three financial years. From the day following publication of the Housing Delivery Test measurement, where delivery of housing has fallen below the housing requirement, the consequences listed above in table 1.1 will apply.

The methodology used to produce the HDT results is set out in the [Housing Delivery Rule Book](#). In simplified terms, it is a percentage measurement of the net homes delivered against the number of homes required over a three year period

This Action Plan is therefore a statutory requirement of national policy in an authority, like Watford, which has failed to meet its housing requirement over the past three years.

Watford Core Strategy (2006-2031)

The current Core Strategy was adopted in 2013 and remains in place as the most current adopted local plan document. This plan sets a housing target of 6,500 additional dwellings, an average of 260 dwellings per annum over the plan period. It did not allocate sites to meet the above housing target; relying instead on a separate site allocations document.

Policies in this plan that are relevant to housing delivery are:

- Policy HS1: Housing Supply and Residential Site Selection- Sets out the housing target of 6,500 new dwellings to delivered between 2006 and 2031 (260 dwellings per year);

- Policy HS2: Housing Mix- Requires residential developments to provide a mix of housing types, sizes and tenures that reflect their location and meet the needs of the community; and
- Policy HS3: Affordable Housing- Requires 35% affordable housing application larger than 10 dwellings or on sites larger than 0.5 ha. When permission for new housing is granted, the affordable component is to consist of social rent (20%), affordable rent (65%) and intermediate affordable housing (shared ownership (15%).

New Watford Local Plan (2018-2036)

The Watford Core Strategy (2006-2031) is to be superseded by the new 'Watford Local Plan' which was submitted for examination by the Secretary of State in August 2021. The current LDS states that adoption of the plan is expected in June 2022, subject to an examination in public in December 2021-January 2022.

Although the Housing Delivery Test results look back on delivery over the past three year period, this Action Plan looks forward to determine what actions the council could take to increase housing delivery. A key part of that is the development and progression of the new Local Plan which seeks to meet the standard method housing target for the borough, 14,988 homes over the plan period, based on an annual target of 793 dwellings.

This new local plan will be vital in seeking to better meet identified housing targets across the borough providing high quality homes that meet the needs of local communities. The contents of the new Local Plan and how it will impact on the delivery of housing is discussed later in this document.

The Plan² has already been through three rounds of public consultation and is significantly progressed. If and when the Plan is adopted it will set out an overall spatial strategy for growth in the borough up to 2036 as well as providing the basis for determining individual planning applications. A key consideration during the preparation of the plan has been how best to meet the needs for housing given the physical and environmental land constraints identified in the borough, and the current under delivery of housing relative to new government targets.

The plan identifies and recognizes several constraints to growth in the borough, which are outlined below. They are similar to those identified elsewhere in this Action Plan:

- **Land Availability**- A high proportion of Watford has already been developed. The borough comprises of approximately 67% developed land, 22% urban green space and 11% other undeveloped land (with constraints).
- **Green Belt**: Green Belt comprises approximately 20% of the borough. The Green Belt designation is protected through national guidance and can only be re-designated when a new Local Plan is prepared.
- **Flood risk**: Watford has a small amount of land that is affected by flood risk. Residential development cannot take place in flood zone 3b and needs to be mitigated when being provided in flood zones 2 and 3a.

² Draft Watford Local Plan- [b57e7b_3683beaaa4be473d9bf0dbb59703c137.pdf \(filesusr.com\)](https://www.filesusr.com/preview.php?file=b57e7b_3683beaaa4be473d9bf0dbb59703c137.pdf)

Geographic Context

Watford is a local authority borough measuring approximately 8.3 square miles, 20% of which is Metropolitan Green belt. It is located in South West Hertfordshire, immediately north of North West London.

97,600 people are estimated to live in the borough (ONS, 2019) making it one of the most densely populated and built up non-metropolitan districts in the country. This makes the identification and delivery of suitable land and sites for new housing, employment and infrastructure a considerable challenge.

There are a variety of natural and physical constraints to growth such as the areas of potential flood risk associated with the rivers that run through the borough and the railway and road infrastructure that take up considerable areas of land and affect the ability to move easily between different parts of the borough through walking or cycling.

Watford has delivered 94% of its housing growth on brownfield land in the last ten years (Source: Watford Authority Monitoring Report), reflecting the scarcity of greenfield land in the borough. Early in the ongoing Local Plan review process it was recognised that this trend of brownfield development will likely continue given the constrained nature of the borough, the lack of opportunities on greenfield sites, and Green Belt designations.

Delivering housing requirements within the context of these geographic constraints is a considerable challenge that the borough is seeking to solve. This action plan will outline a variety of actions that could be used to better meet local housing needs in spite of these constraints.

Housing Market Context

This section reviews the latest available data on the local housing market in Watford; this data is useful in providing context for the Housing Delivery Test results and in highlighting areas that could inform actions the council can take to try and improve housing delivery.

House Prices

Figure 2 below shows that over the past five years from Jan 2016 to Jan 2021, average house prices in Watford have increased by 13% (Jan 2016- £322,715; Jan 2021- £364,847)³. This is in comparison to an increase of 21% across the whole of England (Jan 2016 £220,361; Jan 2021 £266,914). It is

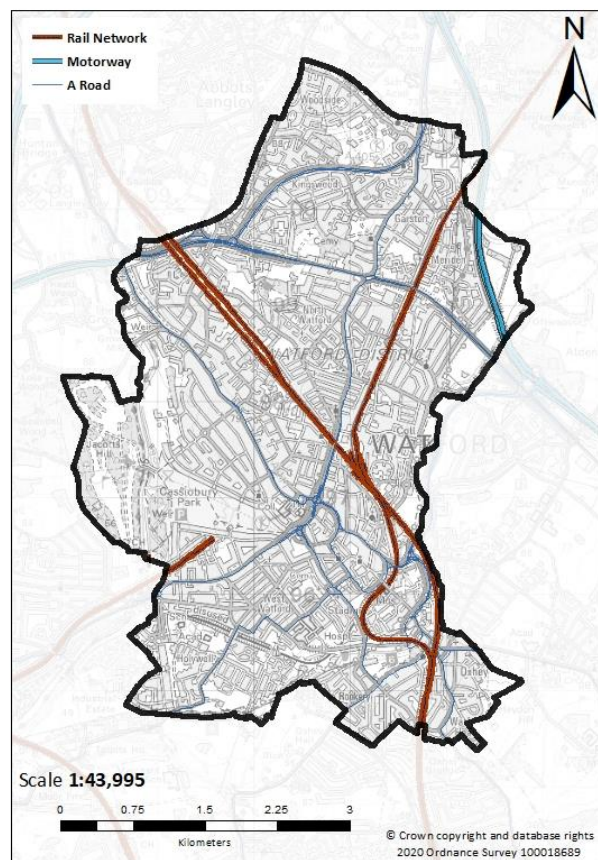


Figure 1 Map of Watford Borough

³ <https://landregistry.data.gov.uk/app/ukhpi/browse?from=2016-01-01&location=http%3A%2F%2Flandregistry.data.gov.uk%2Fid%2Fregion%2Fwatford&to=2021-01-01&lang=en>

noticeable that the average house price in Watford remains considerably above the England average,

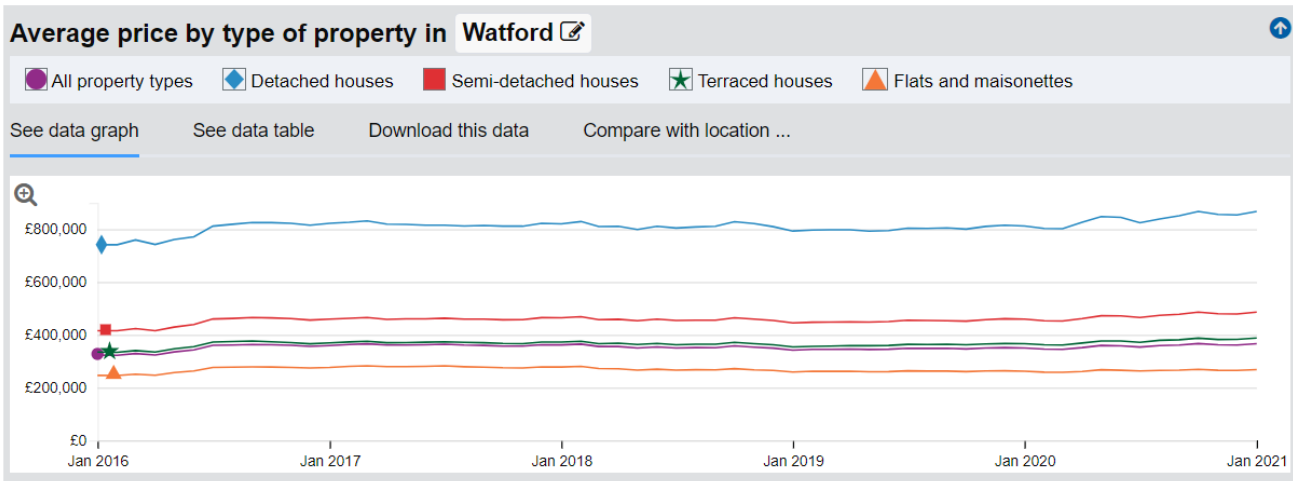


Figure 2 Average House prices in Watford

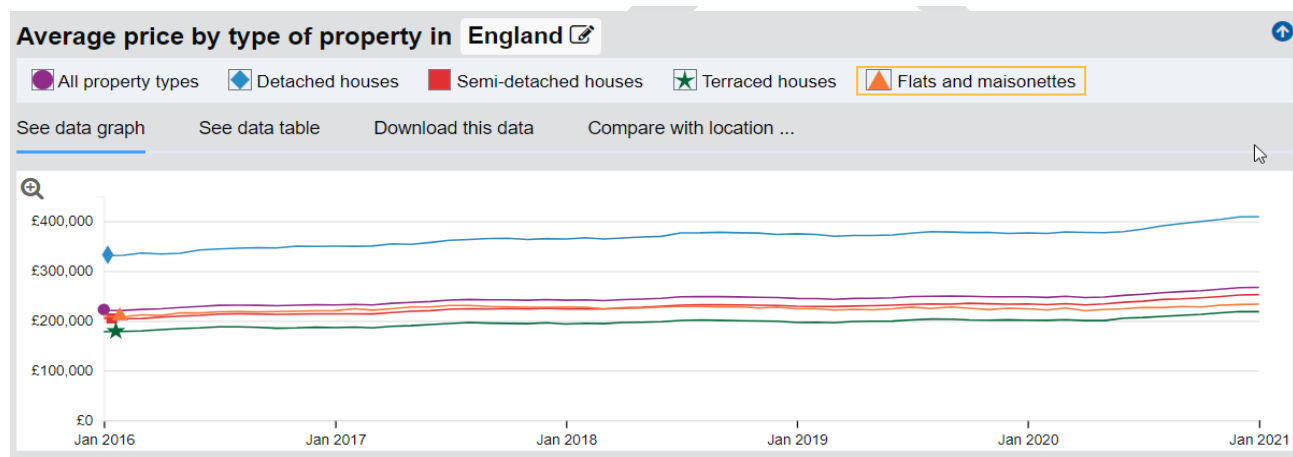


Figure 3 Average House prices in England

(37% above average as of January 2021), despite the lower than average growth rate over the past five years.

Within Watford there is a significant variation between the cost of flats (Jan 2016 £245,891; Jan 2021 £266,990) and detached houses (Jan 2016 £740,981; Jan 2021 £863,937). This highlights how the provision of different house types can directly impact on who is able to access them, and whose needs are being met. The differentiation between house prices for detached properties in Watford compared to the England average is particularly stark. The average cost of a detached property in England was £409,152 in January 2021; this is compared to £863,937 in Watford meaning the average price for a detached property in Watford is 111% more than the England average. Overall, Watford is an area of high house prices relative to the national average and the affordability of housing is a key issue for the area.

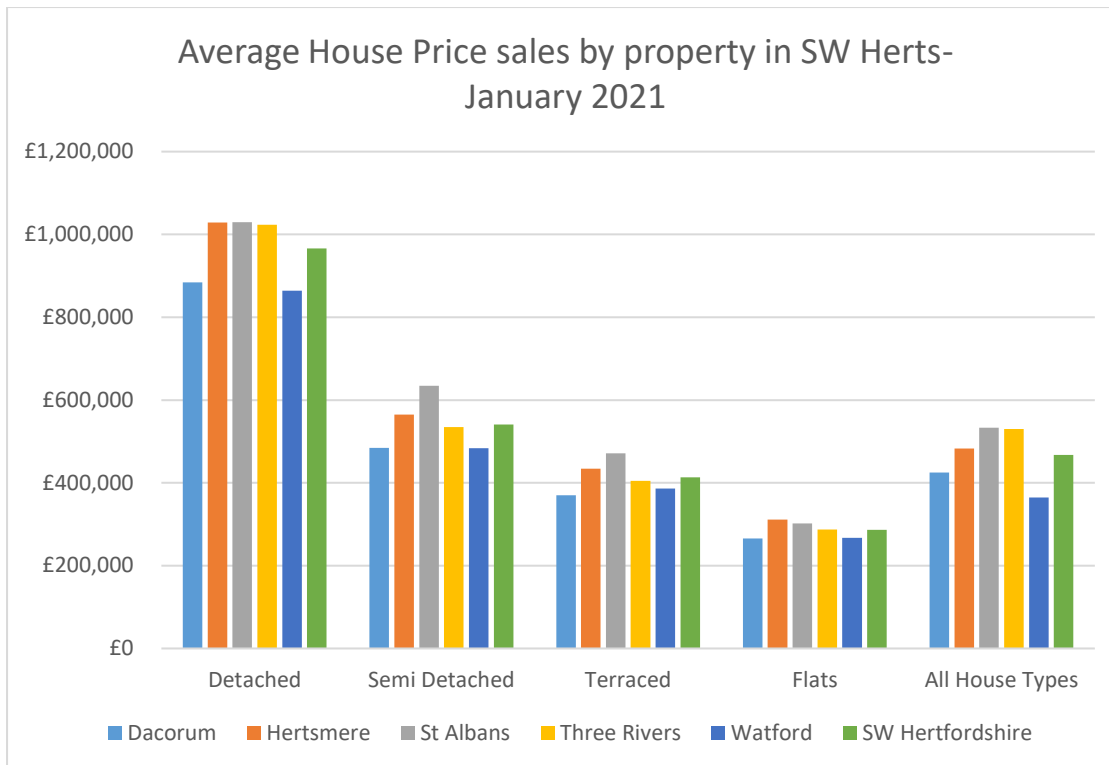


Figure 2 Average House price sales in SW Herts

Figure 4 highlights however that Watford is actually the most 'affordable' local authority on average compared to the four neighbouring districts in South West Hertfordshire despite being significantly above the national average.

Household Income

Household income relative to house prices is a key component of affordability and a gap between the two can make a difference to the number of new homes being purchased and therefore the number being built and how quickly.

The UK's average household income is £29,990 (2019-2020), in comparison to Watford where the average household income is £35,383 (ONS), 18% higher than the national average⁴.

Whilst nationally the average income in Watford is higher than the average, it is not to the same extent as it is for house prices. Household income is 18% higher than the national average whilst house prices are 37% higher. There is therefore a gap between the price of housing in Watford and in the household income of residents relative to their positions nationally.

In comparing Watford's household income relative to the neighbouring authorities in SW Herts; St Albans, Dacorum and Three Rivers have higher household incomes, (£41,325, £38,600 and £38,018 respectively) whilst Hertsmere has a lower average household income (£34,531)⁵.

⁴<https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/householddisposableincomeandinequality/financialyear2020>

⁵<https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/mallareamodelbasedincomeestimates/financialyearending2018>

Despite the relatively high household incomes in Watford, the cost of housing means that the affordability of housing is still a major issue which could have considerable impacts on the ability of local people to buy homes. It is clear however that relative to neighbouring districts Watford is more affordable and as such residents of these neighbouring areas may be attracted to buy houses in the borough.

The affordability of homes is a key factor in determining the results of the Housing Delivery Test each year, translating into an affordability ratio that provides an uplift to the government's standard method for identifying housing targets for each local authority. Essentially the less affordable a local authority is relative to the national average, the higher their required needs in the HDT. Watford's affordability ratio in the dataset published in 2021 was 13.61⁶.

Relative to the rest of SW Herts Watford's affordability ratio is higher than Dacorum (13.58) but lower than Hertsmere (14.86), Three Rivers (13.80) or St Albans (16.92). The higher the ratio the less affordable a local authority is for its own residents taking into account both house prices and gross annual income, and the greater the number of houses required to meet Government targets.

Household Formation

As required by the NPPF and local policies a mix of housing types and tenures should be encouraged to meet a wide variety of housing needs. Providing the right mix of housing types and sizes can directly impact on how sufficiently an area meets its local needs qualitatively as well as quantitatively. It is not just about the number of houses; the NPPF makes it clear that it's also about building the right homes in the right places. The local authority will work with a variety of internal and external stakeholders to best meet this need through the local plan and other methods, some of which are outlined in this action plan. Currently (2019⁷) 62% of households in Watford are owned outright or with a mortgage; 21% are privately rented and 17% are socially rented. Both the affordability and availability of housing can impact on this mix.

In thinking about actions to increase the delivery of housing, it is important to remember that simply delivering unrestricted new market houses will not necessarily deliver on meeting the needs of all

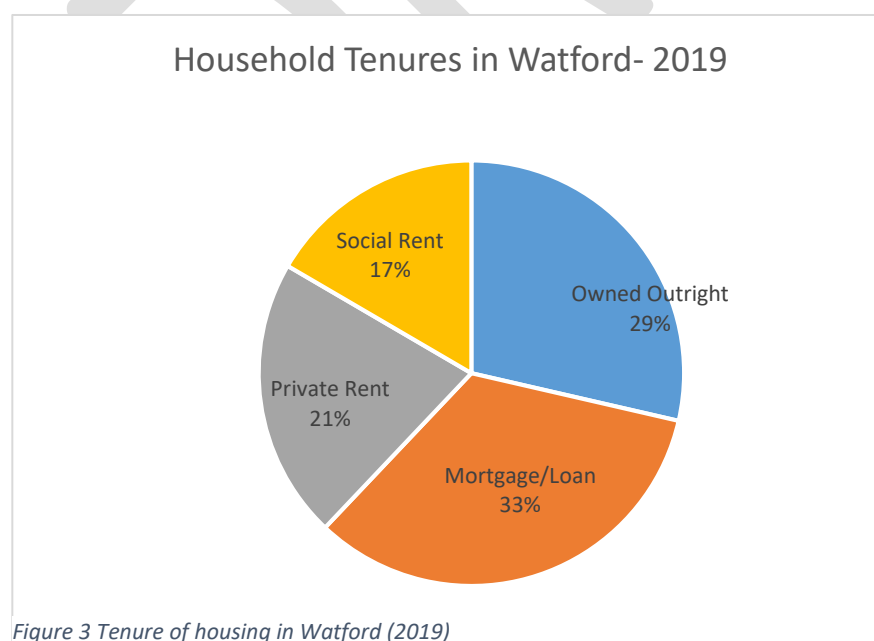


Figure 3 Tenure of housing in Watford (2019)

residents in the borough. Policies, decisions and actions the authority take should seek to increase and encourage the delivery of all types and tenures of housing.

Based on the above, the delivery of affordable housing should be seen as a high priority in the borough and within this Action Plan. Affordable housing can be delivered through both direct delivery by the council

⁶ [House price to workplace-based earnings ratio - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/subnationaldwellingstockbytenureestimates)

⁷ <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/subnationaldwellingstockbytenureestimates>

and housing associations and through s106 contributions from market housing schemes. The continuing and expanded delivery of affordable housing products is key to helping the council meet its housing needs.

2.0 Housing delivery and supply

The number of new homes required in Watford has more than doubled in the past three years whilst delivery has dropped, causing a larger discrepancy in housing figures. Over the past three financial years Watford has delivered 874 homes which is 963 lower than the 1,837 required. This is shown in table 3.

Table 3: Number of homes required against the number of homes delivered between 2017/8 and 2019/20 (Housing Delivery Test, 2020)⁸

Year	2017/18	2018/19	2019/20	Total
Number of homes required	313	798	726	1,837
Number of homes delivered	312	298	264	874

It is important to note however that despite only 874 new homes being completed out of the 1,837 required, there were 3,780 units granted planning permission during the same period. In the most recent financial year 2020/21, an additional 2,111 units have also been granted planning permission. With this in mind, a focus of this action plan will be to investigate barriers faced by developers in building out these homes, as well as setting out measures that can be taken by the council more broadly to support higher delivery rates. It is important to note that the Council supports the build out of these extant permissions and there is potential for these to become completions in the coming years which will contribute to our housing figures.

The COVID-19 pandemic has had an impact on the economy, and on the way that people work and live. It is too early to confirm whether it has had a material difference on the delivery of housing as the long term effects on the rate of housing delivery and supply are as yet unknown. It will be something the council has to monitor going forward.

2.1 Residential Projects

There are numerous projects being promoted by Watford Borough Council with an objective to increase housing delivery, particularly affordable housing, as well as improve quality of life, increase amenities and provide easier access to sustainable transport options. Some projects of note are listed below.

Development of small sites

The Council is developing housing projects on small council-owned sites. One example of this is Riverside Road which is delivering 5 homes on a site of 0.1ha and is expected to be completed during 2021. There are other small site projects currently being determined and although these sites are all

⁸ The figures set out in the Housing Delivery Test vary from what has been reported in the Authority Monitoring Reports. MHCLG have been contacted to correct this. Amended figures would not affect the Housing Delivery Test results or the recommendations in the report.

likely to be under 100 dwellings each, the cumulative total will have an impact on the overall housing figures.

Town Hall Quarter

Within the Town Hall Quarter the council is undertaking a project to revitalise spaces and secure assets. This will be a mixed use scheme developed over approximately 10 years which will result in an open, vibrant, sustainable neighbourhood with businesses creating a friendly community. The initial consultation for this project was held in 2019, feedback from this has been incorporated into plans.

Watford Gateway

The Council is promoting the development of the Watford Gateway area and it is allocated as a Strategic Development Area in the emerging Local Plan. The Area will see co-ordinated change around Watford Junction railway station / bus station and the Clarendon Road area, resulting in a mixed-use urban quarter of high quality design and place making, along with excellent connectivity. It will support a mix of housing, employment and other subsidiary land uses and community orientated facilities. New development here is anticipated to include at least 2,718 new homes, commercial offices, social infrastructure and some additional windfall development. Planning permission has been granted and construction has commenced for a first site that will deliver 1,214 units, 295sqm of office floorspace and 4,960sqm of commercial and educational floorspace, to be completed over the next 5 years. With the support of Homes England, WBC are working with Homes England to see how the public sector can assist in unlocking this strategic opportunity. Watford Gateway is one of the sites being progressed as part of the Hertfordshire Growth Board discussions with MHCLG, if 'devolution' funding was available.

Lower High Street

The Council is promoting cohesive development in this area. The site forms part of the Colne Valley Strategic Development Area designated in the emerging Local Plan to facilitate transformative and co-ordinated change around the River Colne and Lower High Street area. It will provide a sustainable and mixed-use urban quarter of high quality design and place making, excellent connectivity and a diverse range of uses. The largest site in this area has an indicative yield of 1,338 units and is expected to be delivered between years 6 and 15 of the Local Plan period.

Watford Riverwell

A masterplan is being developed through the council for this area. This site also forms part of the Colne Valley Strategic Development Area designated in the emerging Local Plan. It is allocated for mixed-use with an indicative yield of 1,383 units. The area is to include residential flats, family homes, hospital improvements and community facilities including public green space across its 65 acres of land. This project is likely to be completed in 10 to 15 years.

Social rented programme

Watford Borough Council is providing funding alongside delivery partners including Watford Community Housing and Homes England in order to provide additional housing for social rent. This is in addition to the affordable housing and social rent homes that are to be provided by commercial developers.

The Council is committed to providing 16 to 18 new social housing units per year over the next three years which equates to 48 to 54 units. The demand for social housing in Watford is very high and only a small proportion of those who apply are able to obtain a home fitting their needs. Social housing in Watford is owned and managed by Watford Community Housing (WCH) and Hart Homes.

Hart Homes is a joint venture between Watford Community Housing and Watford Borough Council that aims to combine assets of both companies to help deliver affordable homes in the area.

There are a total of 9 sites which have been identified for the delivery of social rented homes in the Borough as seen in Table 4 and 5.

Table 4: Social rented home delivery

	2Bed Flat	3Bed Flat	2Bed House	3Bed House	Total
WCH 8 sites	21	0	3	15	39
WBC 1 sites	13	4	0	0	17
Total	34	4	3	15	56

The sites currently being developed are included below as schemes with estimated completion dates.

Table 5: Social rented schemes

Scheme	Dwellings						Completion due
	2BF	2BB	3BB	2BH	3BH	Total	Feb-22
Amwell Close	8	0	0	0	0	8	Aug-21
Bowmans Green	0	0	0	0	3	3	Feb-22
Brightwell	13	0	0	0	0	13	Nov-21
Centrepoint (Resi)	17	0	0	0	0	17	Nov-21
Chesham Way Nth	0	0	0	0	2	2	Oct-21
Chesham Way Sth	0	0	0	0	4	4	Oct-21
Hope Green	0	0	0	0	4	4	Aug-21
Waterman Close	0	0	0	0	3	3	Jul-21
Woodmere Ave	0	0	0	1	1	2	Feb-22
Total	38	2	1	1	14	56	

Housing on Council land

There are three different ways Watford is bringing forward more housing on council land; land sales with a development agreement, joint ventures or partnerships, and direct delivery.

The council can choose to dispose of its land through open market tender or auction with the buyer entering a Development Agreement to deliver a prescribed amount of housing. This means the Council loses much of its control over the site but can secure agreed terms and ensure housing delivery.

Joint ventures bring forward land through a Local Asset Backed Vehicle (LABV) where the council puts land into a joint venture and the private sector partner contributes equity to finance the project. Examples of this that are currently being developed include Riverwell and Croxley View. Watford Borough Council often work closely with Hart Homes and Watford Community Housing in joint ventures. The Council has some control over the delivery on such schemes as it contributes half of the costs.

Other projects which considered joint ventures include the Social Rent Programme which are not long term partnerships and are more specific to one situation with a fixed allocation of funds. These cases are also reliant on Homes England for funding.

With direct delivery, the Council retains responsibility for delivery, and as a result the ownership of the land and asset. An example of this is Riverside Road Garages. There is still an opportunity for the Council to deliver more bespoke Housing projects should the need arise on its own land. This would allow the Council to directly deliver housing towards meeting development needs.

2.2 Extant Permissions

The Council has discovered a significant disparity between the numbers of schemes granted residential permissions and the number of these schemes being built out. As of the end of July 2021, there are 4,900 residential units with extant permissions across 174 schemes in Watford. This figure is greater than the housing requirement for the past three years and it is therefore a significant factor in the identified under-delivery in the borough.

Using the number of units to categorise the extant permission data shows that there are a majority (72%) of small schemes under 9 units which have extant permissions but that 48% of dwellings currently extant are on schemes of over 200 dwellings. This indicates that schemes of all sizes have a role to play in delivering housing but proportionately the largest impact is made by the six schemes over 200 units.

Table 6: Extant permissions by unit size

Development Size (no. of homes)	Schemes	% of total	Dwellings	% of total
0-9	126	72%	364	7%
10-29	18	10%	325	7%
30-49	8	5%	296	6%
50-199	16	9%	1540	31%
200+	6	3%	2375	48%
Total schemes	174	100%	4900	100%

Some extant permissions have only recently been granted planning permission and so may be commencing development soon, or have needed to wait due to local skill shortage or reasons pertaining to Covid-19. Looking specifically at the extant permissions which are to lapse in the next 12 months it shows there are 810 units across 31 schemes. This shows a significant number of schemes and dwellings that have been approved and not completed within a considerable amount of time and that may lapse without being built out.

Table 7: Extant permission lapse dates within 12 months August 2021 – July 2022

Extant	# Units	# Schemes
Total	810	31

2.3 Lapsed Permissions

While many extant permissions do eventually get built out, others can lapse if development has not commenced in the allotted window which is typically three years. Over the past year from August 2020 to July 2021 there were 31 schemes which lapsed. In total these schemes had permission for 932 units. Had these schemes been built out, Watford would have exceeded its housing target for the year. There are several reasons why this number of schemes may not have been built out and it was particularly high for the year between August 2020 and July 2021 which is likely due to the effects of Covid-19. However, in previous years there were still hundreds of units which were left to lapse.

Table 8: Lapsed permissions from August 2018 – July 2021

Lapsed	# Units	# Schemes
2018 - 2019	233	12
2019 - 2020	325	14
2020 - 2021	932	31

2.4 Five Year Housing Supply

Each authority is required to produce an annual 5-year housing supply statement setting out whether there is enough land available to meet the needs for housing. The Watford Borough Council 5-Year Housing Supply Statement sets out an overall supply baseline, sites which are contributing to housing delivery and the current extant permissions across the borough with a trajectory of when these schemes may be delivered. It compares how many dwellings are deliverable over the next five years with the housing requirement to determine whether there is sufficient housing supply over a five year period to meet housing targets. In the statement from 31 March 2020, the housing supply figure was 5.21 years' worth of housing, which means there could be a surplus. Watford has currently committed to the delivery of 4,914 dwellings. This is determined with the formula (Watford commitments / Watford housing requirement x 5 years + 20% buffer).

2.5 Viability

The supply and delivery of housing of all tenure types has been viability checked through an assessment of policies in the Local Plan to ensure the requirements for new developments as well as the build out of allocated sites are deliverable.

In the case that a certain aspect of housing requirements is not possible, such as the 35% affordable housing, a reduced requirement would be agreed between the developer and the Local Planning Authority at the time of the planning consent. This agreement would later be reviewed to ensure the highest compliancy with the policy.

2.6 Build to rent

Build to rent is purpose-built housing which has individual units specifically made to be rented out. The South West Hertfordshire Local Housing Needs Assessment states that 'it can form part of a wider multi-tenure development comprising either flats or houses, but should be on the same site and / or contiguous with the main development. Schemes are usually of a large-scale in terms of the

number of residential units and offer longer tenancy agreements of three years or more, and will typically be professionally managed stock in single ownership and management control’.

The new Local Plan includes a policy specific to build to rent housing which is to be promoted in appropriate areas of Watford. This policy states that affordable housing should still be provided but discounted market rents may be accepted in place of other housing tenures. The developments applicable for build to rent would be 50 units or more with a minimum of 15 years retained for build to rent, all units are to be separate and self-contained and there is a clawback mechanism in place if needed.

3.0 Engagement

In preparing this action plan, Watford Borough Council undertook two main forms of engagement with the development community. Firstly, an online survey and secondly a presentation, discussion and poll taken to the Developer’s Forum. In total there were 76 respondents to these two forms of engagement. This has helped to gather an understanding of the issues and thoughts of the development industry.

3.1 Survey

The Council created a survey in order to obtain information on the perceived benefits and barriers to building housing in Watford. This was done in April 2021 and produced 53 responses. A variety of individuals and businesses responded to this survey although a high proportion were developers which must be born in mind when making overall judgements based on the results of these surveys. However, the responses received did help to give some context to the wider picture of development in the borough.

Barriers

The two most significant barriers to housing delivery identified through the survey were site complexity, and a lack of land or sites available which are issues that the Council has a limited ability to change. Other commonly mentioned issues included planning procedures and governance, developer contributions (CIL) and working with the Council – directly relating to the relationship between developers and the Council when considering planning applications. This needs to be further analysed and the effects of this mitigated so that developers can be confident in Watford Borough Council when making an application. The Council will work on the promotion of new policies including the new Local Plan and ensure documents like the Infrastructure Delivery Plan and the Brownfield Register are kept up to date. The Council is also releasing an exhaustive list of site allocations with the Local Plan which will help provide clarity and expectations for developers.

Building in Watford

When asked what would attract developers to build in Watford there were many different answers but several common themes:

- Strong location
- Infrastructure
- The Planning System
- High property values
- Site allocations

- Supply and demand
- Good reputation

Local Plan

There were 37 responses to a question asking if the new Local Plan would positively affect development in Watford. Of these, 59% responded as unsure and 14% said no. This highlights that further promotion of the Local Plan should be undertaken as there are many beneficial policies along with the addition of site allocations which are suitable for development within the plan period.

3.2 Developers Forum

In order to get a more robust idea of the potential issues in building out housing we held a Developers Forum in June 2021, which 23 individuals from relevant organisations attended and took a short poll. Some of the findings are:

- The top attraction to building homes in Watford was 'Planning and council support' followed closely by 'high demand' and 'sustainable location'
- The top barrier by far was 'not enough sites available'
- Other, less common barriers were 'site complexity' and 'high upfront capital costs'
- Of the respondents, 78% were either 'very likely' or 'likely' to build in Watford Borough Council.

The variation of responses between the survey and the poll shows that increased engagement and promotion may help dwellings be built.

4.0 Summary of Root Cause Analysis

Based on the data collected during the action plan process and the subsequent analysis there are several points which help summarise the root causes for local housing delivery falling short of government targets. These are some of the key points to consider and are not in a specific order.

- **Out of date Local Plan:** Watford adopted the 'Watford Local Plan Core Strategy 2006-31' in 2013 which sets out a plan for growth and contains strategic policies. This document is now outdated and needs to be replaced by a new Local Plan which is based on up to date evidence, and that plans for the scale of growth identified in the Governments housing requirements.
- **Suitable sites:** There is a high level of difficulty in locating suitable sites for development due to a lack of land availability. To this point, Watford has achieved 94% of its housing growth on brownfield land in the last ten years, reflecting the scarcity of greenfield land. Given the density of the borough and the built up nature of it, finding suitable brownfield sites that have not yet been developed is also a challenge. The need to also deliver employment sites and sites for social infrastructure like schools and medical services further restricts the availability of sites for housing.
- **Site constraints:** Physical and natural constraints along with a variety of site specific considerations are further exacerbating issues of finding land which could be re-

developed. Constraints can include contamination, flooding, proximity to road, railway or industrial infrastructure resulting in amenity issues and Green Belt designations.

- **Windfall sites:** Watford has a history of reliance on windfall sites with 81% of development being windfall since 2002.
- **Extant permissions:** If all currently extant permissions were built out, they would exceed housing targets. There are a variety of reasons why these permissions may not be being built out including the Covid-19 pandemic and viability problems.
- **Viability:** There is a viability gap between the affordability of site purchase and the cost of building out sites in ways that are policy compliant. This can particularly affect more complex sites which are common in Watford.
- **Completions:** The majority of completions in the borough are by private developers which means we need to assist them. Growth being delivered by private developers will rely on these developers building out at a rate that suits the market rather than at the rate needed to meet the Councils housing targets.
- **Use of council land:** There is a possibility to use more council land to directly facilitate increased housing delivery.
- **Income:** Affordability of dwellings for purchase relative to Watford's average income is poor.
- **Cost of housing:** The price of housing and the average income in Watford are high relative to the countries average but are lower than neighbouring districts.
- **Housing mix:** Delivering more housing in Watford is not just about allowing unrestricted levels of market housing. In order to meet needs the delivery of a variety of housing types and tenures will be required.
- **Covid-19:** The long term impacts of the COVID-19 pandemic on the rate of housing delivery are as yet unknown but it is likely that the resultant economic uncertainty will have resulted in some developers being more cautious in progressing schemes. The council has also had to get used to a new way of working during this last year which may have impacted on some processes, although disruption has been minimised wherever possible.

5.0 Progressing the Local Plan

5.1 Housing Delivery

The new Local Plan has to balance the demands of commercial developers to be able to provide the types of housing that supply the market along with delivering specific housing needs in terms of where new development is located, the quality of design, the mix of housing sizes, types and tenures. In addition there is a need to ensure that new development preserves the historic character and natural environment of the borough. Sustainable development cannot be achieved by simply permitting unrestricted market housing to come forward.

The following section gives a summary of the main ways that the submitted plan seeks to facilitate increased housing delivery.

5.2 Housing targets

Policy HO3.1 of the submitted plan makes provision for 14,988 homes over the plan period to 2036.

This is to be made up of the following:

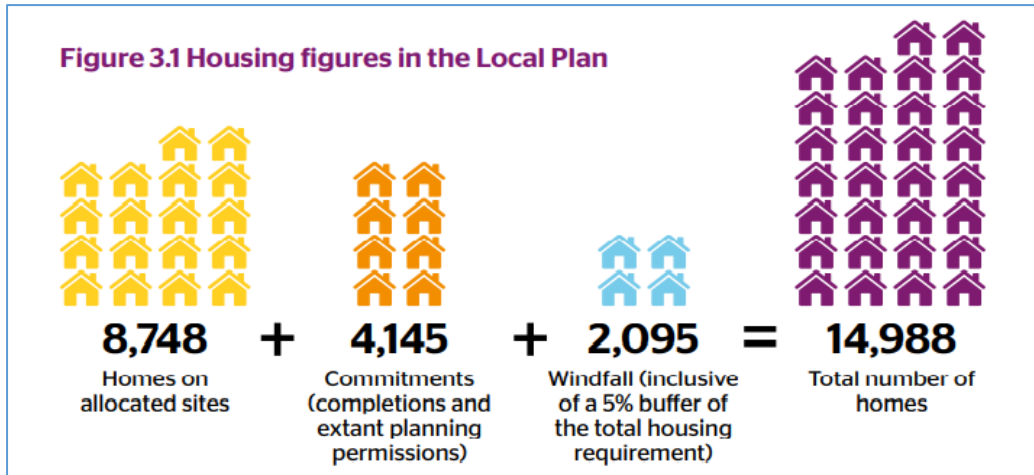


Figure 4 Housing targets in the Local Plan

Meeting the above housing target will require the delivery of 793 dwellings per year on average. This represents a trebling of both the overall housing targets over the plan period and the annual housing

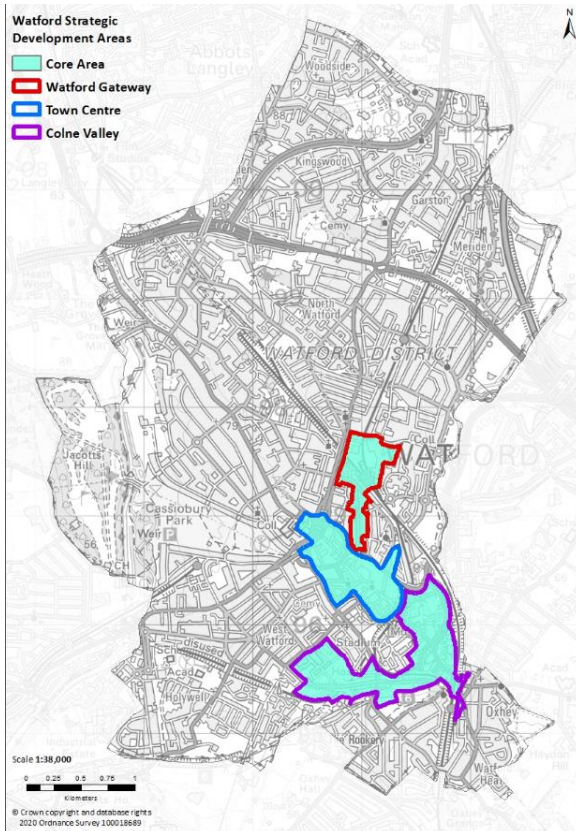


Figure 6 Core Development Area

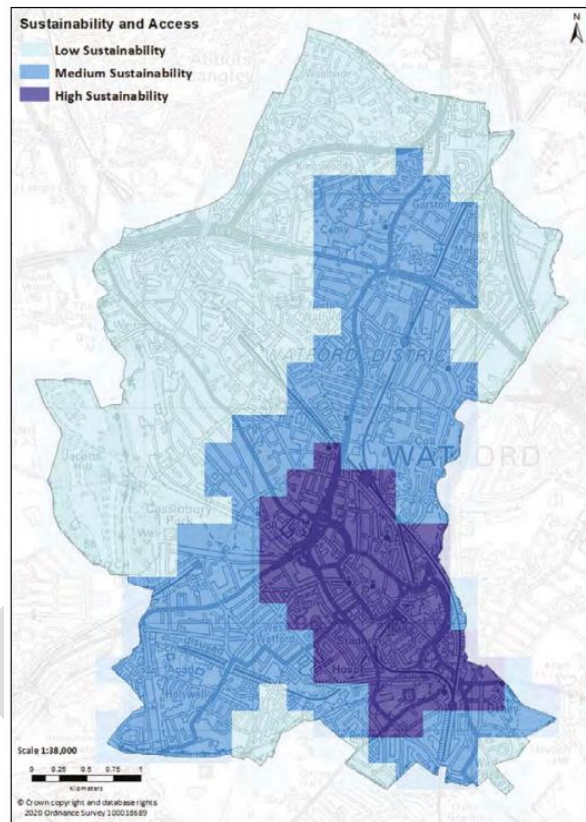


Figure 5 Areas of Sustainability

requirement relative to the adopted core strategy. This demonstrates a strategic intention within the council to deliver more housing to meet needs.

It is acknowledged that meeting these housing targets will be a considerable challenge. The Local Plan directs much of this growth into areas of high sustainability focused around public transport hubs and proximity to other services and facilities. This area of high sustainability is known as the Core Development Area (CDA). Figures 7 and 8 show the location of this area.

Development within this CDA is expected to deliver around 80% of the growth in the borough over the plan period through the delivery of a large number of mixed use, high density developments and in places, transformational levels of change.

5.3 Optimising Land

Chapter 11 of the NPPF suggests that new development should optimise land and should seek to maximise densities where suitable in accordance with paragraphs 124 and 125 of the NPPF. The policies in the submitted plan seek to reflect this national ambition by permitting higher density development in the most sustainable locations.

There are of course consequences to increasing densities and a balance needs to be struck between delivering more housing and the impacts increasing densities could have on the design and quality of developments; the pressure on local services and the amenity and character impacts of very high density developments. The draft Local Plan policies recognise that different parts of the borough could better absorb higher densities than others. Within the CDA, developments should be a minimum of 95dph with higher density development being supported in locations with good access

to mass transport routes. Outside the CDA densities should be a minimum 45dph dependent upon the character and attributes of the area.

Given the land constraints in the borough; the optimisation of what land is available is critical to meeting the housing delivery targets. The Local Plan will provide a strategic framework by which higher density development can be approved and delivered in the most suitable locations. This should give more confidence to developers and clarity.

5.4 Building Heights

The council undertook a Taller Buildings Study (2021)⁹ as part of the local plan process which identified four distinct character areas within the borough which could be subject to different base building heights. A summary of these character areas and heights can be seen in Figure 9.

These base building heights are not intended as an absolute cap that restricts all development above these heights but rather a presumption in favour of sustainable development will apply for proposals within these base heights.

Developments that are proposed above these heights will have to demonstrate exceptional design quality; and significant public benefit that would not be achievable if the building was within the base height.

The Local Plan provides a framework by which tall buildings could be considered acceptable in certain locations and circumstances. It is important to note however that the Tall Buildings study suggests that the Council does not need every site to be a tall building in order to meet the housing target. The Council does not see tall buildings as an answer to housing delivery issues exclusively as they tend to be expensive to build, subject to a lot of complex planning and design considerations, be contentious for the general public and often less viable than other forms of development.

Policy QD6.5 of the emerging plan provides a flexible basis on which to consider the sustainable development of taller buildings in certain locations to optimise the use of brownfield sites, in accordance with paragraphs 119 and 120 of the NPPF.

Area of the borough	Base building height
Watford Gateway	Up to 8 storeys on a street frontage, stepping up to 10 storeys to the rear.
Town Centre Strategic Development Area	Up to 5 storeys on the High Street, stepping up to 8 storeys to the rear.
Colne Valley Strategic Development Area	Up to 6 storeys.
Outside of the Core Development Area	Up to 4 storeys.

Figure 7 Building Heights

⁹ [Watford Tall Buildings Study \(2021\) | Watford Borough Council](#)

5.5 Identifying Sites

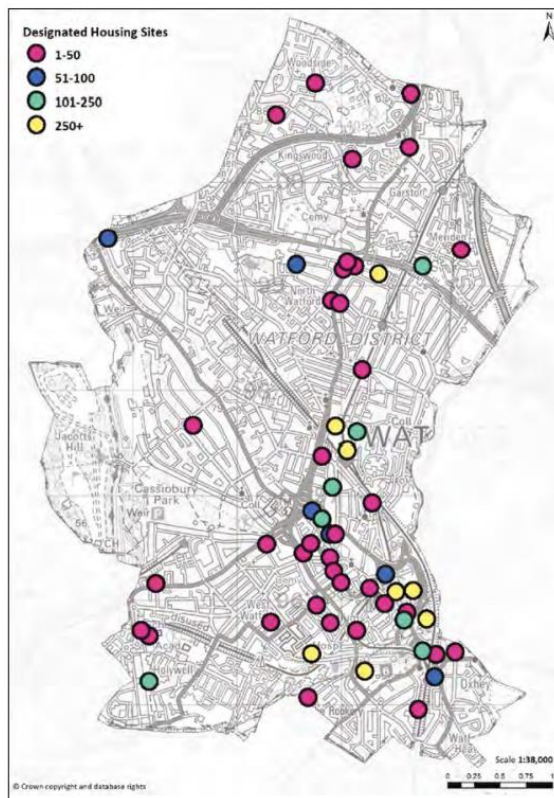


Figure 8 Location of allocated sites

The plan proposes to allocate land to deliver 8,748 dwellings over the plan period, across 56 housing and mixed use sites. The current adopted Core Strategy did not allocate housing sites.

To identify sufficient sites capable of meeting the quantity of development required to meet increased housing targets the Council needed to be more proactive in identifying land that is considered suitable, available and achievable for residential and mixed use development. The Spatial Planning Team proactively mapped the town in the search for potential sites including approaching landowners directly to try and increase the number being identified.

A map of sites allocated in the plan can be seen in Figure 10 together with the indicative yields expected from each. These allocated sites have the potential to make up a significant proportion of the housing needs in the borough.

Allocating sites increases the certainty of housing delivery for both the council and for developers/landowners relative to relying exclusively on windfall sites.

5.5 Mix of housing Types

The Local Plan supports the delivery of a variety of housing types that could drive increased housing delivery across the borough. These include self and custom build developments, affordable housing, Build to Rent schemes, care homes, student accommodation, residential conversions and Gypsy and Traveller accommodation where appropriate.

5.6 Summary

In the context of a plan led planning system; adopting a new Local Plan which incorporates strategic policies and objectives related to housing delivery is the main short, medium and long term action the Council can take to facilitate increased housing delivery in the borough.

6.0 Further Actions for the Council

The key issues determined in this analysis have been largely linked to lack of land availability, site constraints and the length of time taken to build out permissions. Watford Borough Council needs to take action to help bridge the gap between housing requirement and current delivery.

The Council must ensure the effective use of land, encourage small projects, effectively monitor progress and work with developers to build out the sites which have planning permission granted.

Planning Applications/Permissions

The Council will continue to ensure planning applications and permissions are determined within the agreed timescales along with S106 agreements. The council will also ensure applications can be commenced quickly following determination by ensuring planning conditions are kept to a minimum and that viability issues have been appropriately addressed.

Development Management Performance

The engagement exercises undertaken during the process of preparing this Action Plan highlighted that the performance of the council during the planning process was seen by some respondents as having an impact on the rate of housing delivery. Figure 11 shows DM performance over the HDT period both in terms of what percentage of applications are approved by the council and how many applications are determined on time¹⁰. This shows that the council approved between 60% and 80% of all applications and between 85% and 100% were approved on time. This represents a high, albeit not perfect, level of performance that has remained relatively constant over the three year period.

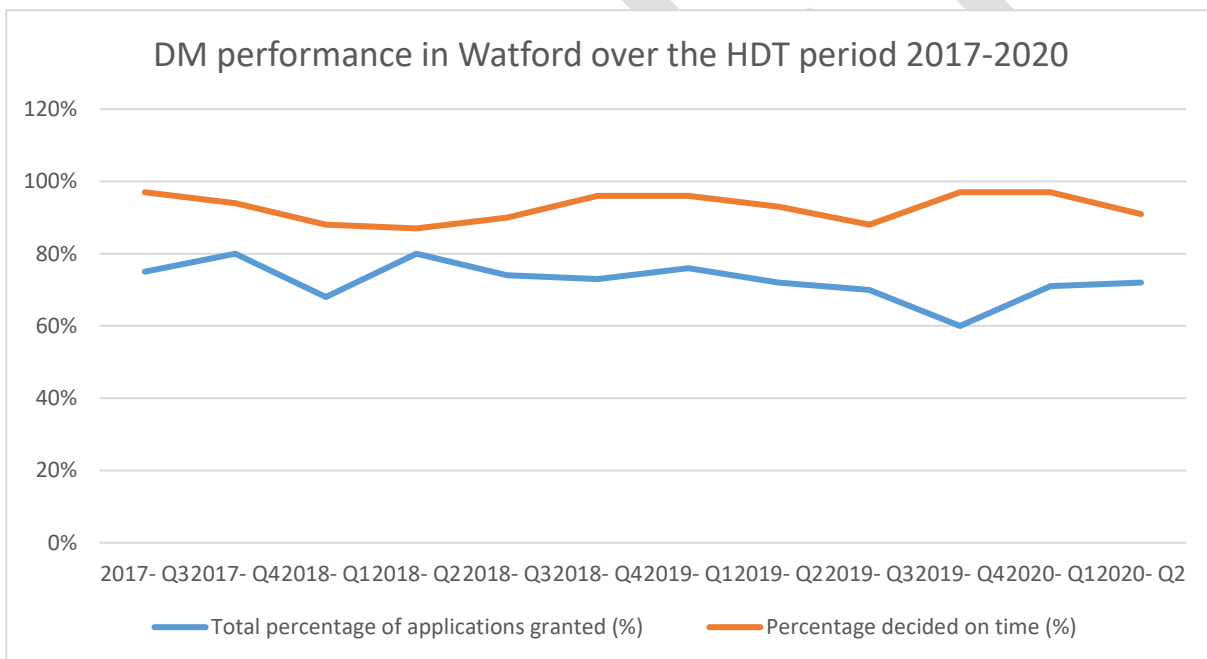


Figure 9 DM performance in Watford April 2017-March 2020

The above data includes agreed extensions of time with the applicant. These extensions can be for a number of reasons, but usually relate to insufficient information being available to determine the application. Delays can also be necessary for those applications which need to be determined by planning committee depending on the committee calendar. In addition delays can be as a result of needing to complete S106 agreements.

Figures 12-15 break the above down into major and minor applications, both in terms of number of decisions made and percentage of these decisions made on time¹¹.

¹⁰ [Live tables on planning application statistics - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

¹¹ [Microsoft Power BI](#)

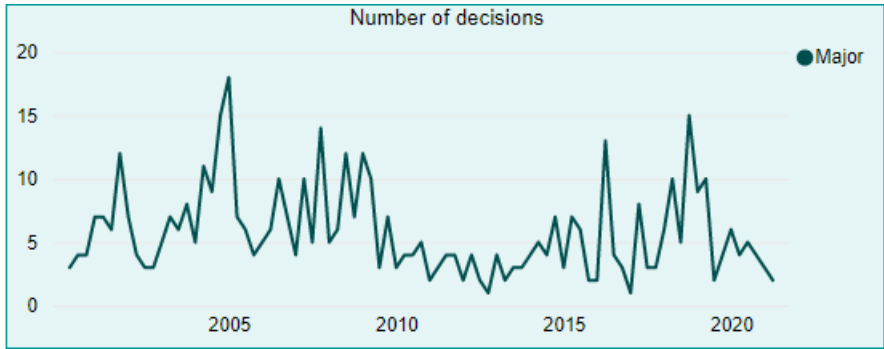


Figure 10 Number of Major decisions made 2000-2021

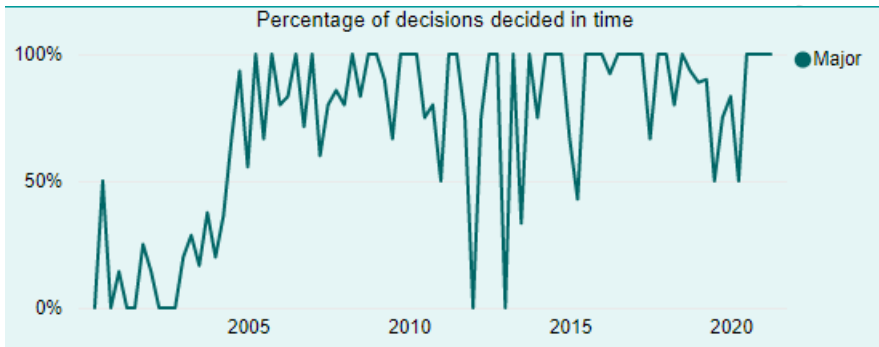


Figure 11 Percentage of Major decisions made within time limits- 2000-2021

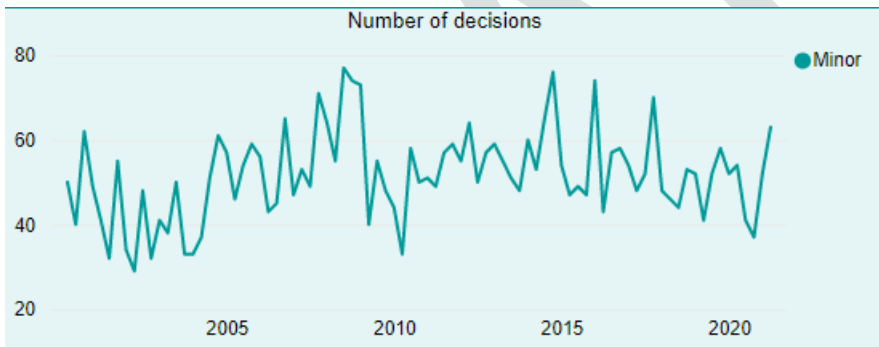


Figure 12 Number of Minor decisions made- 2000-2021

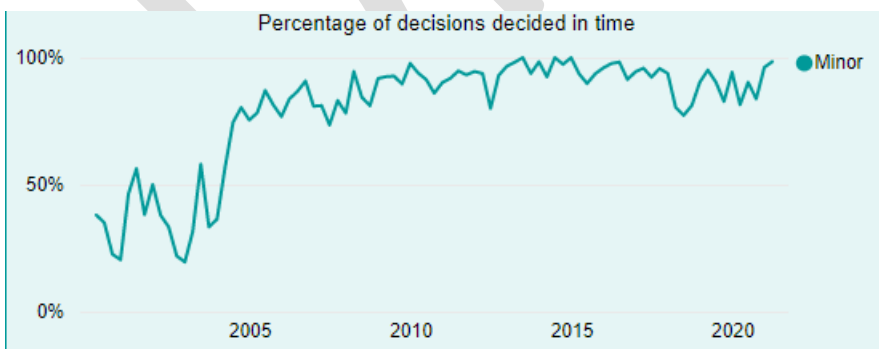


Figure 13 Percentage of Minor decisions made within time limits- 2000-2021

These show that the number of decisions on both major and minor applications the council is making has remained relatively stable over the last 20 years, albeit with significant fluctuations,

however the number of applications being determined on time has risen considerably over the same period.

Promotion

Further promotion of the new Local Plan would help to increase confidence within the development industry and raise awareness of how the Plan can provide the right policies to progress development. This is particularly true for sites which have been allocated.

Council led social housing projects

The Council will continue to work with Watford Community Housing to complete social housing projects across the Borough. There are nine schemes which should be completed before March 2022 delivering a total of 56 dwellings towards the housing figures.

Allocated Sites

Through the Housing and Employment Land Availability Assessment (HELAA) the council have identified 56 sites to be included in the Local Plan, of which 33 are residential and 23 are mixed use. These sites vary in size and indicative yield as well as the estimated time of deliverability.

Overall, the Local Plan makes provision for 14,988 additional homes between 2018 and 2036. The Council is committed to working with developers to support the development of these sites in a timely manner.

Housing on Council land

There are potential ways to bring forward more housing on council land; land sale with a development agreement, joint ventures and partnerships and direct delivery.

Master Planning Work

Watford Town Centre is one of three Strategic Development Areas, where significant revitalisation and transformative change are expected to bring new investment into the town, including significant new residential development. We are intending to work with stakeholders and the community to co-design a strategic planning framework that enables flexibility of uses, to respond to short and long term economic and social changes, and that ensures future development is supported by the local community. It will include both Supplementary Planning Guidance and a design code/codes that will establish clear design parameters for different types of development. Our intention is to provide guidance for each of the Strategic Development Areas.

Infrastructure Delivery Plan

The Infrastructure Delivery Plan considers the infrastructure improvements that are needed to support the development identified within the Local Plan. It details indicative project costs as well as identifying funding sources. It identifies essential infrastructure and prioritises projects according to their contribution towards delivering the growth strategy.

Brownfield Land Register

It is a requirement that all Councils should publish Brownfield Registers, providing up-to-date, publicly available information on brownfield land that is suitable for housing. This land must be capable of providing development within 5 years and be free from any site constraints which cannot be mitigated. Watford has very little land on the register but a strong track record of delivery on brownfield sites.

Affordable Housing

The council will work with developers to deliver appropriate levels of affordable housing alongside market housing schemes. The council will work closely with Homes England to support grant applications where this would assist in delivering more affordable housing

Build to rent

The council will be more proactive about built to rent housing which is supported in the new Local Plan. This enables more diversity in the housing market and has a different absorption rate to build to own housing.

7.0 Monitoring

The Council produces an Authority Monitoring Report (AMR) annually. The purpose of the AMR is to review the progress of the Local Plan and assess the effectiveness of existing planning policies by monitoring appropriate targets and indicators. To inform this, evidence is collected on housing delivery. In addition to the AMR, the Council will monitor the impacts of this Action Plan. The housing delivery figures will be reviewed annually by the government and Watford will use these to help inform how delivery of housing is measuring in comparison to the requirement.

Having an up to date HEELA, Local Plan and associated site allocations means that housing delivery is much more likely to come forward and be at an appropriate density to make the most effective use of land.

To provide more certainty about when schemes will be coming forward and projecting when other types of supporting development may be required, such as infrastructure, as part of their proposals, applicants are expected to provide a year by year housing trajectory setting out when new homes will be completed. The delivery of new homes over the plan period is set out in the housing trajectory (Local Plan - Appendix B). This forecasts the anticipated delivery of new homes each year to 2036 and provides a mechanism to evaluate the performance of the Plan. The housing trajectory will be kept up-to-date and monitored as part of the Council's Authority Monitoring Report.