

Housing Delivery Test Action Plan

Planning

29 April 2024

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Summary

Richmond have prepared a Housing Delivery Action Plan in response to the Housing Delivery test measurement for 2021/22, published in December 2023. This result was calculated by the Department for Levelling Up, Housing and Communities (DLUHC). Therefore, the figures included in the measurement may not directly relate to the Councils figures included within our Authority Monitoring Report as different assumptions have been applied to the different sets of figures.

This Housing Delivery Test Action Plan was prepared prior to the announcement of a General Election (announced 22 May 2024) and has been prepared under the current planning system with the existing consequences in place as per the National Planning Policy Framework (further details outlined in paragraph 1.3). The Council do not foresee any significant implications from a General Election on the actions proposed within the Action Plan and the Council will provide any updates necessary within any future Action Plans as and when required.

The Housing Delivery Test Action Plan is not a strategy or guidance document and does not hold weight in planning decisions, it is purely a means for the Council to clearly set out the possible reasons for not hitting housing targets in recent years, even if these reasons were out of the Councils control, then set out clear actions which could have a positive impact on future housing delivery.

The HDT Action Plan is designed to look at wider issues impacting housing delivery which are more likely to impact on longer term housing delivery, therefore, the Action Plan does not consider site allocations, or specific sites in great detail, as these would only impact on delivery in the shorter term. It is also important to note that the nature of the document is to consider a variety of actions, many of which may not suddenly increase housing delivery, but are likely to have an impact in the longer term. Therefore, the actions proposed in the document may take time to come to fruition, and it may be likely that another Action Plan may be required in the short term.

1.0 Introduction

- 1.1 In 2018 the Housing Delivery Test was introduced by Government and forms part of the National Planning Policy Framework. It is an annual measurement that takes into account the previous 3 years of housing delivery against the annual housing target.
- 1.2 The Housing Delivery Test requirements are set out within the NPPF (2023), paragraph 79, and include the following requirements:
- 1.3 “To maintain the supply of housing, local planning authorities should monitor progress in building out sites which have permission. Where the Housing Delivery Test indicates that delivery has fallen below the local planning authority’s housing requirement over the previous three years, the following policy consequences should apply:

- a) where delivery falls below 95% of the requirement over the previous three years, the authority should prepare an action plan to assess the causes of under-delivery and identify actions to increase delivery in future years;
- b) where delivery falls below 85% of the requirement over the previous three years, the authority should include a buffer of 20% to their identified supply of specific deliverable sites as set out in paragraph 77 of this framework, in addition to the requirement for an action plan.
- c) where delivery falls below 75% of the requirement over the previous three years, the presumption in favour of sustainable development applies, as set out in footnote 8 of this Framework, in addition to the requirements for an action plan and 20% buffer.

1.4 Based on the past 3 years of delivery compared against the required number of homes over a 3 year period based on Richmond's housing target, Richmond's HDT result published in 2023 was 91%:

	Number of homes required			Total number of homes required	Number of homes delivered			Total number of homes delivered	Housing Delivery Test: 2022 measurement	Housing Delivery Test: 2022 consequence
	2019-20	2020-21	2021-22		2019-20	2020-21	2021-22			
Richmond upon Thames	288	210	315	813	322	244	176	742	91%	Action plan

Figure 1.1 – Housing Delivery Test measurement 2022, published 19 December 2023

- 1.5 In relation to the required housing in the table above, it is important to note the London Plan target of 411 dwellings per annum is not included. This is due to the previous housing target of 315 dwellings per annum being applicable in those years as the London Plan was not formerly adopted until 2 March 2021. In addition, the number of homes required were reduced in years 2019-20 and 2020-21 to account for the disruption to the development industry as a result of COVID-19.
- 1.6 Based on the results in figure 1.1 above this means the HDT result shows a housing delivery test measurement of 91%. As this result is below the 95% threshold as per point; a) above, Richmond is therefore required to produce an Action Plan. This is not dissimilar to many other London Boroughs with 51% of all London Boroughs falling below the 95% threshold and of those, 37% fall into the presumption in favour of sustainable development.
- 1.7 An action plan is not considered as a strategy or guidance document and does not carry weight with planning decisions. In addition, there are currently no specific requirements within National Planning Policy or National Planning Policy Guidance regarding what an Action plan must include, however, the Planning Advisory Service (PAS) guidance recommends the following 5 stepped approach:
- Stage 1 - Data gathering
 - Stage 2 - Root Cause Analysis
 - Stage 3 - Consulting and publishing
 - Stage 4 - Action planning

- Stage 5 - Implementing and monitoring

1.8 The above steps form the basis for the HDT action plan and are set out below.

2.0 Step 1 – Data Gathering

Housing Figures

- 2.1 As with all London Boroughs the housing target for Richmond Upon Thames is set out within the London Plan (2021). The housing targets are included as 10 year targets (see London Plan, table 4.1). For Richmond the London Plan includes a 10 year target of 4,110 dwellings. Within the London Plan this is recommended to cover the period 2019/20 -2028/29, however, given the London Plan was adopted in 2021 and due to concerns regarding back dating the housing target prior to the adoption of the London Plan, it has been established in a recent appeal decision PP/L5810/W/20/3249153 (paragraph 119) that the 10 year target should be applied over the 10 year period from 2021/22, to ensure the delivery of the target is achievable.
- 2.2 The London Plan includes recommendations on how the targets should be met, including achieving targets gradually over the 10 year period. This is clearly set out in the following statement in the London Plan, paragraph 4.1.10: “The increase in housing delivery required by these targets may be achieved gradually and boroughs are encouraged to set out a realistic and, where appropriate, stepped housing delivery target over a ten-year period. This should be supported by a clear articulation of how these homes will be delivered and any actions the boroughs will take in the event of under delivery”.
- 2.3 As per the recommendation within the London Plan, the Council is looking to approach the overall housing target in a stepped way. The stepped approach to delivering the London Plan Housing Target is set out in more detail within the Council’s [Background Topic Paper on Housing Delivery](#). This approach will also allow the Council to progress sites wherever possible without compromising the Council’s priority of delivering affordable housing and protecting the historic environment within the borough which are both key components of the Councils Corporate Plan 2022-2026. As well as enforcing adopted and emerging policies on the protection of employment land and key industrial sites which are vital for employment opportunities and jobs within Richmond.

Previous Completions

- 2.4 One of the key pitfalls of the Housing Delivery Test is it only looks back at the previous 3 years of delivery. To gain a clearer understanding of housing delivery it is important to consider completions from further back. The Council’s [2022/2023 Annual Monitoring Report](#) for the monitoring period 1st April 2022 to 31st March 2023 includes the annual completions from 2008/09 to 2022/23 providing more detail into longer term delivery.

Year	Completions	Target	% of Target
2008/09	436	270	161%

2009/10	145	270	54%
2010/11	399	270	148%
2011/12	208	245	85%
2012/13	695	245	284%
2013/14	235	245	96%
2014/15	304	245	124%
2015/16	491	245	200%
2016/17	460	315	146%
2017/18	382	315	121%
2018/19	419	315	133%
2019/20	331	315	105%
2020/21	206	315	65%
2021/22	164	315	52%
2022/23	141	411	34%
TOTAL	5,016	4,336	116%

Figure 4.1 – Previous housing completions compared to HDT target

- 2.5 The above figures show that, since 2008/09, within the majority of monitoring years, the levels of completions have far outstripped the relevant annual housing target as set by previous London Plans. Since 2008/09, 5,016 dwellings have been completed in comparison to an overall housing target of 4,336 dwellings, meaning there is an overall surplus of 680 dwellings. However, within the bounds of the current HDT methodology this oversupply is not able to be considered. The past 3 years however, Richmond has struggled to meet the housing target. This pattern has not just been seen in Richmond, but across England and London as a whole, with only 60% of Councils nationwide, and 40% of London Boroughs hitting their housing targets within the most recently published HDT result. This shows under delivery in the past 3 years is not an exception.
- 2.6 This is understandable given the pressures on the development industry in recent years, including Brexit which has reduced the availability of labour, COVID-19 disruptions which temporarily halted development on many sites, high rates of inflation which have increased construction costs substantially, and increases in interest rates which have caused property values to fall slightly in some areas. Given these pressures, it is a difficult and volatile climate to deliver housing, especially on complex sites, therefore it is unsurprising recent delivery has not kept pace with previous levels. These issues are not unique to the borough and are seen in trends elsewhere across the Country.
- 2.7 The constraints with the HDT are currently being considered by Government, as mentioned within the ministerial statement published 19th December 2023. The ministerial statement takes these points into account, which may result in changes to how the Housing Delivery Test is calculated in future:

“When it comes to calculating a five-year housing land supply, the Government is clear that we want to bring the position on past oversupply in line with that of past undersupply. We have amended the NPPF to formalise existing planning practice guidance on this topic and will in due course update this guidance to bring the over-supply position in line with under-supply. We will also give further consideration to the proposal to take permissions granted by

a local authority into account in the application of the Housing Delivery Test, in particular the operational challenges with doing so identified in the consultation”.

- 2.8 These potential changes could help to prevent Council’s from being unnecessarily penalised even when they are permitting a good number of dwellings each year. In relation to this point we have assessed this further from a Richmond context below.

Dwelling Types Completed

- 2.9 It is also important to consider the types of dwellings completed when assessing overall completions. The Council’s policy position is to seek family sized dwellings which are defined in Local Plan policy as 2 bedroom 3 person dwellings and larger, as well as where possible the provision of more 3 bedroom dwellings, especially as Social Rented, which understandably has an impact on the density of sites. This approach aligns with the demographic within the borough, which has a higher proportion of families than many other London Boroughs. This trend is visible in previous levels of completions as is detailed within the figure xx below:

	Completions by house type						
	2022/23 Completions	2021/22 Completions	2020/21 Completions	2019/20 Completions	2018/19 Completions	TOTAL	Percentage
Studio	0	0	0	0	3	3	0.2%
1 bed	65	82	69	97	139	452	36%
2 bed	45	60	93	154	164	516	41%
3 bed	15	12	22	61	86	196	16%
4+ bed	16	10	22	19	27	94	7%
Total	141	164	206	331	419	1261	100%

Figure 4.2 – Completions by house type from 2018/19 to 2022/23.

- 2.10 The figures above show in the past 5 years 64% of the homes delivered have been 2 bedroom dwellings or larger, with nearly a quarter of overall delivering being 3 bed dwellings or larger. This shows the Council’s focus of delivery family sized dwellings is very much applied in practise and will likely have impacted overall numbers delivered as a higher number of larger dwellings will have lowered densities on sites overall, however, it is important to deliver the types of homes required by the local demographic even if that does result in an overall reduction in the total number of homes delivered.

Dwellings Permitted Each Year

- 2.11 Although the number of completions within the past year has struggled to meet the housing target, Richmond is consistently approving a high number of applications within statutory timescales for applications. This is a requirement for all planning authorities to determine planning applications within 8 weeks of validation.
- 2.12 To monitor this, Richmond uses the [Planning Advisory Service ‘Designation Crystal Ball’](#), which is a tool used to monitor the efficiency of the planning department by tracking planning decisions within the statutory timeframe. More detail is available in Appendix 2,

however, the overall results show between Jan 2019-Dec 2023: 92% of minor and other planning applications have been determined within the statutory timeframe or within agreed extension of time, and 93% of major planning applications have been determined within the statutory timeframe or within agreed extension of time. This shows the Councils planning department are hitting required targets well in relation to the time taken to determine applications.

- 2.13 The other important point to consider is the actual number of dwellings approved each year. A high number of dwellings approved should translate into a higher number of housing completions. The most recent data includes the following number of dwellings permitted per year since 2008-09:

Permitted Net Units	
Monitoring year	Sum of Net Dwellings
2008-2009	457
2009-2010	286
2010-2011	593
2011-2012	570
2012-2013	140
2013-2014	777
2014-2015	991
2015-2016	567
2016-2017	648
2017-2018	570
2018-2019	221
2019-2020	244
2020-2021	434
2021-2022	169
2022-2023	749
2023-2024*	599
Grand Total	8015
Average	501

Figure 5.1 – Number of dwellings permitted per year between 2008/2009 – 2022/2023 (* data only available to Feb 2024)

- 2.14 The above table shows that on average since 2008/2009, 501 dwellings were permitted each year, with 2014-15 showing the highest number of permissions, (991 dwellings), followed by 2013-14, (777 dwellings), closely followed by 2022-23 (749 dwellings). The 2022-23 numbers permitted are significant when compared to the previous year where only 169 dwellings were permitted, which was most likely a result of the COVID-19 pandemic, and has most likely significantly contributed to the lower number of completions seen in 2022-23.
- 2.15 In addition, between April 2023-February 2024, the Council have already permitted 599 dwellings, showing the trend of high numbers of dwellings permitted continues into

2023/24, showing the numbers of permissions in the previous monitoring year was not a one off.

Lapse Rates

- 2.16 It is important to note that Councils can only provide permissions and are not responsible for delivering dwellings. A useful measure of the local economy is understanding lapse rates as this can point towards pressures on the development industry which are outside the control of the Council. Richmond recently published a [Background Topic Paper on Housing Delivery](#) which provides more detail on lapse rates. The figure xx below shows the number of lapsed dwellings as a percentage of the number of dwellings permitted within that monitoring year. The average lapse rate per annum since 2008-2009 is 7%, however, an all time high was recorded of 46% in 2021/22, likely due to COVID-19:

Year	Net units - Expired Residential Permissions	Net units - Residential Permissions	% Expired
2008-2009	20	457	4%
2009-2010	27	286	9%
2010-2011	36	593	6%
2011-2012	41	570	7%
2012-2013	21	140	15%
2013-2014	132	777	17%
2014-2015	23	991	2%
2015-2016	-4	567	-1%
2016-2017	5	648	1%
2017-2018	72	570	13%
2018-2019	14	221	6%
2019-2020	25	244	10%
2020-2021	25	434	6%
2021-2022	78	169	46%
2022-2023	16	749	2%
Total	531	7416	7%

Figure 5.5 – The number of dwellings with expired permissions between 2008/2009 to 2022/23 in comparison to the number of dwellings permitted.

- 2.17 This shows generally lapse rates are fairly low, however the high level of lapse rates within 2021-2022 is likely to have contributed to the lower level of completions in the past 3 years.

Planning Permission to Completion

- 2.18 To understand why the housing targets have not been reached in the past three years, the Housing Delivery Background paper also assessed the amount of time taken from receipt of permission to completion. The following table shows the results of the analysis from 2015-2023:

Year	Site size (number of dwellings)		Grand Total
	<10	10+	
2015	1.9	6.1	2.0
2016	1.8	2.3	1.9
2017	2.2	2.4	2.2
2018	2.3	3.0	2.3
2019	2.1	3.3	2.2
2020	2.6	2.8	2.6
2021	2.2	4.4	2.2
2022	2.6	4.9	2.8
2023	2.1	5.1	2.1
Average	2.2	3.8	2.26

- 2.19 On average it took sites of less than 10 dwellings 2.2 years to be completed and sites over 10 dwellings 3.8 years to be completed. However, there were instances where sites of 100 or more dwellings took 10 years to be completed. More information is available within the [Background Topic Paper on Housing Delivery](#). This shows sites are coming forwards, however, the time taken for sites to be built out is steadily increasing, which as previously stated, the Council is only able to issue planning permissions and is less able to influence the speed of delivery much after this point.
- 2.20 In addition to the overall time taken for sites to gain permission and be completed, we have done a basic analysis of the percentage of sites to be completed within one year of permission and within 2 years of permission. Within that analysis, since 2008/09 just under 25% of dwellings have been completed within the first year of gaining permission, and just under 55% of dwellings granted permission have been completed within 2 years of gaining planning permission.
- 2.21 Putting the number of permissions granted, lapse rates and the time taken for sites to be completed together, this shows the low level of permissions granted in 2021/22 with the high lapse rate in 2021/22, will have had a significant impact on the following monitoring year and will most likely also have a significant impact on the next monitoring year, given such a large proportion of dwellings are often completed within the 2 years following the grant of permission.

3.0 Step 2 – Root Causes

Housing Figure Conclusions

- 3.1 The key points from the housing figures which show why delivery within Richmond over the past 3 years hasn't reached the adopted housing target are as follows:

- 1) Low levels of permissions in 2021/22 coupled with high lapse rates in that year, would have significantly impacted on the number of completions seen in 2022/23, especially when considering around 25% of dwellings permitted are normally completed within the first year of permission. The low levels of permission and high lapse rates seen in 2021/22 were most likely due to the impacts of COVID-19 still being felt within the planning sector.
 - 2) The number of dwellings permitted is high and has recovered well after COVID-19, however the time taken for sites to move from permission to completion is increasing, showing pressure on the development industry.
 - 3) The data above shows Richmond has been achieving targets in relation to providing decisions within statutory timeframes, however, this has not appeared to filter through into overall completions, resulting in additional units remaining in the delivery pipeline.
- 3.2 Other impacts outside the Local Planning Authority's control which have impacted the delivery of housing:
- 1) The COVID-19 pandemic resulted in development being halted on sites, particularly impacting small sites due to impacts on cashflow and contractors being less able to work separately or at 2m distance. Richmond's housing delivery is highly reliant on the contribution from small sites and these factors will have impacted overall delivery in boroughs like Richmond much more than boroughs with a higher number of large sites.
 - 2) The war in Ukraine and Brexit have had knock on effects on economic conditions and supply chains in Europe resulting in rising fuel prices, skills shortages and issues accessing key building materials, all compounding high rates of inflation. There have been a number of cases of developers not completing sites due to extensive financial pressure. These factors impacted smaller developers far more, which Richmond is heavily reliant on to deliver housing numbers.
 - 3) Housing Land pressure is acute within Richmond as available land is highly constrained (i.e large numbers of conservation areas, high numbers of listed buildings and large areas of protected open space), therefore land for development is in short supply. More information on this is included below.

Housing Land Pressures

- 3.3 One of Richmond's greatest pressures on housing delivery is the lack of available housing, sites. More than two thirds of the borough is protected by either open space or conservation area status. These include historic landscapes such as Richmond and Bushy Parks and the Old Deer Park, the River Thames and the River Crane corridors, and other tributaries. In addition, Richmond is the only London Borough that is located on both sides of the River Thames adding additional pressures to development due to flooding constraints and environmental protections associated with the River Thames.
- 3.4 The borough's exceptional historic environment is central to its character, and much of the borough is characterised by primarily low to medium-rise residential patterns, which has

produced very attractive townscapes and is important to the borough's distinctive character. The borough has 85 designated Conservation Areas and approximately 820 listed buildings, including some war memorials, 6 Scheduled Ancient Monuments as well as 16 Historic Park and Gardens that are on the Historic England Register of Historic Parks and Gardens, all of which make a significant contribution to the special character of the borough. The borough is also home to the Royal Botanic Gardens, Kew World Heritage Site. One of the ways the London Plan seeks to accommodate the high levels of housing need across London is the requirement to fully optimise development sites, in relation to height and density, which due to historic and conservation constraints, is highly challenging to achieve in the borough without significant negative impacts to existing listed buildings, conservation areas, important townscapes and open space designations.

- 3.5 In addition to the pressures on housing land supply from the historic environment, the borough also has a limited supply of employment and industrial land which as defined in the Councils; Employment Land and Premises Needs Assessment Update, published April 2023. Within the study it defined additional industrial floorspace and office space is required over the plan, but accepted the pipeline supply of this type of development is negligible within Richmond. One of the key policies within the emerging Local Plan is living locally and being able to access services, facilities and employment within 20 minutes, emphasising active travel, therefore the protection of employment land is highly important to the wider strategic aims to enable people to be employed locally, which could be under threat if the remaining employment land is not properly protected.
- 3.6 The other key pressure on land resources within the borough is from the highly important tourism economy, brought about from the above mentioned; Royal Botanic Gardens, Kew World Heritage Site, but also Twickenham's nationally important rugby venues at Twickenham Stadium, a world famous landmark and the home of Rugby Union, and The Stoop (Harlequins Rugby Football Club). This means the borough needs to ensure the tourism economy is properly catered for with hotel accommodation and associated leisure facilities such as restaurants, pubs, retail floorspace etc, which are properly protected to ensure this is not constantly over-subscribed.
- 3.7 The above factors together result in there being very limited opportunities for development within the borough, with limited ability to increase density on available sites due to important conservation and heritage constraints, and the different needs of the existing residents and visitor economy, all put considerable strain on the limited land available which can create conflicts and means the ability to develop sites for housing is often complex.

4.0 Specific Site Issues

- 4.1 There are a number of sites within the borough that have had issues which have been out of the boroughs control and have had a direct impact on housing completions. This includes but are not limited to:
 - a. The Stag Brewery

b. Homebase

- 4.2 The applications above would equate to around 1,600 dwellings within Richmond, equivalent to just under 4 years supply of housing. Both applications were called in by the Mayor of London as they all fall within the circumstances to allow for a site to be called in by the Greater Local Authority (GLA).

Stag Brewery

- 4.3 The Stag Brewery application (18/0547/FUL). Was first submitted to Richmond 19/02/2018. The application included a hybrid application including 439 residential apartments, plus an Outline application for up to 224 dwellings, plus a Nursing and care home (up to 80 ensuite rooms) with associated facilities d) Up to 150 units of flexible use living accommodation for either assisted living or residential use. The application was reviewed by Richmond; On 22 April 2020 Richmond advised the Mayor that it was minded to grant planning permission for Application A and Application B of the Former Stag Brewery in accordance with officers' recommendation, but resolved to refuse planning permission for Application C against officers' recommendation.
- 4.4 On 4 May 2020, having considered a report on the case, the Deputy Mayor notified Richmond that the Mayor would act as the local planning authority for the purposes of determining the planning applications. As per this process the GLA recommended a number of significant changes, including
- Increase in residential unit provision from up to 813 units (including 150 flexible assisted living and/or residential units) to up to 1,250 units.
 - Increase in affordable housing provision from up to 17% to up to 30%.
 - Increase in height of some buildings, of up to three storeys.
 - Conversion of Block 20 from a row of terrace housing to a pair of four storey buildings.
 - Removal of the nursing home and assisted living proposals from Development Area 2.
- 4.5 However, even though the applicants fully cooperated with the GLA and carried out all required changes the application was refused by the GLA on the grounds of height, massing, heritage impacts and lack of signed S106 agreement on 17.08.2021.
- 4.6 Since this time, a further application has been submitted to the Council, 18.03.2022 (22/0900/OUT). This included a total of 1,068 dwellings and a number of community facilities. The Council resolved to grant the application at committee in July 2023. However, since that time the government updated fire regulations in October 2023, including the requirement for an additional staircase in residential buildings over 30m, which includes some of the proposed blocks on the site.
- 4.7 This has resulted in the applicants, making some amendments to the scheme to accommodate these updated fire safety requirements adding to the timescale of the development, including reducing the amount of employment floorspace provided and

slightly increasing the number of dwellings. This has resulted in 1,075 dwellings being proposed. This scheme went to planning committee in Richmond in January 2024, in which the Council held a special committee at this time to permit the scheme without delay. The scheme is now imminently being referred to the GLA. However, the applicant has provided the following letter to the Council to disclose they will be going to appeal, the letter includes the following statement:

“Our client regrets that the need to appeal has arisen. Following the Mayor of London’s direction to refuse permission for two earlier applications in 2021, the applications have been re-designed to overcome the Mayor’s concerns relating to height, massing and visual impact, the impact on heritage assets and the effect on the amenities of neighbouring properties. These design choices were made with the support of the London Borough of Richmond-upon-Thames (“LBRuT”).

LBRuT has resolved to grant permission for the revised applications. Its independent consultants have twice robustly interrogated the viability of the proposed development and have reached the conclusion that it simply cannot support any greater quantum of affordable housing. Our client has agreed to accept a profit well below market norms in order to bring the scheme forward to provide homes for Londoners, a new secondary school and a new heart for Mortlake on what is currently an under-used previously-developed site with only a meanwhile permission. LBRuT agrees with our client that the proposed development would deliver its aspirations for the site.

Notwithstanding, the Greater London Authority (“GLA”) has consistently indicated its opposition to the proposed development on the basis that it would not provide enough affordable housing. Our client has written to Jules Pipe, Deputy Mayor for Planning, Regeneration and Skills in an attempt to overcome this impasse without any meaningful progress. GLA officers have met our client’s viability consultant and, in those discussions, their queries regarding viability were all responded to. Subsequently, our client and their planning consultants met with the Head Case Officer for the GLA where it was indicated that the level of affordable housing was too low and that there would be many months of further delay and the outcome would most likely be to direct refusal. The GLA has not notified our client or (to the best of our client’s knowledge) notified LBRuT of any legitimate, evidence-based objection to the proposed development, but in the circumstances in which the GLA has indicated that it will not grant permission (or allow LBRuT to do so expeditiously), our client has no choice but to lodge appeals for non-determination notwithstanding the LBRuT’s support for the proposals.”

- 4.8 In total this shows the application has been in the planning system for 6 years in total, with Richmond granting approval for the scheme twice and the GLA seeking considerable amendments only to refuse the application, which is likely to happen on the more recent application based on the letter from the applicant above.
- 4.9 It is important to note that the Stag Brewery appeared within the annual monitoring report as early as 2016/17, with 100 dwellings estimated to be completed between 2017-2022 and 500 dwellings between 2022-2027. This could have added around 100 dwellings to the overall completions in the past 3 years if the application had been permitted in 2020 when it was approved by Richmond. The above timeline shows the Council has made every effort to

get the scheme built out and other circumstances outside the boroughs control have prevented this, which has directly impacted on overall completions.

Homebase

- 4.10 The application for Homebase was first received 14/02/2019, and included a proposal for a total of 453 dwellings (under application 19/0510/FUL). On 29/07/2019 the Mayor of London took over the purposes of determining the application (GLA reference GLA/6252). The Mayor requested a number of changes subsequent to the call in, which were consulted on in December 2019 and January 2020. Further changes were requested and the applicant made further changes to the scheme which were consulted on in August 2020. A representation hearing was held on 1 October 2020, where the Mayor resolved to grant planning permission subject to the completion of an S106 agreement.
- 4.11 Since the 1 October 2020, Richmond have requested a number of updates and progress on the S106 for Homebase, however, no response to this delay was provided. Subsequently the applicant made further revisions and provided this to the Council and GLA on 28 September 2023. The reason for the 3 year delay has not been provided to Richmond by the GLA, however, this delay on a key site within Richmond will have had an impact on completions especially in the most recent monitoring period. The Council now understands a decision should be issued after the London Mayoral elections in May 2024.

5.0 Step 3 – Consulting and publishing

Development Industry Engagement

- 5.1 Within the PAS guidance it is recommended that as part of the action plan consultation with key stakeholders and ongoing consultation can be useful. As well as consulting on any parts of the action plan that may impact on key stakeholders.
- 5.2 As part of the Action Plan, to help understand the potential barriers to development, and ways the Council may be able to improve housing delivery across the borough, the Council produced a short survey and sent this out to a number of developers, planning professionals, Registered Providers and other companies operating within the development industry in Richmond. The results of the engagement, including a summary of the responses to the questionnaire are included in Appendix 2. The respondents consisted of planning professionals and agents, small to medium house builders building 1-50 dwellings per annum within the borough, a national house builder and Registered Provider providing a good range of key stakeholders within the development industry.
- 5.3 Within the questionnaire the results show that the most significant issues stalling developments were similar in Richmond as those pressures nationally, these included; discharging of planning conditions and associated staffing pressures followed by higher build costs and higher interest rates. However, the national housebuilder commented higher interest rates was the most significant issue stalling house building nationally and within Richmond. Some respondents highlighted other issues in Richmond including the requirement for reports in the planning process; i.e Daylight & Sunlight reports, noise reports, transport reports, flood risk information and the time and cost associated with

providing these. Some respondents also recommended higher planning fees to relieve pressure on staff and enable them to make quicker decisions.

- 5.4 The next question referred to unlocking potential sites across the borough, respondents recommended increasing planning fees to bring in more staff and alleviate current staffing pressures, reviewing employment policies with a focus on optimising sites with housing, and removing the requirement for small amounts of employment floorspace to be included on sites as these often get converted to housing at a later date, resulting in the site not being effectively optimised. Other recommendations include more allocations, a better pre-application process including better communication, a targeted approach to regeneration, a clear direction with innovative thinking, allowing increased building heights and higher densities to mitigate rising costs and a positive approach to planning.
- 5.5 The respondents answered question 6 regarding key actions the council could take to improve housing delivery in a mixed way, however the two main points highlighted in the responses included; “promotion for new housing through Council led initiatives and regeneration strategies” and “updated guidance to support interpretation of planning policy requirements, such as around character-led design guidance, design codes”.
- 5.6 It is clear there is a theme running through the answers that the development industry is well aware of the pressures on the planning team and does sympathise with staffing levels and pressures, however, a number of respondents maintained they would be happy to pay higher fees for a better service which included a joined up pre-application process with ideally the same officer providing comments on the pre-application as the officer determining the main application, improvements in the discharging of conditions process, reducing the number of pre-commencement conditions applied, and keeping to statutory timeframes for determining applications and discharging conditions (i.e 8 weeks for minor applications and 13 weeks for major applications). However, it is clear there are a number of pressures on housing delivery outside the Councils control including high build costs and higher interest rates being highlighted within the responses.

6.0 Step 4 – Action Planning

Future Delivery

- 6.1 The emerging Local Plan includes a plan period of 2023-2039 of which the London Plan includes a 10 year housing target for each London Authority from 2021-2031 of 4,110 dwellings over the 10 year period, equivalent to 411 dwellings per annum over this time period.
- 6.2 This housing target does not cover the whole plan period for Richmond, and once the 10 year London Plan housing target ends in 2030/31, the Council will seek to apply a target of 306 dwellings per annum, based on the Council own assessment of housing needs and site capacity, resulting in a requirement for 6,558 dwellings over the plan period, more information is provided in Appendix 1.

- 6.3 At present the Council can currently support a 5 year housing supply as included with the most recently published AMR 2022/23 showing a total of 5.3 years supply (equivalent to 2,529 dwellings). The longer-term pipeline of delivery for the emerging Local Plan period is included in Appendix 1, which includes the pipeline of delivery in comparison to the 10 year London Plan housing target and the later housing target which follows.

Housing Pipeline

- 6.4 It is also important to assess the amount of housing within the pipeline. As included within the AMR dated April 2023, the estimated supply of dwellings over a 10 year period either with permission and not started, or under construction with permission, are set out below:

New Build Sites under construction	140
New Build Sites with planning permission	744
Conversion sites under construction	169
Conversion sites with planning permission	42
Conversion sites with prior notification approval	111
Non Self Contained	156
Site Allocations	270
Deliverable Sites	3,026
Total 10 year supply	4,658
London Plan 10 year Target	4,110

Figure 7.1 – Estimated supply over 10 year period.

- 6.5 In total the estimated supply of dwellings over the next 10 year period is 4,658 dwellings with 1,206 dwellings with extant permission and of these 309 are under construction as of 1st April 2023. This is in comparison to the London Plan 10 year target for Richmond (4,110 dwellings between 2021-31 showing a 13% buffer over this time period, higher than the minimum 10% required to confirm the housing land supply within the examination of the Local Plan as stated within the NPPG¹, which will allow for changes in delivery and fluctuations in the housing market.
- 6.6 While the London Plan enables an indicative target to be rolled forward for future years beyond 2031, it is also appropriate to note that a new London Plan is expected. The Mayor of London was asked by Government, when the 2021 London Plan was being finalised, to start considering the next London Plan and how this will meet the higher level and broader housing needs of London (including the urban uplift expected by national Planning Practice Guidance), and work with boroughs to exceed their housing targets, and has launched a Planning for London Programme to bring the process of reviewing or developing a new London Plan. Work is already starting on the review with the GLA already engaging with London Boroughs on the Strategic Housing Land Availability Assessment.

¹ National Planning Policy Guidance, Paragraph: 010 Reference ID: 68-010-20190722

- 6.7 As well as the overall housing requirement, the London Plan also specified the proportion of dwellings that should be completed on small sites, which is defined in the London Plan as being less than 0.25 hectares. The small sites target in the London Plan is set out in table 4.2 and includes a 10 year target of 2,340 dwellings. This equates to 57% of the overall housing target within Richmond being required on small sites. This figure is based on the outputs from the London SHLAA (2017) taking into account past trends in housing completions on sites of less than 0.25ha and the estimated capacity for net additional housing supply.
- 6.8 Comparing this to completion levels on small sites in previous years, Richmond has a high reliance on small sites. In the past 3 years on average 59% of overall completions have been on small sites, however it is important to note that the figures in figure 7.2 are based on the Council's definition of small sites which includes sites of 9 dwellings or less.

Year	Small	Large	Total	% Small	% Large
2020/21	107	99	206	52%	48%
2021/22	63	101	164	38%	62%
2022/23	121	20	141	86%	14%
Total	291	220	511		
Average	97	73	170	59%	41%

Figure 7.2 – Completions on small sites.

- 6.9 Although as seen in section 2, the time lapse between gaining permission and completion is far less on small sites, small sites can often be more impacted by economic challenges outside of the Council's control as smaller developers are less able to cope with high levels of inflation, supply shortages or quick changes in interest rates; which have been prevalent in the past few years. Therefore the reliance on small sites could result in it being more challenging for the Council to hit housing targets in the shorter term whilst the economic climate is more turbulent, this increases the emphasis on applying a stepped target approach to the emerging Local Plan period.

7.0 Actions - What will Richmond do to improve delivery?

- 7.1 Based on the findings above including the root causes of under delivery and the responses provided by key stakeholders in the development industry, the Council have provided the following actions with the aim of improving delivery over the Local Plan period.
- 7.2 In accordance with the requirement to set out actions to improve delivery, it is proposed that Richmond Council:
1. Continue to progress the emerging Local Plan which was recently submitted for examination in January 2024. The emerging Local Plan includes greater emphasis on the optimisation of sites and includes a number of new site allocations within the borough which will further improve the borough's housing pipeline position.

2. Richmond has recently completed the process of becoming a Registered Provider, the Council will now be able to actively explore opportunities for GLA grants to directly deliver housing within the borough.
3. The Council will also continue to actively apply Housing Capital Funding via s106 contributions as a means to support new/additional affordable homes, including the delivery of homes of former Council sites, including; Ellera Hall, Strathmore, Meadows, Mereway, Whitton.
4. Respond to national consultations, such as on brownfield land to support a change in the threshold (currently 150 units) at which the GLA can call in and determine/direct approval/refusal of applications. If this threshold is increased it would prevent unnecessary delays in the granting of planning permission for large sites, as seen within Stag Brewery and Homebase. There are further consultations expected in 2024 on plan-making reforms including national development management policies.
5. Set up an internal group of officers within housing, planning and policy to discuss challenges on specific sites and ensure these are identified and solutions are explored at an earlier stage to speed up the planning process.
6. The Council will continue to take an active role in working closely with developers to try to agree conditions within the planning application process, helping to ensure timely starts can be made on site. This should help lessen the time between planning approval and completion of sites, as well as providing developers with a consistent approach to pre-commencement conditions on sites within the borough.
7. Call for Sites and Strategic Housing Land Availability Assessment (SHLAA). The Council are currently engaging with the GLA's early work on the London wide SHLAA, which will deliver a digital platform enabling call for sites at any point in plan-making. The Council may consider carrying out a local call for sites once the emerging Local Plan Examination has been completed, to assess new sites the Council may not have previously considered.
8. Improve engagement with the development industry, including seeking regular feedback via use of an annual questionnaire with feedback published online.
9. Resource and progress a programme of work to support the emerging Local Plan. Revise Supplementary Planning Documents as necessary to provide clarity for developers as to how planning policies will be implemented to guide preparation of planning applications which meet policy requirements, assisting with timely determination. This may include the simplification of guidance to make SPD's clearer for applicants and planning officers. There will be opportunities once the Plan progresses towards adoption to update the Local Validation Checklist and supporting guidance to assist in implementation. There will be the opportunity to consider opportunities through design codes to set concise parameters for development, with the Council awarded Planning Skills Delivery Fund to develop a programme.

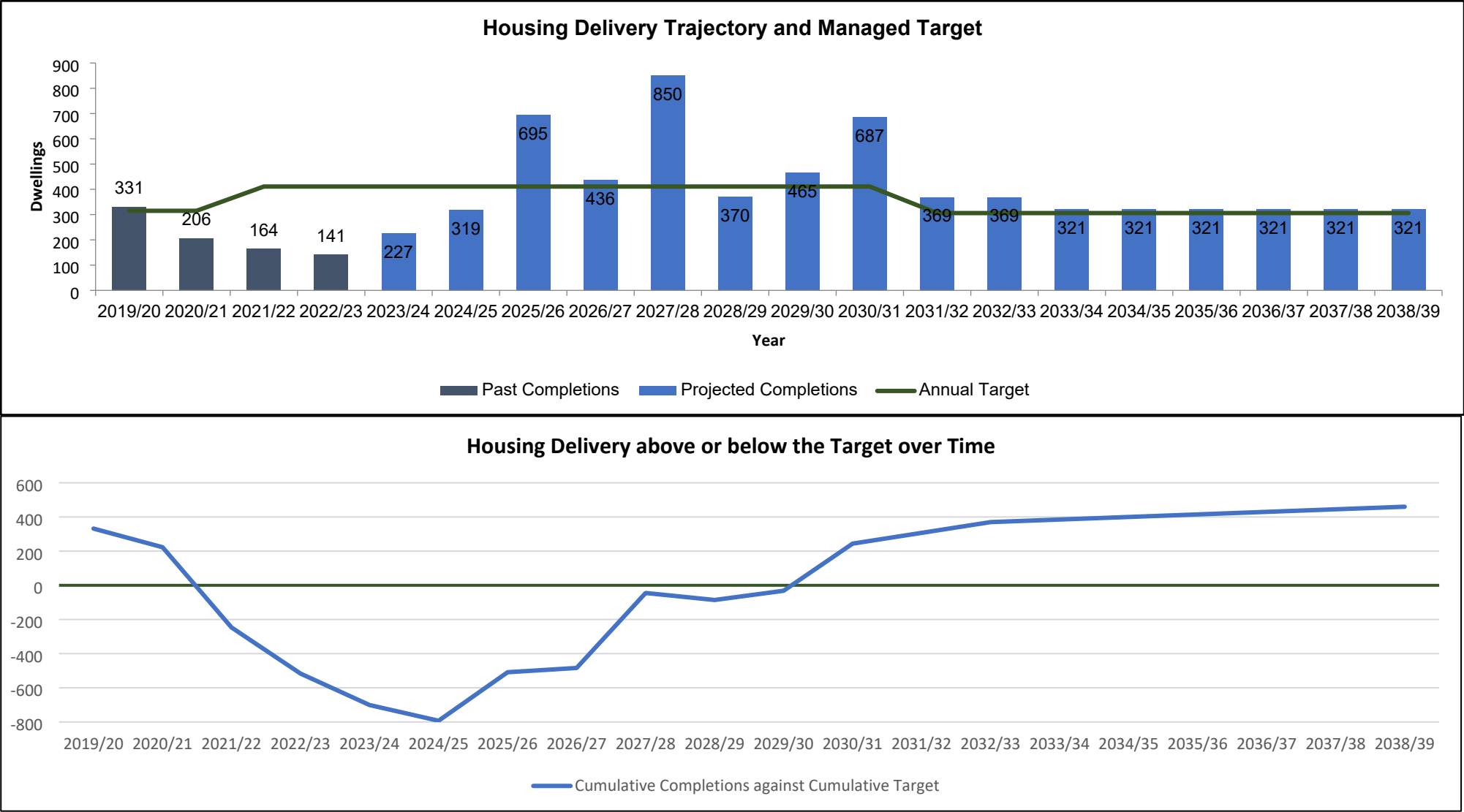
- 7.3 It is important to note that the actions above relate to what the Council is able to do within the bounds of the planning process, as once an application is approved there are limited impacts the Council can have on the actual delivery of dwellings. Within the Root Cause Analysis and Consultation section there are a number of issues highlighted including high interest rates and build costs that the Council are unable to address through any inhouse measures, however the Council will continue to assess applications based on their merits and supported by proactive policy decisions.

8.0 Step 5 – Implementing and Monitoring

- 8.1 The performance of the current Local Plan is already monitored within the Authority Monitoring Report (AMR), Employment Floorspace Monitoring, Social Infrastructure Indicator report and the Vacancy rates in the boroughs centres, which all help to monitor the performance of current adopted Local Plan policies. These reports are produced by a specialist information and monitoring resource which sits within the Spatial Planning and Design Team. In addition to the reports above the specialist monitoring team produce an excel spreadsheet which accompanies the AMR and provides detail on the housing trajectory included within the AMR. This shows the transparent nature of the Councils information to ensure relevant information on the Councils housing trajectory is readily available. The specialist team will continue to monitor the effectiveness of the Local Plan and in turn when the emerging Local Plan is adopted the performance of the Local Plan policies. These will be monitored within the AMR, including monitoring the outputs above to assess how the Local Plan policies and Actions included within the HDT Action plan are impacting on overall housing delivery.
- 8.2 One of the key metrics to determine the Councils performance in relation to providing permissions is the use of the [Planning Advisory Service 'Designation Crystal Ball'](#), which is a tool used to monitor the efficiency of the planning department by tracking planning decisions within the statutory timeframe. The Council will continue to monitor the time taken to determine applications and will provide this information within any future HDT Action Plans that may be required.
- 8.3 The Council also internally monitor lapse rates, numbers of dwellings permitted and the time taken for sites to move from approval to completion as these are key metrics to monitor performance and delivery. As a result of the findings of the HDT Action plan the Council will continue to monitor these metrics and publish the findings as part of future AMR's to monitor delivery more closely as this will provide a useful measure to the current pressures on the development industry.
- 8.4 In addition to the monitoring of the Local Plan policies, the Council will also assess the need for additional supplementary planning documents which could improve housing delivery. The Council will be seeking to produce a new Affordable Housing SPD once the emerging Local Plan is adopted. A draft of this was consulted on at Regulation 18 stage of the emerging Local Plan, however the decision has been made at present to halt progress on this until the emerging Plan is adopted.

- 8.5 The recent survey carried out with the development industry shows developers within Richmond are keen to engage with the Council. The Council are engaging with these contacts and their feedback has directly fed into the actions within the Action Plan. The Council will seek to carry out the survey again next year to assess whether implementation of the Action Plan has had positive results.
- 8.6 The new internal group of officers will monitor applications which have been identified as having complex issues and will aim to monitor these sites to solve issues and help progress these sites where possible. Minutes of the meetings will be recorded internally and information on the sites will be stored in a spreadsheet with actions provided to help deliver housing on the more complex schemes identified.
- 8.7 This Action Plan will be monitored and updated on an annual basis by the Council and published online to ensure the Council is making strides to actively improve housing delivery in the borough, whilst having the local constraints and challenges in mind.

Appendix 1 – Housing Trajectory



Appendix 2 – PAS designation crystal ball outputs 2019-2023

Richmond	Majors					
	LBR Major Decisions	Major Decisions within 13 weeks	PPA, EoT or EIA Decisions	PPA, EoT or EIA Decisions in time	Out of time	Result
Jan - Mar 2019	2	1	1	1	0	100%
Apr - Jun 2019	2	0	2	2	0	100%
Jul - Sep 2019	5	0	5	5	0	100%
Oct - Dec 2019	11	3	8	8	0	100%
Jan - Mar 2020	5	2	3	2	1	80%
Apr - Jun 2020	8	4	4	4	0	100%
Jul - Sep 2020	8	3	4	4	1	88%
Oct - Dec 2020	2	0	1	1	1	50%
Jan - Mar 2021	6	1	5	5	0	100%
Apr - Jun 2021	2	0	2	2	0	100%
Jul - Sep 2021	3	0	3	3	0	100%
Oct - Dec 2021	1	1	0	0	0	100%
Jan - Mar 2022	2	1	1	1	0	100%
Apr - Jun 2022	3	0	2	2	1	67%
Jul - Sep 2022	3	1	2	2	0	100%
Oct - Dec 2022	3	0	3	3	0	100%
Jan - Mar 2023	6	0	6	6	0	100%
Apr - Jun 2023	4	2	1	1	1	75%
Jul - Sep 2023	1	0	1	1	0	100%
Oct - Dec 2023	1	0	1	1	0	100%
			Average Jan 2019 – Dec 2023			93%

Richmond	Non-majors					
	LBR Non-major Decisions	Non-major Decisions within 8 weeks	PPA, EoT or EIA Decisions	PPA, EoT or EIA Decisions in time	Out of time	Result
Jan - Mar 2019	682	494	180	174	14	98%
Apr - Jun 2019	649	438	162	154	57	91%
Jul - Sep 2019	628	438	166	156	34	95%
Oct - Dec 2019	550	377	162	157	16	97%
Jan - Mar 2020	576	360	195	180	36	94%
Apr - Jun 2020	570	397	160	156	17	97%
Jul - Sep 2020	554	376	163	153	25	95%
Oct - Dec 2020	547	382	145	136	29	95%
Jan - Mar 2021	640	410	209	195	35	95%
Apr - Jun 2021	640	383	208	200	57	91%
Jul - Sep 2021	689	407	252	235	47	93%
Oct - Dec 2021	651	432	164	150	69	89%
Jan - Mar 2022	636	399	202	189	48	92%
Apr - Jun 2022	619	410	171	160	49	92%
Jul - Sep 2022	659	381	220	200	78	88%
Oct - Dec 2022	548	359	141	125	64	88%
Jan - Mar 2023	580	363	165	155	62	89%
Apr - Jun 2023	602	386	168	158	58	90%
Jul - Sep 2023	548	342	172	156	50	91%
Oct - Dec 2023	564	316	185	169	79	86%
			Average Jan 2019 – Dec 2023			92%

Appendix 3 – Developer Survey and Summarised Responses

Development in Richmond Upon Thames - RESULTS

Richmond Upon Thames are looking to seek views from the development industry on the current pressures on development within the borough.

Context

The Council is acutely aware of the challenge in meeting our higher housing targets as set in the London Plan, with limited opportunities on large sites and the numerous constraints in the borough.

Given the pressures on the development industry in recent years including, Brexit which has reduced the availability of labour, COVID-19 which temporarily halted development on many sites, the war in Ukraine, high rates of inflation, which have increased construction costs substantially and increases in interest rates, which have caused property values to fall slightly, it is currently a difficult climate to deliver housing, especially on more complex sites.

The Council are looking to work more closely with local developers and registered providers to ascertain what the key pressures are on the development industry within Richmond and look at steps Richmond could take to help improve delivery whilst providing affordable housing to help fill the high level of need for affordable housing across the borough.

Questions

1) What best describes you? (please tick)

- National Housebuilder ☐ **6%**
- SME ☐ **13%**
- Registered Provider ☐ **6%**
- Planning Agent / Consultant ☐ **31%**
- Architect ☐ **44%**
- Site Promoter ☐ **0%**
- Self / custom builder ☐ **0%**

2) What is the main issue you see as being a key staller of development Nationally? (please tick all boxes that apply)

- High Build Costs ☐ **23%**
- Higher Interest rates ☐ **15%**
- Availability of Labour ☐ **0%**
- Planning e.g. - discharging conditions ☐ **31%**

- Other (please state) **19%** Cost of additional reports and associated costs, misinterpretation of policy, slowness of planning process.....

(All – 12%)

3) What is the main issue you see as being a key staller of development in Richmond? (please tick all boxes that apply)

- High Build Costs ☐ **25%**
- Higher Interest rates ☐ **17%**
- Availability of Labour ☐ **0%**
- Planning e.g. - discharging conditions ☐ **29%**
- Other (please state) (**29%**). Staffing pressures, additional reports and associated cost, lack of support for backland sites from the council, high land cost, affordable housing contributions.

4) If you are a housing developer (i.e. housebuilder, SME; and RP), what is your current typical build out rate per annum in Richmond Upon Thames?

- 0 dwellings ☐ **0%**
- 1-25 dwellings ☐ **13%**
- 26-50 dwellings ☐ **6%**
- 51-100 dwellings ☐ **6%**
- 100+ Dwellings ☐ **0%**
- N/A ☐ **75%**

5) Given the limited supply of available sites in Richmond, what do you think could assist with unlocking potential sites, both large and small?

Lessen pressure on staff by increases resources, pro-active pre-application, dedicated planning resource to determine affordable housing apps quicker, amend employment policies, targeted regeneration approach, allocating more sites, positive approach to planning, discussions re density and height (allow higher buildings in some areas to cope with rising costs).

6) Which of the following actions should the Council undertake to have the greatest impact on increasing housing delivery?

- Update details on available housing sites (i.e. a regular ‘call for sites’) ☐ **16%**

- Increase promotion for new housing through council led initiatives and regeneration strategies (i.e. town centre regeneration plan or site masterplans) ☐ 22%
- Provide updated guidance to support interpretation of planning policy requirements, such as around character-led design guidance, design codes ☐ 19%
- Increase and improve publishing of current monitoring of housing data to be more reactive to emerging issues. ☐ 6%
- Pro-actively engage with landowners/site owners where applications have been granted for a time, and not yet commenced. ☐ 9%
- Regularly communicate with developers/registered providers such as a discussion forum ☐ 16%
- Other (please state) ...13%... Determine applications within statutory timeframes, increase planning fees, remove small bolt on employment requirements which doesn't allow site to be optimised, pro-actively engage with developers on refused sites, engage with communities, focus on clear aims.
- None

7) What do you think could be done to lessen the time between achieving planning permission and starting onsite?

Reduce Staffing pressures by increasing resources, stage approvals, speed up discharge of conditions and reduce number of conditions, promote a better supply chain, focus on the quantum and quality of permissions being released.

8) In your opinion what would be the quickest way to improve delivery across Richmond and what would improve longer term delivery?

Reduce staffing pressures by increasing resources, use outline applications, reassess employment policies, regeneration zones, removal of barriers on small sites, release GB/MOL, review general approach to planning, taller buildings approach.

9) Would you be keen to hear from us again and take part in further surveys or liaison?

- Yes ☐ 94%
- No ☐ 6%

We would really appreciate your comments and feedback and this will be provided to the planning department. Please be assured we will treat responses as confidential – any findings that will be used in future research will be generalised. We have targeted this email to reach those with known development interests in the borough – if there is someone more appropriate in your organisation or on the client side then please feel free to forward on.

Kind regards.
Planning Policy