



Ministry of Housing,
Communities &
Local Government

Housing Delivery Test Measurement Rule Book

Method for calculating the Housing Delivery Test result



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Overview

1. The Housing Delivery Test is an annual measurement of housing delivery in the area of relevant plan-making authorities (non-metropolitan districts, metropolitan boroughs, London boroughs and development corporations with plan-making and decision-making powers).
2. The Housing Delivery Test does not apply to National Park Authorities, the Broads Authority or to development corporations without full plan-making and planning decision making powers.
3. The Housing Delivery Test results will be published annually in November by the Ministry for Housing, Communities and Local Government. The first Housing Delivery Test will be published in November 2018.
4. The planning policy consequences of not meeting the Housing Delivery Test are set out in the revised National Planning Policy Framework¹.

Housing Delivery Test Calculation

5. The Housing Delivery Test is a percentage measurement of the number of **net homes delivered** against the **number of homes required**, as set out in the relevant strategic policies for the areas covered by the Housing Delivery Test, over a rolling three year period.

$$\text{Housing Delivery Test (\%)} = \frac{\text{Total net homes delivered over three year period}}{\text{Total number of homes required over three year period}}$$

¹ Footnote 6, Paragraphs 73 & 75 of the revised National Planning Policy Framework at <https://www.gov.uk/government/publications/national-planning-policy-framework--2>

How is 'net homes delivered' calculated (the numerator)?

- The number of **net homes delivered** is the National Statistic for net additional dwellings² over a rolling three year period, with adjustments for net student and net other communal accommodation³.
- The calculation for housing delivery is as follows.

Net homes delivered in a year

= *Net Additional Dwellings National Statistic*

PLUS

$\frac{\text{net increase in bedrooms in student communal accommodation in local authority}}{\text{average number of students in student only households in England}}$

PLUS

$\frac{\text{net increase in bedrooms in other communal accommodation in local authority}}{\text{average number of adults in households in England}}$

- The National Statistic for net additional dwellings is sourced from the Housing Flows Reconciliation form for non-London authorities, and the Greater London Authority for London Boroughs. Separate guidance on how to fill out the Housing Flows Reconciliation form is at <https://www.gov.uk/guidance/dwelling-stock-data-notes-and-definitions-includes-hfr-full-guidance-notes-and-returns-form>.
- The adjustments for student and other communal accommodation will be calculated by MHCLG and added into the Housing Delivery Test result⁴. Adjustments are applied using two nationally set ratios, based on England Census data.
- The national average number of students in student only households is 2.5. This has been calculated by dividing the total number of students living in student only households by the total number of student only households in England. Source data is from the Census 2011 and is published by the Office for National Statistics⁵. The ratio will be updated following each Census when the data is publicly available.

² <https://www.gov.uk/government/collections/net-supply-of-housing> - published by MHCLG annually in November

³ As defined in the Housing Flow Reconciliation (HFR) guidance notes at <https://www.gov.uk/guidance/dwelling-stock-data-notes-and-definitions-includes-hfr-full-guidance-notes-and-returns-form>

⁴ Where bedroom data has been provided by local authorities through their Housing Flow Reconciliation

⁵ <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/adhocs/008207ct07732011censusnumberofstudentsinstudentonlyhouseholdnationaltolocalauthoritylevel>

11. The ratio applied to other communal accommodation will be based on the national average number of adults in all households, with a ratio of 1.8. This has been calculated by dividing the total number of adults living in all households by the total number of households in England. Source data is from the Census 2011 and is published by the Office for National Statistics⁶. The ratio will be updated following each Census when the data is publicly available.

How is the 'number of homes required' calculated (the denominator)?

Housing requirements less than five years old

12. Where the latest adopted housing requirement figure⁷ is less than five years old, or has been reviewed and does not need updating⁸, the figure used will be **the lower of:**

- **EITHER** the **latest adopted housing requirement**^{9 & 10 & 11}, including any unmet need from neighbouring authorities which forms part of that adopted housing requirement. This requirement will be the **stepped housing requirement** (or the **annual average requirement** where there is no stepped requirement). This is the case for:
 - i. **Districts or boroughs** where the requirement is set out in a district or borough local plan. Where a spatial development strategy is also in place, the district or borough plan requirement will continue to be used until it is more than five years old, or the requirement has been reviewed and found not to require updating.
 - ii. **Joint plans** where the requirement is set out in a joint plan. The joint plan should be clear whether areas will be measured jointly or separately for the purposes of the Housing Delivery Test. Where authorities are measured separately, the policy consequences will apply to each authority separately. If there are no separate requirements, then the *joint housing requirement figure* will be used to measure the authorities jointly across the plan area. Where

⁶<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/adhocs/008208ct07742011censusageofhouseholdreferencepersonhrpbynumberofadultsinhouseholdnationaltolocalauthoritylevel>

⁷ As collected by MHCLG from local planning authorities on an annual basis through a Housing Delivery Test DELTA collection (<https://delta.communities.gov.uk/introducing-delta>). If authorities need to update their DELTA contact for the Housing Delivery Test DELTA collection, they should contact the Helpdesk via email DELTA@tso.co.uk or call 0333 202 5084.

⁸ Paragraph 33 of the revised NPPF at <https://www.gov.uk/government/publications/national-planning-policy-framework-2>

⁹ Where a housing requirement figure is adopted and then repeated in a subsequent plan (such as an allocations document) without re-testing the housing requirement, the housing requirement will be deemed valid for five years only from the first time that the figure was adopted (unless the original plan has been reviewed and found not to require updating).

¹⁰ Where applicable, the housing requirement for Gypsies and Travellers under the Planning Policy for Traveller Sites (PPTS) will be added to the housing requirement. Plan-making authorities should inform MHCLG of their housing requirement for Gypsies and Travellers under the PPTS through the annual Housing Delivery Test DELTA data collection.

¹¹ This figure is the annual or stepped requirement across the plan, excluding any previous under-delivery from the start of the plan period.

authorities are measured jointly, the policy consequences will apply jointly to all authorities covered by the plan.

- iii. **Development corporations** with full plan-making and decision-making powers, where the requirement is set out in a local plan prepared by the development corporation.
 - iv. **Spatial development strategies (SDS)**, where the district or borough plan requirement is older than 5 years old and needs updating, an apportioned requirement set out in the SDS will be used.
- **OR** the **minimum annual local housing need figure**^{12 & 13} (and any need from neighbouring authorities which it has been agreed should be planned for, and which has been tested at examination¹⁴) for that authority calculated with a base date of 1st April each year¹⁵.

13. If the housing requirement is set out as a **range**, the Housing Delivery Test will measure against the **lower end of the range**.

Housing requirements more than five years old

14. Where the latest adopted housing requirement figure is over five years old, unless the strategic policies have been reviewed and found not to require updating, the figure used will be:
- i. For areas with a **local plan** or a **joint local plan**: *the minimum annual local housing need figure*¹⁶.
 - ii. For **development corporations** with full plan-making and decision-making powers: *Apportioned housing requirement* in a borough/ district plan, or a spatial development strategy (SDS) that is less than five years old.
 - iii. For areas covered by a **spatial development strategy**: *Apportioned housing requirement* in a SDS that is less than five years old, (or where relevant strategic policies have been reviewed and found not to require updating), or the *minimum annual local housing need figure* if the SDS is older than five years, or where relevant strategic policies have not been reviewed or have been reviewed and require updating.
15. Where the minimum annual local housing need figure applies, this number should be calculated with a base date of 1st April each year. This calculation should use the affordability ratio for the previous calendar year. The affordability ratios are published

¹² Using the standard method for assessing the minimum annual local housing need figure set out in national planning guidance.

¹³ Please see the separate section on Transitional Arrangements for financial years up to and including 2017/18.

¹⁴ Where committed to within an adopted plan.

¹⁵ This calculation must use the affordability ratio for the previous calendar year.

¹⁶ See paragraph 12 for explanation about the minimum annual local housing need figure

by the Office for National Statistics¹⁷. The resulting minimum annual local housing need figure will then be used for the Housing Delivery Test calculation.

Changes to the housing requirement

16. Any new housing requirement will be used for the calculation of the Housing Delivery Test **from the date that it becomes part of the development plan**.
17. For the purposes of calculating the Housing Delivery Test, the new adopted housing requirement will apply **from the start of the relevant plan period (set out in the strategic policies for housing), which may be earlier than the adoption of the strategic policies**.
18. Following adoption of new strategic policies, the new housing requirement figure can be used to recalculate the Housing Delivery Test results during the year, in collaboration with MHCLG.
19. A rolling three year Housing Delivery Test period may span more than one plan and housing requirement. Where a **previous housing requirement** (less than five years old unless it has been reviewed and does not need updating) exists for one or more of those years, that previous housing requirement will be used for the calculation until the new housing requirement is adopted. Figures will be apportioned within a Housing Delivery Test year.
20. Where a housing requirement figure becomes older than five years (unless the relevant strategic policies have been reviewed and found not to require updating) during the Housing Delivery Test period, this will be used for the Housing Delivery Test measurement **up to the 5th anniversary of its adoption**. Where this anniversary is part way through the year, the housing requirement will be apportioned based on the number of days in the year. If the figure has not been reviewed, or requires updating, the remainder of the year and subsequent years, will be based on the *minimum annual local housing need* figure, until a new housing requirement is adopted, as per Table 2.

Transitional arrangements:

21. In identifying the correct housing requirement figure for the calculation, for the financial years 2015-16, 2016-17 and 2017-18, the *minimum annual local housing need figure* is replaced by *household projections* in all aspects of the Housing Delivery Test measurement stated in this Rule Book¹⁸.

¹⁷ See the ratio of **median** house price to **median workplace** based earnings at <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian>

¹⁸ Household projections will be used in the Housing Delivery Test calculation for financial years up to and including financial year 2017-18, as the standard methodology for the minimum annual local housing need figure did not apply prior to this date. After this date the minimum annual local housing need figure will be used.

22. Where the rolling three year Housing Delivery Test period includes any of the below financial years, the version of household projections to be used is as follows:

Table 1		
Financial year of three year rolling Housing Delivery Test period	Version of household projections¹⁹	Annual average taken of years
2015-16	2012-based household projections	2015-2025
2016-17	2012-based household projections	2016-2026
2017-18	2014-based household projections	2017-2027

23. Therefore by the time the Housing Delivery Test is published in 2021, household projections will cease to form any part of the Housing Delivery Test calculation.

¹⁹ Household projections are published every two years. Before 2017 they were published by MHCLG at <https://www.gov.uk/government/statistical-data-sets/live-tables-on-household-projections> and from 2017 onwards they are published by the Office for National Statistics at <https://www.ons.gov.uk/news/news/transferofhouseholdprojectionstoons>

Table 2. Housing figure for the Housing Delivery Test, depending on type and age of the strategic housing policies in a plan-making authority.

Note: whichever is lower, of either the minimum annual local housing need figure or the housing requirement identified in this table, will be used.

Plan Area	An adopted housing requirement that is less than five years old or a plan that is more than five years old but the review has confirmed the housing figure does not need updating ²⁰ .	An adopted housing requirement figure that is more than five years old and has not been updated.
Local plan	Stepped housing requirement (or the annual average if housing requirement not stepped ²¹).	Minimum annual local housing need figure.
Joint local plan	Apportioned stepped (or annual average if housing requirement not stepped) housing requirement figure , as set out in the joint plan. If no apportioned housing requirement figure is available, then the joint housing requirement figure will be used and the authorities measured jointly.	
Development corporations ²² with full plan-making and decision-making powers	Stepped housing requirement (or annual average if housing requirement not stepped) in the development corporation's local plan.	Apportioned housing requirement in a borough / district plan or a SDS.
Areas covered by a spatial development strategy	Stepped housing requirement (or annual average if housing requirement not stepped) in the borough or district local plan.	Apportioned housing requirement in a SDS that is less than five years old and does not need updating, or the minimum annual local housing need figure if the SDS is older than five years, has not been reviewed, or has been reviewed and hasn't been updated.

Note: in the table above - where the housing requirement is set up as a **range**, the **lower end of that range** applies.

²⁰ A link to the published review should be provided to MHCLG through DELTA as part of the Housing Delivery Test annual data collection.

²¹ Incorporating any need authorities have taken from their neighbours which has been adopted in the housing requirement.

²² Housing delivery for Development Corporations without full plan-making and decision-making powers will be included as part of the local authorities' Housing Delivery Test measurements.