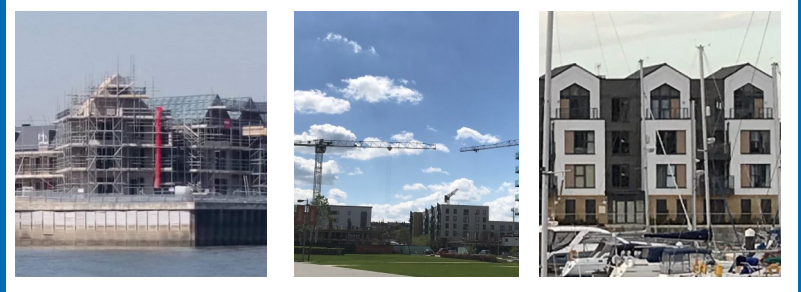


APPENDIX E



Medway Housing Delivery Test Action Plan

Draft

August 2019

Contents

1. Introduction
 - Background
 - The purposes of this document
 - Preparation of the action plan
 - Links to other council strategies and plans
2. Housing Delivery Analysis
 - Context
 - Past performance on housing delivery
 - Planning Policy and Process
 - Supply and Demand
 - Leadership, Entrepreneurism and Attraction
3. Key actions and responses
4. Project management and monitoring arrangements

1. Introduction

Background

- 1.1. This Action Plan sits within the context of the government's agenda to boost the supply of housing. It is a new responsibility on the local planning authority, arising from updates to national planning policy. The council must report on its analysis of the reasons why rates of housebuilding have not met the levels of identified housing needs for the area, and set out actions to address these issues, with the aim of boosting the delivery of housing.
- 1.2. The government has a highly publicised target of delivering 300,000 new homes per year by the mid 2020s. It concludes in its Housing White Paper "Fixing our broken housing market" that for too long, we haven't built enough homes. It requires a significant boost in the number of homes built and an increase in the speed at which they come forward. The Letwin '[Independent Review of Build Out Rates](#)' has investigated further the factors influencing housing delivery, particularly the delays between planning approvals and new homes being built.
- 1.3. The government has introduced a number of measures and reforms to the planning system intended to deliver more housing, improve housing affordability and remove barriers to development. Local planning authorities (LPAs) are challenged to be more proactive in increasing the speed and quantity of housing supply to meet the identified housing needs of their local area. This forms part of a complex picture of interdependent issues relating to the supply and delivery of homes that will be explored as part of this action plan alongside issues outside of the council's direct control.
- 1.4. The National Planning Policy Framework 2019 (NPPF) sets out that plan makers should maintain a supply of specific deliverable sites sufficient to provide five years' worth of housing against their housing requirements. The policy framework has introduced the 'Housing Delivery Test' (HDT) in support of housing delivery. Further detail is provided in national [Planning Policy Guidance](#) (PPG). The HDT acts as a monitoring tool to demonstrate whether local areas are building enough homes to meet their housing need. The HDT results were published in February 2019 and it compares the number of new homes delivered over the previous three years with the authority's housing requirement. Full details of the method of calculating the HDT are specified within the [Housing Delivery Test Rule Book](#) and the PPG. As the adopted housing requirement in Medway is more than five years old (through the Medway Local Plan 2003), the council's HDT has been assessed against the minimum annual local housing need figure, as defined by government data.

The purposes of this document

- 1.5. The results of the first HDT were published in February 2019 (later than the initially proposed date of November 2018). This showed that Medway achieved 47% delivery against its defined level of housing needs. The test requires LPAs to publish an action plan within six months, if the results fall below 95%. Government also places a 20% buffer on a local planning authority's five-year land supply if housing delivery falls below 85%.
- 1.6. The council has positively engaged in the process of preparing a HDT action plan, seeking to use targeted research to identify effective measures to improve the delivery of housing. Sustainable development is critical to Medway's regeneration and growth ambitions. Medway Council officers have engaged with Planning Advisory Service guidance and workshops to help prepare this action plan. This has ensured a robust and comprehensive approach. This plan will be reported to the council's Cabinet for sign off and authority to publish. This helps to maintain high levels of engagement with senior members and managers.
- 1.7. The council recognises that this is an ongoing process that will evolve especially in light of other activities such as publication of the new local plan. There will be subsequent versions of the action plan and they will respond to actions within this plan as they are implemented and monitored. The evidence presented here is not a final or complete picture and will be built upon in future action plans.
- 1.8. This action plan:
 - considers Medway's development context and reviews historic performance on housing delivery
 - explains measures the council has already adopted to monitor and encourage housing delivery
 - has gathered evidence on strategic sites with planning permission to understand the build out rate and the barriers that are preventing these homes being built (and at a quicker rate)
 - proposes measures to contribute to increasing the amount and speed of delivery of new housing
 - sets out measures to continue monitoring housing delivery and understanding factors influencing delivery rates.
 - includes a timetable to review this plan.

Preparation of the action plan

- 1.9. Medway Council has recognised the importance of housing delivery for many years and a priority within the [Council Plan 2016/17 to 2020/21](#) is 'maximising regeneration and economic growth' with a key outcome being 'delivering new homes to meet the needs of Medway's residents'. This identifies actions in progressing the local plan and working with landowners and developers to enable housing development as well as encouraging the delivery of homes through investigation of new financing models and release of council owned sites. The council is working corporately towards these outcomes and progress is monitored through the delivery of service plans.
- 1.10. The preparation of this action plan has been informed by work the Planning Service have been undertaking on housing delivery and the preparation of the new Local Plan, in particular assessing sites suitable for the allocation of housing within the draft plan. It has made use of the development monitoring process that is reported annually in the [Authority Monitoring Report](#) (AMR). The annual AMR work includes the phasing of housing trajectories which is informed by discussions with developers on their planned delivery rates.
- 1.11. The council has signed up to a support programme delivered by the Planning Advisory Service specifically designed to prepare a Housing Delivery Test Action Plan. This has included use of a check list of criteria to assess planning practice and market conditions in Medway, and a template 'data standard' for collating and analysing information relating to the processing and implementation of major residential proposals.
- 1.12. To gain a better understanding of what barriers might be acting to deter/delay housing delivery within Medway, officers have been engaging with individual site developers in addition to ongoing discussion between the Head of Planning and developers of large sites. There has also been a roundtable discussion with registered providers of affordable housing. Ongoing monitoring of implementation of planning consents has helped identify site specific issues that create barriers to development.

Links to other council strategies and plans

- 1.13. Medway Council is a forward looking authority keen to promote the area for growth and regeneration. This action plan complements existing council plans, policies and strategies which provide a framework for the delivery of the council's housing priorities.

Housing Delivery Test Action Plan (HDTAP) and other documents	
Corporate document	Overlap with HDTAP
Council Plan	This is the overall vision and strategy for Medway Council.
Local Plan <ul style="list-style-type: none"> • Town Centre Masterplans • Infrastructure Delivery Plan • Viability assessment 	Preparation of the draft Local Plan is fundamental for shaping housing delivery within Medway. Work is ongoing in preparing the evidence base, site selection and drafting policies.
Medway 2035	Medway 2035 sets out the regeneration aims and objectives for Medway across six priority areas. It will be accompanied by a Regeneration Delivery Plan - a framework for delivering the identified objectives, with short, medium and long-term actions
Housing Strategy	Prepared by the housing team to meet three key aims: delivering the homes to meet the identified needs of Medway residents; improve the quality of homes and lives; ensure people can access houses and services to keep them independent.

2. Housing Delivery Analysis

Context

- 2.1. Medway has changed significantly over the past few decades, with regeneration and new infrastructure contributing to the development of a modern city. It is a diverse area. Medway is one of the largest urban areas in the south east, and has an extensive rural hinterland with a third of the area designated as international or national importance for the environment. The urban area extends close to the borough boundaries and strategic infrastructure is under significant pressure. Much of the development potential is on brownfield sites, which although successful in transforming the urban landscape, has taken longer to build out. The area has been recovering from economic downturns over past decades and there is a positive attitude to Medway's growth ambitions. However rates of housebuilding are below the level of identified housing needs.
- 2.2. There are a complex range of factors that influence housing delivery, which are acknowledged in government policy documents and the [Letwin](#) review. This section of the report considers Medway's performance against several criteria that are considered contributory factors.
- 2.3. The council has looked at its internal processes in the Planning Service, covering both policy and development management. The report then looks at wider factors affecting housing supply and demand, using guidance provided by the Planning Advisory Service.

Past performance on housing delivery

- 2.4. The Housing Delivery Test published in February 2019 showed that rates of housebuilding delivered in Medway in the preceding three years were 47% of the defined housing requirement.
- 2.5. As government has promoted its agenda to boost housebuilding, it has introduced reforms to the Planning system. This has included the use of a Standard Method for determining Local Housing Need. Over the past five years, the council has had significantly different levels of defined housing need. This has created uncertainty and the increase is dramatic. When the council submitted its draft Core Strategy for examination in 2012, the housing target was 815 homes a year. At the start of the new local plan process, the council commissioned an assessment of housing needs in 2014 that concluded an annual need for 1,000 dwellings. This has now risen to the current level of 2020 dwellings per year needed to meet the five year housing land

supply, which includes a buffer of 20%. This large variation in levels of housing needs relates to changes in government policy and updates to demographic data. It reflects government priority to provide 300,000 new homes per year by the mid 2020s. There is now a large differentiation between the lower population projections for Medway into the 2030s and the housing targets set through government policy.

2.6. The table below shows housing delivery rates over the three year period covered by the HDT measurement.

	2015/16	2016/17	2017/18	Total
HDT requirement	1,341	1,322	1,334	3,997
Net residential completions*	553	642	680	1,875

* This is the figure published in the council's AMR and varies slightly to the figure calculated as part of the HDT – see [Housing Delivery Test: 2018 Measurement](#)

2.7. The following table shows the number of dwellings under construction and not started. The under construction dwellings do not appear in the not started figures but there will be some sites that fall into both categories, for example, when the site is phased and not all phases are under construction. There are a few larger sites that will account for a significant proportion of not started sites. Rochester Riverside is 1,400 of the 6,170 figure for 2017/18 and although it will go down for 2018/19 there will still be 1,230 counted as not started. The total figure demonstrates the available pipeline and this has been increasing each year.

	2015/16	2016/17	2017/18
Extant permissions not started	5491	6494	6170
Extant permissions under construction	760	805	1202
Total	6251	7299	7372

2.8. The number of new homes being delivered is increasing but there are not yet enough being granted permission to meet the target. There has been considerable variation in the number granted permission per year. A number of large sites have delivered more

slowly than predicted by the developers with some delivering units shortly after 31 March so will contribute to next year's completion figures and only just miss out on their forecasts for this year. There is some indication in the professional press and national housebuilding statistics that uncertainty around Brexit led to slower delivery in some quarters of 2018-19.

- 2.9. There is progress on key regeneration sites but there is also growth in smaller urban sites and in suburban and rural locations. In advance of the new Local Plan and the challenges set by government to boost housebuilding, the council has granted planning permission for a number of greenfield sites, outside the current Local Plan development boundaries, to increase housing land supply. The impact of the council's actions can be seen in the statistics for projected development. Monitoring shows an increase in the supply of land on greenfield sites in Medway in recent years, that should provide for a wider market mix and see development come forward more quickly.
- 2.10. The housing market is complex and housebuilding rates are influenced by a wide range of factors. The council acknowledges that there are areas, such as access to development finance and mortgage rates, where it has no influence. This action plan therefore focuses on those factors where the council can have an impact. These include assessing internal work on planning policy and development management, and corporate work in regeneration, development and place making.

Planning Policy and Process

2.11. The council has started its work on the HDT action plan with a review of its Planning Service to assess areas impacting on rates of housing delivery.

Medway Local Plan

2.12. The council is preparing a new Local Plan and aims to publish the draft plan in late 2019, after the Housing Infrastructure Fund (HIF) bid result has been announced, so that there is certainty on the options available for the funding of strategic infrastructure. The preparation of the plan will address the significant uplift in housing needs, and consider the range and mix of housing needs to ensure that there is a balanced housing offer to meet the communities' needs. Detailed work has been carried out on site assessment to demonstrate that development can be delivered, is viable and can come forward in a timely way to provide for a five year housing land supply. This has included identifying key constraints and means of mitigation where appropriate, such as through the provision of infrastructure.

2.13. The context of the increased housing needs is fundamental to the production of the plan and the direction taken to growth. The council has carried out comprehensive iterative assessments of potential housing land availability and suitability, and collated a wide evidence base to ensure that the proposed development strategy can be delivered and effectively meet the area's growth needs. A technical evidence base is being developed and has included a number of key work streams and will inform the plan. The assessments most relevant to this action plan include the North Kent Strategic Housing and Economic Needs Assessment (SHENA), Strategic Land Availability Assessment (SLAA), Strategic Transport Assessment (STA), Infrastructure Delivery Plan, and Viability Assessment. They will help inform the allocation of housing over the period as well as policies relating to the types and mix of housing being promoted, and the threshold and level at which affordable housing is required.

2.14. The plan will demonstrate the long term strategy for development in Medway and it will give certainty to developers on preferred housing locations and phasing. The local plan is critical to securing the delivery of housing in Medway, and the council sees the new allocations for residential development as making one of the largest contributions to boosting housebuilding in Medway.

Strategic Land Availability Assessment (SLAA)

2.15. This is a key tool in providing for housing land, and the council has considered the widest range of potential sites for development. The first SLAA was published in November 2010, with seven subsequent reviews and reports, the latest being published in July 2018. These were supported by 'call for sites' exercises in 2008/2009 and 2014. Since then the council accepted new sites until the end of the Regulation 18 Development Strategy consultation in 2018. This assessment forms part of the evidence base for the local plan and gives the council a good understanding of the land available for development. The iterative process has provided for a comprehensive and robust review of potential development land. The information collected through this work has informed the site selection process for the draft local plan, together with the Sustainability Appraisal and Habitat Regulations Assessment.

Brownfield Land Register

2.16. The regeneration of brownfield sites forms the core of Medway's development strategy. The council supports the effective use of land that has been previously developed to promote sustainable development and meet the wider objectives of ambitions for Medway's growth. As well as seeking investment to bring forward key regeneration sites, the council promotes greater awareness of the availability of brownfield sites for development.

2.17. The council was a pilot authority for the introduction of the Brownfield Land Register, promoting its regeneration ambitions. The purpose of the register is to encourage use of previously developed land, and help boost the supply of housing. The register is updated annually and the current register published in January 2019, has sites listed with a minimum number of homes to be delivered at 783. Of these, 158 dwellings had permission and 106 were pending a decision at the time of publication and these form part of the development pipeline. There are another 519 without permission that will be included within the trajectory of sites to be allocated within the new Local Plan. These are in addition to the large sites in Medway's regeneration programme which are not included within the register.

2.18. The council has not implemented the Permission in Principle in connection with the Brownfield Land Register. This reflects knowledge of heritage and environmental impacts that are often key considerations in bringing forward such sites. The council will keep this position under review.

Development briefs

- 2.19. These are seen as useful tools to boost market confidence and promote development opportunities. Medway has a well established urban regeneration programme and much of the development has taken place on brownfield sites such as Gillingham Waterfront and Temple Marsh. The council recognises that regeneration sites can be complex to develop. The council supports measures that can de-risk sites and provide greater certainty to the market. It has led on the preparation of supplementary planning documents to promote available development opportunities and set out additional guidance on design.
- 2.20. Strood Waterfront was an allocation in the 2003 local plan but has yet to be developed. The council has taken on the role in bringing forward this site for development. A development brief was adopted in 2018 and promotes growth opportunities on strategic sites in Strood, which could transform the centre and waterfront site. The council is now delivering key infrastructure improvements, such as flood defence works to enable development, and has marketed the site.
- 2.21. In June 2018, the council also adopted the Chatham Interface Land development brief to update guidance on a key regeneration site that sits on the boundary of Chatham Historic Dockyard and Chatham Maritime. This promotes opportunities for residential led mixed use development. The council is working on bringing forward this site with Homes England.
- 2.22. Further policy guidance is being developed for town centres in Strood, Chatham and Gillingham to identify and encourage re-development in response to structural changes in retail. The council intends to increase the number of development briefs produced linked to allocations in the new Local Plan.

Efficient decision taking in development management

- 2.23. Timely decision making on determining planning applications for housing is part of the wider process of maintaining housing supply. The [latest quarterly report](#) presented to the council's Planning Committee indicates that performance is good when compared with national targets for both applications determined with and without an agreement of extension of time. However, when compared with other similar authorities the determination of major applications was below the average. This resulted from three applications being out of time in the last quarter.
- 2.24. The authority uses Planning Extension Agreements (PEAs) in negotiation with applicants to ensure that better quality outcomes can be reached within timescales

agreed by both parties. Many applications listed in the data standard have been determined since the introduction of bird mitigation contributions being secured for all new housing as part of Habitats Regulations Assessment. This is a strategic measure agreed with Natural England to address the potential for recreational disturbance on the birdlife of the Special Protection Areas and RAMSAR sites in the north Kent marshes and estuary. This is discussed further below, but the use of unilateral undertakings will have had an impact on the length of time it took to determine applications for housing and will be most notable for those sites with less than 10 units being the threshold for section 106s. For sites above the section 106 threshold, many have issues of viability so lengthier negotiations were needed to take place on these. These mainly relate to urban and brownfield sites where there are significant costs such as contamination, demolition, existing use value and archaeology.

Pre application service and presentation to members

- 2.25. The Planning Service provides a comprehensive chargeable pre-application advice service. The charges are used to ensure that the process is as successful as possible. Pre-application meetings could involve a number of officers, depending on the scale and nature of the development proposed, and the council promotes a development team approach so a meeting can include the development management case officer, urban design, landscape and/or heritage officers, and officers from other services such as highways and environmental protection. Developers and agents have recognised that this enhances discussions prior to submission of their applications and should lead to better outcomes, and that the process could address potential issues before the application is submitted and therefore support a smoother process in determining the proposal.
- 2.26. As part of the service, developers can choose, on significant or complex proposals, to deliver a presentation on their proposal to members early in the planning process, as encouraged by the NPPF. A presentation to members allows the applicant team to engage with elected members early so they can answer any questions, amend the scheme and supply any extra information needed. It also gives members a better understanding of the scheme in preparation for Planning Committee with the aim of leading to fewer applications deferred or refused by the committee. Feedback from both developers and members is very positive.

Encouraging the use of Planning Performance Agreements

- 2.27. The Planning Service has increased the use of Planning Performance Agreements (PPAs) over the last few years and there is an established process. PPAs provide for a quality assured managed programme for determining planning applications. They

provide greater certainty on timetables, and the take up is very strong from developers of major schemes. The model template created by Medway has been successful and a number of authorities, both within Kent and beyond, have adopted it. Developers have recognised the benefits of using PPAs and this is reflected in the number entered into each year. They receive a priority service and the fees are reinvested in staffing the development management teams or paying for consultants on specialist issues. There has been an increase in the number of PPAs being used and this could be extended to even more use of PPAs with the possibility of introducing them for specific consent types such as discharging of conditions.

Planning conditions

- 2.28. A few stakeholders have cited the discharge of conditions as a source of delay in our processes. Research carried out for the HDT action plan using the data standard template has also indicated that conditions can take a lengthy time to discharge after the original planning permission is granted. It is unusual for the discharge of all conditions to be submitted as one application and this is also the case for precommencement conditions. This may be due to the differing condition requirements and their timing. It is however also clear that commencement often starts on site prior to all precommencement conditions being discharged.
- 2.29. The council recognises that this has potential to impact on housing delivery rates. It has discussed this matter with developers to understand specific concerns and gather information on examples of best practice in other LPAs. It has also looked at internal processes. PPAs include wording of recommended conditions being agreed with developers in advance of determination of their application. Other areas of exploration with developers are encouraging more details to be submitted upfront (if there are positive pre application discussions) and approving a palette of materials, therefore avoiding delay if certain materials are unavailable. Last year, all conditions were reviewed as part of an upgrade to our development management software and this included adding phasing to relevant conditions. Officers are expected to include sub-phasing on relevant cases. They should also send a list of suggested precommencement conditions to the applicant for agreement prior to making a recommendation. Monitoring the performance of conditions and reviewing the processes for discharging conditions could be a way to address some of these delays. The council will continue to keep this area under review as part of this action plan, and in service planning for operational improvements.

Review of Developer Contributions Guide

2.30. Contributions are collected from developers to ensure that impacts on services and infrastructure are effectively mitigated to deliver sustainable development. The council has not adopted the Community Infrastructure Levy and collects contributions through use of section 106 (S106) agreements. An [updated guide](#) was adopted in May 2018, after consultation, and further reviews will be based upon infrastructure delivery work being carried out as part of the Local Plan. The guide is comprehensive and provides standard templates for agreements. This provides certainty relating to the cost of infrastructure for new developments, which developers can consider at the start of the process of securing land and developing plans. It also helps with efficient decision taking. The average number of weeks to determine a planning application with a S106 reduced from 34 during 2017/18 to 30 weeks in 2018/19. The planning decision is issued within a few days of the S106 being signed. However the average number of weeks from committee resolution to the decision being issued is 10 weeks. PPAs have timelines for S106 clearance and preliminary work can commence in advance of the decision being issued. The council will carry out further work to assess if there are opportunities to reduce this time, given that the heads of terms are agreed prior to the committee.

Streamlining process for mitigation identified as part of Habitats Regulations Assessment

2.31. All new dwellings within the 6km buffer around the Medway, Swale and Thames Marshes and Estuary Special Protection Areas and Ramsar sites have to pay a contribution to mitigating the potential for bird disturbance arising from increased populations in the related areas. This measure has been agreed with Natural England. This was first introduced in October 2015 and the contribution was collected by the applicant submitting a unilateral undertaking (UU) for all sites of 1-9 dwellings (for larger sites the contribution is included within a S106 agreement as this is the threshold for other contributions). There could be some delay in having the correct information submitted and checked, for example the landownership details of the person submitting the UU. Last year the council introduced a standard form enabling the applicant to pay the contribution upfront with their application, instead of submitting an UU and paying the contribution on commencement of the development. This means that for smaller schemes the process has been sped up considerably. This is an example of how the council has been proactive in making improvements to its processes to address delays to delivering development.

Supply and Demand

2.32. Government guidance and PAS advice on the preparation of the HDT action plan directs councils to look at wider factors that contribute to housing supply and demand. These include factors specific to Medway, but also national factors. This section firstly considers factors driving supply, and then looks at areas influencing demand locally.

Housing market conditions

2.33. The [North Kent Strategic Housing Economic Needs Assessment \(Strategic Housing Market Assessment\) November 2015](#) is part of the evidence base for the new Local Plan. It has assessed the specific characteristics of housing need in Medway, including the need for affordable housing and specialist accommodation.

2.34. Evidence from the development and property sectors gathered through meetings is that the market in Medway is currently quite buoyant. This is supported by the number of new developers entering the Medway market as well as existing developers continuing to develop sites. The initial survey work for this year indicates an increase of about 23% in the number of under construction and the increase will predominantly be from new starts. This points to a confidence to developing in Medway. There are a few large sites that due to non-planning issues during construction have delivered more slowly than initially expected and this had an impact on the overall delivery rates.

2.35. A recent article in Planning Resource highlighted the drop in new starts on site in the last quarter and for the sixth quarter in the past eight. It points to reasons such as uncertainty over Brexit, high cost of materials and shortages of skilled workers from overseas. These issues could also be affecting the number of completions within Medway, albeit construction rates have been more buoyant recently.

2.36. Although Medway has a buoyant market, sales values are lower than in other parts of Kent and the south east. This is reflected in the average property price in Medway. As of March 2019, the UK House Price Index for England indicated the average price in Medway was £243,128 compared with £291,787 in Kent. This was higher than for England as a whole but for developers working in this area it is clear that higher values are easier to achieve in other areas in close proximity to Medway. NLP's report into build out rates in the housing market, '[Start to Finish](#)' concludes that 'stronger local markets have higher annual delivery rates.'

2.37. The value of land should reflect the lower sales values that can be achieved here but viability of sites is often part of the discussions at application stage. There could be over inflated land values but other factors such as high cost of materials and

shortages of skilled workers can push up construction costs. However, on some measures, the lower houseprices in Medway are considered a positive factor in supporting the housing market.

2.38. There is an increasing diversity in developers building houses in Medway. In recent years Medway has been reliant for significant development on a small number of volume housebuilders, in particular Countryside (St Mary's Island, Horsted Park), Bellway (Bells Lane, Hoo), Redrow (St Andrew's Park, Halling), and Berkeley (Victory Pier, Gillingham). This meant that at one point about 50% of development in Medway was being delivered by these four developers. However, over the past 18 months we have seen an increase in interest in Medway with a number of other volume housebuilders and SME's entering the market as well as Redrow, Bellway and Countryside maintaining their interest. This includes Persimmon, McCulloch Homes, Taylor Wimpey, Abbey Homes, Peel, TopHat, Ene Group, Leander Homes, Jones Homes, Quinn Estates, and Linden Homes.

Affordable housing completions

2.39. Last year, 2017/18, saw gross completions of affordable housing at 132 units which is 19% of the number of gross housing completions. This is below the 25% policy level but the threshold is set at 25 units in urban areas to provide affordable housing so there will be many applications for new housing that fall under this threshold. The level achieved varies on an annual basis. It is recognised that affordable housing can accelerate the delivery of housing. The Letwin '[Independent Review of Build Out Rates](#)' highlights affordable housing as a separate market and sites with a higher proportion of affordable housing will deliver more quickly. This is partly because affordable housing is a separate market and partly that it is sometimes delivered early on as a cash injection for the site. NLPs '[Start to Finish](#)' report draws a similar conclusion. Medway will be considering the level to set affordable housing requirements as part of the new Local Plan. This will need to be balanced to provide the level of affordable housing that Medway needs but ensuring that sites are still viable and therefore deliverable.

2.40. At a roundtable discussion with the council, housing associations raised concern about the difficulty in delivering the affordable housing that had been negotiated as part of a S106 where the registered provider had not been included within that discussion. This could be that the terms are difficult for them to meet but also that the housing mix might not be right, especially if there is a time delay in implementing the consent. This then leads to a need to renegotiate the terms of the S106 which will introduce delays.

2.41. Some providers also raised the issue of the number of units that are available for affordable housing on some smaller sites. For the smallest sites that meet the threshold this could be just six units for affordable housing and multiples of these sites become harder to manage both at build out and occupation. Therefore, a number of providers would prefer larger sites where more affordable housing will be delivered or to use commuted sums from S106s to build out their own sites.

Stalled and dormant sites

2.42. The Planning Service has a dedicated Implementation Officer whose role includes following up on unimplemented planning consents. This acknowledges that there are consents for over 6000 homes in Medway where development has not yet started. The council targeted work to assess if there are aspects of the planning system that it can review to encourage development to come forward. There are a few notable stalled sites but these are restricted by matters that fall outside planning control. There has been ongoing dialogue with the developers of these sites to investigate whether there is anything that can be done to assist them in restarting the development.

2.43. Developers are also being contacted individually for dormant sites and invited to enter into a dialogue about how to progress the site. This has been met with a mixed response with some willing to share information and others not responding to contact. For many the issues are not Planning related. For small to medium sized sites it is often because the developer needs to secure finance or complete other projects first to enable cash flow. Some permissions have been in the pipeline for a long time but this is a minority. More support for SMEs including peer support could help them find ways of overcoming some of these issues. The council could also look at ways to help the landowners of these sites to promote them more effectively.

Diversity of housing types and market segmentation

2.44. Development in recent years in Medway has provided for choice for different markets, including suburban estate housing and waterfront apartments. Currently Medway is mainly delivering 2 and 3 bed homes with affordable units being predominantly 1 and 2 bed flats. This does not fully reflect the different types and tenures of housing that could be delivered. The council recognises that there is a need to provide housing to meet the needs of local residents. Policies relating to housing delivery and the diversity of types will form part of the new Local Plan. The plan will look at providing land for custom and self build housing. In considering strategic allocations in the plan, the council will look at delivery rates and the potential number of sales outlets that could be achieved to provide for market segmentation to boost delivery rates and meet a mix of housing needs.

- 2.45. There are increasingly different types of housing being offered in Medway. The houses at the Kitchener Barracks site are a modular build product being delivered alongside the refurbishment of the barracks. The site is being developed by Top Hat and Latis Homes. This is a flagship scheme for them that will showcase the quality of their product. They have engaged with the council to promote and develop their scheme and how their products may be used on other sites. Top Hat are also partnering Medway Development Company on the White Road Community Centre site.
- 2.46. The Chatham Waters development will see nearly 200 flats built for the private rented sector (PRS), alongside flats delivered for market housing and further phases of housing. The conclusions of the [Letwin](#) review suggest that these are different markets so these should sell at the same time as each other. In terms of delivery, both being blocks of flats means they will be delivered in one tranche, and if they sell together then it may encourage later phases to come forward more quickly. The market scheme started last year and the PRS scheme has recently begun construction.
- 2.47. There has also been an increase in the diversity of sites being delivered in Medway. In 2014/15, only 6% of consented development in the housing pipeline was on greenfield sites. The early indications for 2018/19 is that 30% of future development of homes in Medway are planned on greenfield sites. This demonstrates that the council has granted planning permission for a number of greenfield sites, outside of current Local Plan development boundaries, to increase housing land supply.
- 2.48. The council has a self-build and custom housebuilding register where members of the public can register an interest in building their own home in Medway. There have been a couple of schemes that could deliver 11 units specifically for self-build units. Encouraging the delivery of more self-build plots will be included within policies of the new Local Plan. Neighbourhood plans in Medway are also considering opportunities for self build and local needs housing.

Medway Development Company

- 2.49. Medway Development Company (MDC) was set up as a delivery body by Medway Council in 2018. It was created to deliver high quality developments but also maximise returns on council owned assets with the intention of reinvesting them to support strategic priorities. It is progressing schemes on brownfield sites and contributing to market confidence in Medway's future growth. The company's business case has identified development plans for 12 council-owned sites over the next 5 years. Four planning applications have been progressed for Chatham Waterfront, Whiffens Avenue Car Park, Chatham, White Road Community Centre, Chatham and Britton Farm,

Gillingham. These sites will deliver 355 homes. MDC is working up proposals for other council owned sites. MDC officers have regular meetings with the Planning service and both are working together to ensure efficient submission and processing of applications.

Direct delivery and Housing Revenue Account

2.50. Besides MDC, Medway Council is also directly delivering housing using its Housing Revenue Account. This provides for a small number of homes meeting specialist needs. The council is bringing forward a project for six bungalows in Twydall, Gillingham for older residents and those with mobility problems. Previous schemes have included Centenary Gardens, Gillingham for 32 bungalows let to council tenants. There were an additional 24 units completed January 2016 with pepper pot delivery across Medway. This again shows confidence to the market and allows the council to deliver the homes that meet residents' needs. The skills are there to deliver this kind of development and the council has shown willingness to do this.

Compulsory Purchase Orders

2.51. These can be used to progress development. Medway have historically used these for sites to develop housing and other schemes such as Rochester Riverside and Gillingham Pier. This has enabled remediation works to be completed to de-risk the sites. There is a current proposal to use CPO powers for the conversion of a redundant office block in Chatham to residential use by Medway Development Company. There is already a prior approval on this site for 112 units so the hope is the council can align this to their priorities and provide housing to the needs of Medway residents as well as supporting regeneration in Chatham.

Delivery of 1,000+ unit sites

2.52. Evidence from the data standard template is that larger sites for Medway have been historically slow to commence or deliver. Most notable are the strategic brownfield regeneration sites at St Mary's Island and Rochester Riverside.

2.53. St Mary's Island is nearly complete and is the largest site to deliver in Medway's 20 year history, and seen as a success of Medway's regeneration. The site was first identified in 1988 with an application submitted five years later. The development proposals were sponsored by the regional development agency and led by a masterplan. Permission was granted in 1996. The site has nearly delivered 1,769 homes. The site needed major remediation work at the outset as it was former defence land with heavy contamination. There were years, after the 2008 financial

crisis, when the site did not deliver any new homes. Although it has taken many years for St Mary's Island to get this far it has been a major contributor to Medway's housing and a regeneration success which has resulted in a high quality and desirable area of housing. And when compared with the average build out rates in NLPs 'Start to Finish' it is at about 80 dwellings per year which is close to the figure identified of 84 units for brownfield sites of 1,500-1,999 units.

2.54. Rochester Riverside was first identified as a key regeneration site in 1988. There were 73 units built in 2012 but the remainder of the site only started in 2018, following the recession and review of plans. With 1,473 homes to build it could take 20 years to see all those houses built, using NLP's suggested figures as a guide, but the developers are predicting a quicker build out than this with completion by 2029. The council secured funding from central government to carry out decontamination and site preparation works, which has now de-risked the site. The current scheme is a joint venture with Countryside and Hyde Property Group in collaboration with the council and Homes England. There are currently 170 houses under construction with some ready for sale very soon. The developer is predicting 359 homes will be complete by March 2022.

2.55. The build out rate of such sites and evidence from research such as NLPs '[Start to Finish](#)' will be referred to when detailing a trajectory of development for the new Local Plan.

Leadership, Entrepreneurism and Attraction

2.56. It is seen that market interest is higher in attractive areas where people want to live. Therefore it is important that the council works constructively with partners, businesses and communities to promote Medway as providing a good quality of life to residents and investors. The council has taken a leading role in place making.

Medway 2035 and Regeneration

2.57. Medway 2035 sets out the regeneration aims and objectives for Medway across eight priority areas – Destination and placemaking; Inward Investment; Innovation; Business accommodation and digital connectivity; Sector growth; Improving employability. It was consulted on as part of the development of the Local Plan in Spring 2018. Medway 2035 will be accompanied by a Regeneration Delivery Plan (RDP), a framework for delivering the identified objectives, with short, medium and long-term actions.

2.58. The Regeneration Delivery service will lead on delivery of the Medway 2035 vision and RDP. They have secured investment in infrastructure to enable and promote development to deliver the council's regeneration ambitions. Through the South East Local Enterprise Partnership's (SELEP) Local Growth Fund, national government is investing £40 million in Medway's regeneration. This includes Strood Town Centre and Waterfront, Chatham Placemaking and Waterfront, Innovation Park Medway, Rochester Riverside, Medway City Estate, and Greenspace projects including Command of the Heights.

Housing Infrastructure Fund Bid

2.59. The council has identified lack of infrastructure capacity as a significant constraint to growth and has worked on securing resources to upgrade key services and infrastructure to support sustainable growth. A bid for £170 million was submitted to central government from the Housing Infrastructure Fund (HIF) in March 2019. If successful, the council will use the funding to invest in major improvements to transport infrastructure and develop a strategic environmental management package to ensure the protection of areas of international and national importance for wildlife.

2.60. The highway network is nearly at capacity on the roads leading to the Hoo Peninsula and the current infrastructure is a constraint to further growth. The council will define its proposed spatial strategy for the new local plan, informed by an assessment of infrastructure capacity and the means available to mitigate and improve services.

Place branding

2.61. The Medway Place Board was established in February 2017 and comprises key stakeholders involved with strategic discussions about Medway the place, with the aim of supporting the priority to 'Put Medway on the Map'. This year has seen the launch of a place branding project which promotes Medway as a 'waterfront city'. This led to a place branding launch in June 2018 with stakeholders and individuals from Medway's community to be part of the launch of the Medway Story. Medway has been promoted at events such as MIPIM and had an increased profile in the media with articles in the Telegraph and Homes and Property. A Medway Champions Programme has been established with the aim of changing perceptions of Medway and to raise its profile. The [We Are Medway](#) website has been launched and provides a toolkit for champions. A parliamentary event will take place in September this year to present and showcase Medway as a place to live, work, learn and visit. These activities contribute to building confidence and securing investment in Medway.

Cultural events and festivals

2.62. Medway has a large and varied cultural events and festivals programme which celebrates Medway's past and present. It hosts 30 days of free festivals and events a year including two Dickens festivals, Chinese New Year, the English Festival, Sweeps Festival, Rochester Castle concerts, Under Siege, Will Adams Festival and Bonfire Night. There are numerous other events throughout the year as well as access to cultural and heritage assets. This helps form part of Medway's identity and attraction as a place to live.

Communication with landowners, developers, agents and registered providers

2.63. The council offers a range of meetings and forums to engage with different stakeholders to improve understanding between the sectors in the development industry. This includes a major developer forum annually aimed at developers and planning consultants of larger schemes. There is also an annual agents meeting which is aimed more at agents supporting smaller scale and householder developments. Both these forums provide updates on legislation, policy and processes but also offer the opportunity for stakeholders to feedback about the service we provide and how this could be improved to support them.

2.64. The Head of Planning holds breakfast meetings jointly with Maidstone and Swale Borough Councils with volume housebuilders such as Countryside, Bellway, Crest Nicholson, Redrow, Persimmon, Wealden Homes, Esquire Developments and a couple of larger affordable housing providers. The meetings are not formally minuted but do

have an agenda and offer an opportunity for developers to raise issues with our processes and policy but also to raise issues with central government policy. This has proved a useful way of receiving information and feedback that can help inform service delivery and ways in which the council can support the delivery of housing. It is also used as a 'sounding board' on key matters in planning and development. The council also organised a joint meeting with developers, local planning authorities and the chief planner at MHCLG to discuss deliverability.

2.65. The Planning Service has established an implementation officer role with the purpose of strengthening the understanding of the development sector in Medway, and specifically following up on schemes where development is delayed in coming forward. A process has been created to contact developers to encourage implementation of their consents.

2.66. Planning officers also consult with developers annually to check the projections on phasing for development. This information is then used to produce the development trajectory in the AMR. Officers from Planning, Regeneration and Housing services meet to critically assess the realistic prospects of proposed trajectories on large sites, based on past performance rates. There has been a good level of input by developers this year and this will be used alongside current knowledge on phasing to forecast housing supply. This increases confidence in housing trajectories.

2.67. There are monthly meetings with MDC and Housing to collaborate on housing delivery. There has also been a roundtable discussion with registered providers, organised by Housing and Planning.

Planning Protocol

2.68. Our Planning Protocol encourages collaborative working between all those delivering growth in Kent and Medway. The main aim is to deliver an environment for quality and sustainable growth in Kent and Medway to meet employment and housing needs. The protocol has four commitments which promote collaborative working between developers and local authorities. These are ensuring appropriate resources are available to deliver an efficient, high-quality planning service; promote training opportunities; communicate effectively; and increase certainty and consistency. There is scope to encourage more stakeholders to commit to the Planning Protocol.

Resourcing the Planning Service

2.69. Medway has used the increase to planning fees last year to resource the Planning Service. This includes making temporary staff permanent, and an increase in staffing

in validation, landscape, urban design, empty properties and implementation. Staffing structures are regularly reviewed as part of service planning.

Commuted sums

2.70. Medway Council has a Housing Revenue Account that has been used to deliver some schemes, as noted above. Most affordable housing has been provided on site by the developer, in line with current Local Plan policy, but more sites are coming forward for off-site affordable provision. There are ongoing discussions on how to use commuted sums for the delivery of affordable housing. The council is working closely with registered providers as they are also able to use their recycled capital grant and this may enable quicker delivery of schemes.

Skills and employability

2.71. As noted in the [Letwin Review](#), there have been reported skills shortages in the construction sector that have impacted on housebuilding. Medway has adopted a Skills and Employability Plan. Construction has been identified as a skills shortage area and therefore a priority sector within this plan. This plan aligns with priorities in the Council Plan and Medway 2035. There are 18 key actions that will help deliver the aspirations of the plan. Some developers have identified a shortage of construction workers as a barrier to development. The Regeneration Delivery team have a skills and employability programme manager who facilitates the implementation of the plan with the aim of increasing the number of people within Medway with the relevant skills. There is direct support available to developers in promoting apprenticeships and the council also has good links with local training providers.

Progress in promoting housing delivery

2.72. Progress is being recognised in the press and by Kit Malthouse, former Minister for Housing, in following up on a meeting he had with members and officers in 2019 and a visit to Rochester Riverside last year.

2.73. In a recent [appeal decision](#) relating to a green belt site in Strood and the inspector noted that 'considerable effort is being put in to addressing the housing supply situation'. She recognised that the council was granting permission on greenfield sites, the preparation of the HIF bid and the council's proactive efforts to expedite problems in consultation with developers and landowners.

2.74. The recognition of the efforts being made are relevant but the action plan now provides a basis to link the analysis of the issues to the scope of potential responses.

3. Key Actions & Responses

3.1. A review of key issues has shown that Medway Council is already working on a wide range of criteria to encourage the delivery of housing. This section sets out the key actions in response to the issues discussed in the analysis above.

Key Actions	Timescale	Responsibility
Policy and Process		
<ul style="list-style-type: none"> ● Publication of draft Local Plan <ul style="list-style-type: none"> ○ Provide proposed development allocations to meet housing needs ○ Demonstrate mix of sites and delivery rates to secure five year land supply and range of housing ○ Provide details at draft plan on housing mix, delivery rates and implementation proposals, with specific consideration of strategic sites, to demonstrate how potential constraints to growth addressed. ○ Policy and allocations for specialist housing needs in draft plan. ○ Infrastructure Delivery Plan and Viability Assessment provide basis for sound development allocations. ○ Monitoring framework to consider measures arising from HDT action plan. ○ Review of Developer Contribution Guide to align to draft local plan. ○ Publication of further policy and guidance documents as supporting evidence for the local plan and to promote development opportunities. 	Late 2019	Planning Policy team
<ul style="list-style-type: none"> ● Review of development management processes <ul style="list-style-type: none"> ○ review processes for condition discharge ○ review options for flexible condition for materials ○ encouraging increased use of PPAs and consideration of specific application type PPAs such as discharge of conditions ○ review process associated with S106 negotiation and introduction of some more flexible clauses in particular associated with affordable housing 	Ongoing work and feed in to 2020/21 service plan	Development Management teams and legal

<ul style="list-style-type: none"> • Developing the data standard by implementation officer <ul style="list-style-type: none"> ○ Using the evidence log to RAG rate sites and focus on unblocking red sites. 	Ongoing	Planning Policy team
<ul style="list-style-type: none"> • Monitoring of progress on action plan to be included within service plan monitoring and reporting. 	Quarterly	Planning Service
Supply and Demand		
<ul style="list-style-type: none"> • Working with developers to submit applications on allocated sites <ul style="list-style-type: none"> ○ Work with developers to encourage early pre-application discussions once the draft local plan is published and subsequent submission of application 	From Winter 2019 onwards	Planning Policy team
<ul style="list-style-type: none"> • Working with registered providers to identify sites below 25 units for them to deliver as 100% affordable housing 	On-going	Planning Policy & Housing teams
<ul style="list-style-type: none"> • Developing a plan to use commuted sums for delivery of affordable housing units 	On-going	Housing
Leadership, entrepreneurship and attraction		
<ul style="list-style-type: none"> • Continue engagement processes between Planning Service and development sector. 	Ongoing	Planning Service
<ul style="list-style-type: none"> • Establishing a developer forum/breakfast meetings for SMEs 	Autumn 2019 onwards	Planning Service
<ul style="list-style-type: none"> • Promotion of local apprentices with developers and housebuilders 	Ongoing	Planning and Regeneration
<ul style="list-style-type: none"> • Engaging and re-energising Planning Protocol commitments 	Ongoing	Planning Service
<ul style="list-style-type: none"> • Continuing delivery of place-making programme and implementation of Medway 2035 regeneration strategy. 	Ongoing with annual review in service plans.	Corporate services

4. Project management and monitoring arrangements

- 4.1. The council has an ambitious vision for Medway's sustainable growth. There is corporate commitment to securing housing delivery. This action plan will be signed off by the council's Cabinet.
- 4.2. The Head of Planning will lead on the delivery of actions within this plan, by working corporately and with external partners and developers as appropriate to the tasks.
- 4.3. The action plan will feed into the service's work programme. The Planning Implementation Officer will be responsible for monitoring the progress of the action plan and will report at least quarterly, to the Head of Planning and corporate groups. The council anticipates producing a second HDT action plan in early 2020 and will monitor and review progress to inform the next plan.
- 4.4. The council will consider the content of this plan in drawing up the monitoring framework for the new local plan. This will form the basis of reporting in the annual Authority Monitoring Report.