

# Medway Housing Delivery Test Action Plan

August 2020

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## Executive Summary

Medway Council published the first Housing Delivery Test Action Plan (HDTAP) in August 2019 and this is the updated second edition. The Council has produced the action plan in response to the Housing Delivery Test (HDT) results published in February 2019 and February 2020 because delivery was below the 95% threshold.

The HDT is a measure of the number of homes delivered in the preceding three years compared with the defined local housing need. It was introduced to encourage local authorities to take action to address the causes of low rates of housing delivery and it supports the government's target of delivering 300,000 new homes a year by the mid-2020s.

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.
- Reviews actions supporting delivery from the last plan and their impact
- 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.

The Council has recognised the importance of housing delivery for many years and works with stakeholders to encourage the delivery of homes. The Council is working corporately towards maximising regeneration and economic growth and this includes progressing the Local Plan and engaging with developers and landowners. The Council is also delivering sites through Medway Development Company (MDC) and via its Housing Team. The preparation of this action plan has been informed by the work the Planning Service has been undertaking on housing delivery and the preparation the new Local Plan. At the time of writing this report the Council is focused on putting effective measures in place to address the impact of Covid-19. Securing the recovery of the development sector and investing in infrastructure are critical to these plans.

The action plan considers Medway's context. Regeneration and new infrastructure have contributed to significant change to the area. Much of the development potential is on brownfield sites and whilst successful at transforming the urban landscape, has taken longer to build out. The Council continues to promote regeneration and reuse of brownfield sites but has recognised the need to deliver greenfield sites outside the Local Plan boundaries to meet the identified local housing need.

The report also considers predicting how Medway will perform in future HDTs based on the housing trajectory published in the Council's Authority Monitoring Report (AMR) 2018/19. This shows that there is the potential to pass the HDT by 2022. However, this recognises the need to have a sustained increase in housing delivery to achieve this, as is currently proposed by developers. However, there is caution because a change of circumstances could influence the delivery of new homes. Covid-19 has already had an impact on the delivery of housing, but it is as yet unclear what the impact will be in the medium and long term. The analysis includes consideration of the impact the last recession had on housing delivery both locally and nationally and how this might help us understand the current and anticipated recession resulting from Covid-19 and its impact on housing delivery. It concludes that the efforts to permit larger greenfield sites has left Medway well placed to continue delivering new homes, even if at a slower rate.

The report details progression of actions in the 2019 Action Plan, as well as other activities the Council has undertaken this year that will support housing delivery.

There is a detailed examination of areas of direct and indirect influence. It reviews the internal processes in the Planning service, covering both policy and development management. The report then looks at wider factors affecting housing supply and demand. It considers how the Council can encourage leadership, improve the attraction of Medway and other possible entrepreneurial actions it could take to promote the housing investment in the area.

In many of these areas, the Council has been proactive in taking steps that help promote housing delivery. There is much to be applauded and continued but we have also identified some areas with scope for improvement where the Council can take action to address. These are included in section 3 of the report. Some actions will see immediate results. Others will take longer to show impact but are essential for medium to long term delivery.

### **Key conclusions from the analysis**

There has been an increase in the number of planning permissions for dwellings in recent years, but this is still not at a high enough level to deliver the level of identified local housing need. The defined local housing need has increased significantly, and the Council has taken action to permit more schemes including larger schemes on greenfield sites. This is now having a positive effect on the number of new homes being built. This needs to be sustained to increase the rates of delivery and pass the HDT in coming years.

A key action is publication of the new Local Plan as it will provide the spatial strategy to meet the local housing need. There has been detailed work 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 (5YHLS). This is shown in the most recent Strategic Land Availability Assessment (SLAA) and Brownfield Land Register.

The analysis shows that communication with stakeholders through ongoing engagement activities is an important part of Medway's influence over the delivery of housing.

There is a breadth of work happening across the Council that will have a positive impact on the delivery of housing including within the Planning service. The delivery of projects such as HIF will ensure the Council can continue to meet its own regeneration aspirations and housing delivery whilst supporting the development sector to continue delivering in Medway.

# 1 Introduction

## Background

- 1.1 This Action Plan has been prepared during the period of public health measures to address the Covid-19 pandemic, and the early weeks in coming out of lockdown. Although the action plan responds to past activities in the housing market, the current situation and anticipated conditions in the near future are significant for this work. This action plan considers some of the short term impacts on the housing market resulting from the Covid-19 lockdown measures. It also aligns to the Council's recovery plans to secure the economy and investment in infrastructure, At the time of writing this report, government policy is still emerging, but the role of construction in the national strategy is clearly seen. 'Build, build, build' is a key message from the Prime Minister.
- 1.2 The action plan sits within the context of the government's agenda to boost the supply of housing. This is now given added significance as the country plans its response from the Covid-19 pandemic. The requirement on local planning authorities to produce an action plan arose from updates to national planning policy in 2018 with a further update in 2019. 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. This is the second action plan that the Council has produced.
- 1.3 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 have not 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'](#) was commissioned to investigate further the factors influencing housing delivery, particularly the delays between planning approvals and new homes being built. Discussions have continued on the topic of housebuilding, and further government announcements are expected with further reforms to the Planning system, which are anticipated in Summer 2020.
- 1.4 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. The Council recognises that the HDT is only one part of this complex range of factors that impact on housing development and sees this action plan as intrinsically linked to wider plans and programmes.

- 1.5 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 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 and performance tool to demonstrate whether local areas are building enough homes to meet their housing need. The HDT results have been published twice to date, in February 2019 and February 2020. It compares the number of new homes delivered over the previous three years with the authority's housing requirement as defined by a government measure. 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 calculated using the 'standard method', as defined by government data.

### **The purposes of this document**

- 1.6 The first HDT, published in February 2019, gave Medway a result of 47% delivery against its defined level of housing need. The second, published a year later, a result of 46%. The first action plan was published in August 2019 as the result was below 95%. The Council has produced this document as the second, updated action plan for publication in August 2020. This is within six months after the publication of the result as prescribed by the [NPPF](#). In addition, a 20% buffer is applied to the five-year housing land supply as delivery is below 85%. This has the impact of increasing the annual housing need measure on the Council.
- 1.7 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 (PAS) guidance and workshops to help prepare this action plan. This has ensured a robust and comprehensive approach. The Council has also continued to promote the delivery of housing as a key issue for Medway. This is demonstrated through the Council's lead on development and regeneration schemes, its marketing and inward investment work, and engagement with the wider development sector. This plan will be reported to the Council's Cabinet to seek authority to publish. This helps to maintain high levels of engagement with senior members and managers.
- 1.8 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, and further updates to government policy. 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. The HDT action plan should not be seen as a ‘stand-alone’ document, but rather linked to wider ambitions, plans and programmes in Medway.

#### 1.9 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
- Reviews actions supporting delivery from the last plan and their impact
- 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**

1.10 Medway Council has recognised the importance of housing delivery for many years and a priority within the corporate [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. These ambitions are being realised, with Council owned sites in Chatham and Strood providing for new homes and regenerating our town centres. At the time of writing this report, the Council is focused on putting effective measures in place to address the impacts of Covid-19. Securing the recovery of the development sector and investing in infrastructure are critical to these plans.

1.11 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. This has been carried out this year in the context of Covid-19, and the Council has sought specific information from developers on any anticipated impacts on the timing and phasing of housing delivery. At the time of preparing this report, information is still being collated, so the Council has not been able to include details in this action plan. However, the information will be used in the AMR published in December 2020.

- 1.12 The Council signed up to a support programme delivered by the Planning Advisory Service specifically designed to prepare a HDT 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. Officers have also been sharing information and best practice with other local planning authorities in Kent that experience similar issues.
- 1.13 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 the implementation of planning consents has helped identify site specific issues that create barriers to development. This is considered further in section 'Monitoring of previous actions (2.32) below.

## Link to other Council strategies and plans

1.14 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. This will include the Council's response plans to the wide reaching impacts of Covid.

### Housing Delivery Test Action Plan (HDTAP) and other documents

Corporate document	Overlap with HDTAP
Council Plan	The Council Plan sets out how we will achieve the outcomes outlined in the Medway Council Strategy and the measure we will use to track our performance. One of the three strategic priorities is 'maximising regeneration and economic growth – growth for all' and within that 'delivering new homes to meet the needs of our residents.'
Local Plan	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 to produce the draft plan for publication.
Medway 2035	Prepared by the Regeneration team this document 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. This is being refreshed as part of the Council's Covid-19 response plans.
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. This is a wide ranging section of the action plan. The Planning Advisory Service has provided councils with a template to guide the preparation of HDT action plans, so that there is a comprehensive review of potential relevant factors. The Council has followed this guidance. The analysis includes consideration of the factors that have contributed to housing delivery rates in past years in Medway, and what is anticipated in coming years. We review the actions taken within the Planning service to support housebuilding, and wider considerations of supply and demand factors.
- 2.2. 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 and complex 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, which present significant constraints on development. 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. The Council is leading on the redevelopment of several urban regeneration sites. However, rates of housebuilding are below the level of identified housing needs.
- 2.3. There are a complex range of factors that influence housing delivery, which are acknowledged in government policy documents and guidance. The Letwin ['Independent Review of Build Out Rates'](#) is primarily focused on large sites of 1,000-15,000 units and although this may not seem immediately relevant to the sites that are currently being delivered in Medway, it does consider a range of factors that will influence build out rates. These are factors that Medway is aware can affect the delivery of sites of all sizes and the analysis will give context to some of the larger sites that will come forward in the future.
- 2.4. The Council has looked at its internal processes in the Planning Service, covering both policy and development management. This report then looks at wider factors affecting housing supply and demand. It considers how the Council can encourage leadership, improve the attraction of Medway and other possible entrepreneurial actions it could take. Guidance from the Planning Advisory Service has supported this process. Publications such as [Start to Finish](#) have also provided some insight and areas to be considered.
- 2.5. 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.

### Past performance on housing delivery

- 2.6. The latest HDT measurement was published in February 2020 (2019 series) and showed that rates of housebuilding delivered in Medway in the preceding three years were 46% of the defined housing requirement, calculated using the method in the Housing Delivery Test Rule Book

	2016-17	2017-18	2018-19	Total	Percentage result
<b>Number of homes required</b>	1,322	1,334	1,672	4,328	46%
<b>Number of homes delivered</b>	661	669	647	1,978	

*Table 1 Medway's data taken from the published measurement*

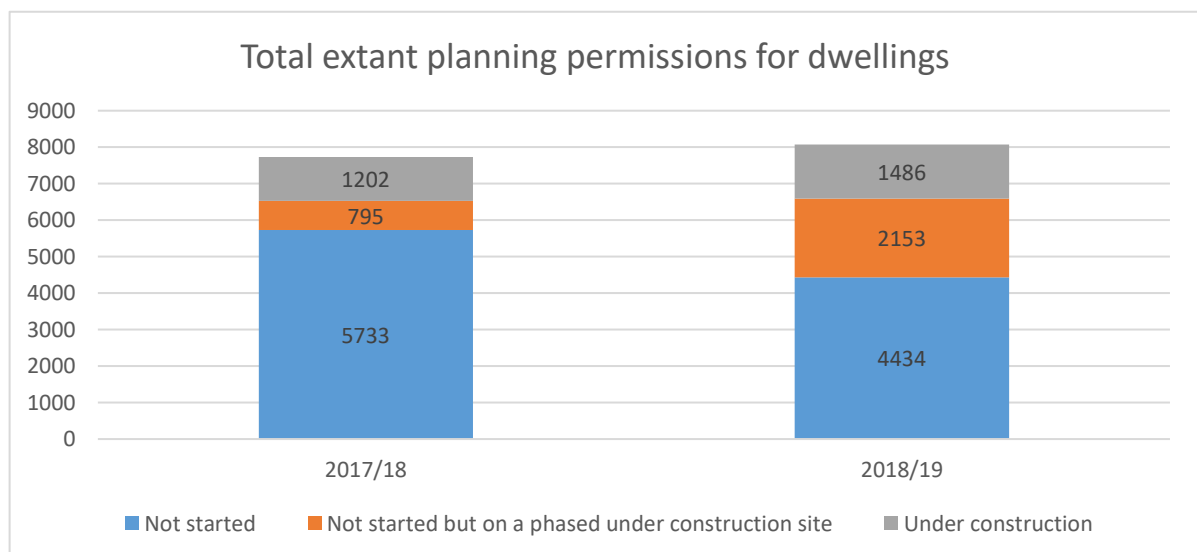
- 2.7. There is a small decrease in the number of homes delivered in the last reported year (2018-19) when compared with the previous year. A number of large sites have delivered more slowly than predicted by developers with some delivering units shortly after 31 March so will contribute to the forthcoming year's completion figures (April 2019 - March 2020 to be reported in the AMR in December 2020) and only just miss out on their forecasts for 2018-19. This shows how even short delays on site can impact on the measure.
- 2.8. 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 1,655 dwellings per year needed to meet the five-year housing land supply but increases to 1,986 when a buffer of 20% is added due to past under delivery identified by the HDT. This large variation in levels of housing need relates to changes in Government policy and updates to demographic data. It also reflects government priority to provide 300,000 new homes per year by the mid-2020s.

- 2.9. The Government has been working on a revision to the standard method and the update is expected by the autumn. The standard method continues to use 2014 based household projections, despite more recent updates from in 2016 and 2018 bases, showing a decrease in the rates of growth of households. Given the government’s ambitions and their recent announcements on promoting building to support the recovery from the Covid-19 lockdown, it is anticipated that the new methodology will reflect this ambition and the housing need figure for Medway is unlikely to change significantly.
- 2.10. The following table shows the number of dwellings under construction and not started as set out in the AMR 2018/19.

	2015/16	2016/17	2017/18	2018/19
<b>Extant permissions not started (net)</b>	5491	6494	6170	6587
<b>Extant permissions under construction (net)</b>	760	805	1202	1486
<b>Total</b>	<b>6251</b>	<b>7299</b>	<b>7372</b>	<b>8073</b>

Table 2 number of dwellings under construction and not started as per AMR 2018/19

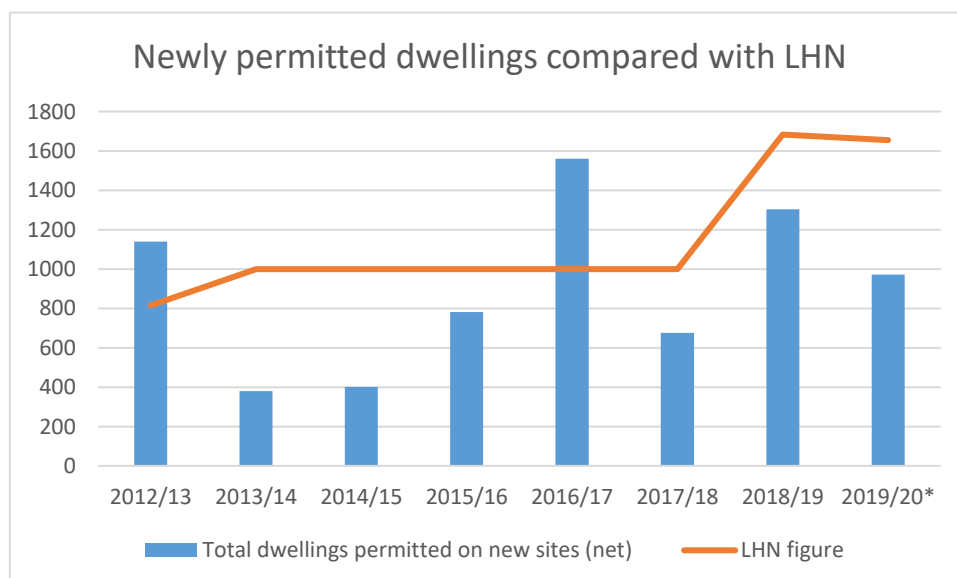
- 2.11. There are some sites that fall into both categories, for example, when the site is phased and not all phases are under construction. There are about twenty large sites that have units in both categories including Rochester Riverside, land at Mierscourt Road, land north of Peninsula Way, Kitchener Barracks and former Chatham Golf Centre. The chart below includes an additional category of units that are not started but are on a site, or part of a site, that is under construction (and only includes parts of a site that have an implementable consent.)



- 2.12. As shown in the graph above, for 2018/19, this subcategory is 27% of all extant permitted dwellings and 33% of not started extant permitted dwellings. There is a significant increase in the number of units in the subcategory for 2018/19 and it is a good indicator of the intent. These sites will continue to contribute to the delivery of new homes and the early indicators are that many progressed well in 2019/20.
- 2.13. The number of new homes being delivered is increasing with the total number of dwellings permitted in the last four years totalling 4,509 dwellings compared with 2,701 in the preceding four years. However, there have not been enough permissions granted to meet the current high level of local housing need. It inevitably takes some time to increase the pipeline in response to the increased level of LHN. The table and graph below show the number of new sites in each year and the total dwellings permitted on these new sites.

	2012/ 2013	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020*
<b>No of permissions on new sites</b>	68	77	91	81	109	114	104	116
<b>Large/Windfall (dwellings)net</b>	1069	277	294	694	1447	543	1217	837
<b>Small dwellings (net)</b>	70	103	107	87	113	132	86	134
<b>Total dwellings permitted on new sites (net)</b>	<b>1139</b>	<b>380</b>	<b>401</b>	<b>781</b>	<b>1560</b>	<b>675</b>	<b>1303</b>	<b>971</b>

Table 3 \*provisional figures



- 2.14. 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 several greenfield sites, outside the current Local Plan development boundaries, to increase housing land supply (see Map 1.) 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.
- 2.15. Early indicators for 2019/20, suggest that the delivery of housebuilding in Medway is close to that predicted in the housing trajectory published in the latest AMR. [Energy Performance Certificates](#) (EPC) show all new lodgements to have received a certificate. This is not the same measure that the Council use, but it often closely reflects to our housing completion figures. This year they show 1,206 certificates being received for new lodgements. However, there is more caution over this figure than in previous years because the process of monitoring all new development within Medway has been restricted by the Covid-19 pandemic so it is possible that some units will have been completed but might not be recorded until the following monitoring year. The EPC data has limited usefulness because it only gives a figure for the whole local authority and not specific sites or wards so cannot be cross checked against our data.

### **Housing Delivery Test predictions**

- 2.16. The [NPPF](#) requires local planning authorities (LPAs) to apply a presumption in favour of sustainable development to decision taking if the development plan policies are out of date unless there are other material considerations to outweigh this. It also requires LPAs to apply this if their delivery falls below a certain level. There has been a transition arrangement in place for the first two years of the measurement with the level of delivery needing to be above 25% in year 1 and 45% in year 2. Medway was just above this at 46% for year 2. In year 3 and beyond, this measure increases to 75% and as the HDT measurement is based upon the preceding three years delivery Medway will not meet this level of delivery in year 3, even if there is an increase in the delivery rate for last year (2019/20). This can change in future years if the level of delivery increases to the level of need identified and the increase is sustained.
- 2.17. Work is ongoing to deliver the new Local Plan and once adopted, decision taking will be made in accordance with the new, up-to-date, policies. As the HDT looks back, it will still apply the presumption in favour of sustainable development if delivery falls below 75%, regardless of the status of the Local Plan. Therefore, it is crucial to increase the rate of delivery to ensure the Council can deliver development that meets local needs in accordance with the policies it adopts and the overall spatial strategy set out in the Local Plan.



2.18. It is useful to predict how Medway will perform in the HDT in the years to come. The following delivery predictions are based on the housing trajectory set out in the latest AMR with the calculations adjusted in line the [Housing Delivery Test Rule Book](#). The housing trajectory includes all sites with planning permission (not started/under construction), as well as Strategic Land Availability Assessment (SLAA) sites and a figure for windfalls.

Publication year (November)	Number of homes required			Total number of homes required	Number of homes delivered			Total number of homes delivered	Result
	Year 1	Year 2	Year 3		Year 1	Year 2	Year 3		
<b>2018</b>	1341	1322	1334	3997	553	661	669	1883	47%
<b>2019</b>	1322	1334	1672	4328	661	669	647	1977	46%
<b>2020</b>	1334	1672	1655	4661	669	647	1307	2623	56%
<b>2021</b>	1672	1655	1986	5313	647	1307	1828	3782	71%
<b>2022</b>	1655	1986	1986	5627	1307	1828	2687	5822	103%
<b>2023</b>	1986	1986	1986	5958	1828	2687	2224	6739	113%
<b>2024</b>	1986	1986	1986	5958	2687	2224	2322	7233	121%

2018	2019	2020	2021	2022	2023	2024
<b>47%</b>	<b>46%</b>	<b>56%</b>	<b>71%</b>	<b>103%</b>	<b>113%</b>	<b>121%</b>
1 <sup>st</sup> action plan and 20% buffer	Current action plan and 20% buffer	Action plan, 20% buffer and presumption in favour of sustainable development	Action plan, 20% buffer and presumption in favour of sustainable development	No imposed measures	No imposed measures	No imposed measures

Tables 4&5 - The above two tables include the results published in the HDT measurement in February 2019 and 2020. It also includes predictions on delivery based on the housing trajectory in the AMR 2018/19 adjusted as per the HDT rulebook. As part of the transitional arrangements, the number of homes required for the years 2015/16, 2016/17 and 2017/18 is based on the household projections, 2012 and 2014 bases. From 2018/19, the number of homes required is based on the minimum annual LHN which is calculated with a base date of 1<sup>st</sup> April each year and the calculation uses the affordability ratio of the previous calendar year. This means the number of homes required will change slightly in each financial year. The LHN may be subject to change in coming years with an update to the standard method expected and adoption of the local and its annual housing targets.

2.19. The predicted results do show that Medway will pass the HDT in 2022 if it delivers the number of homes set out in the housing trajectory. As the result is based on the previous three years housing delivery, the increase in the number of homes being delivered will need to be sustained. The timing will coincide with adoption of the

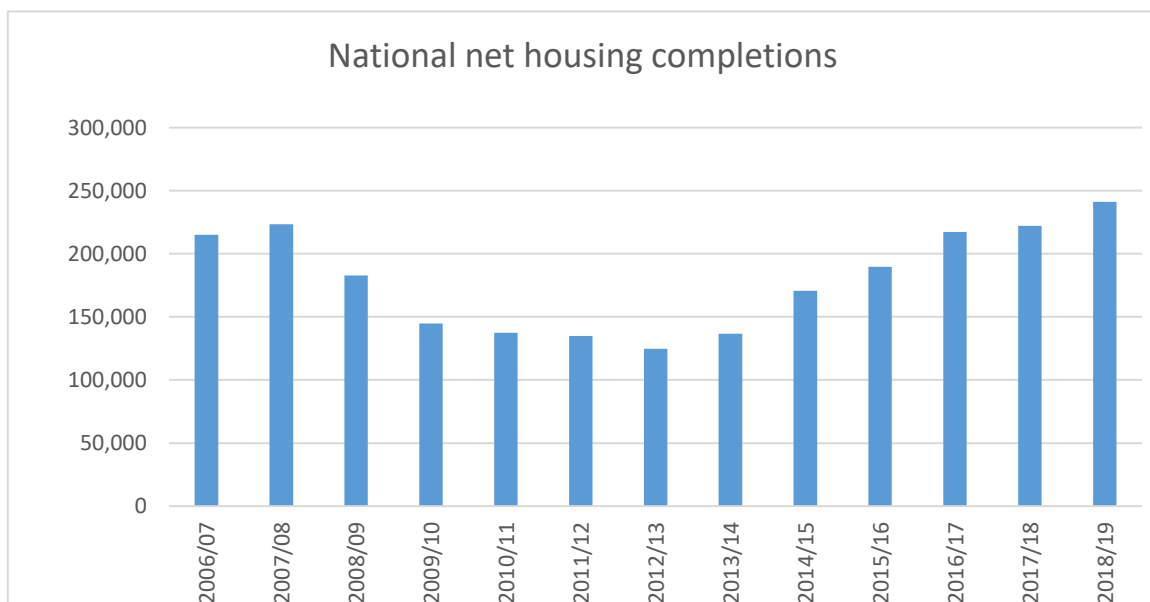
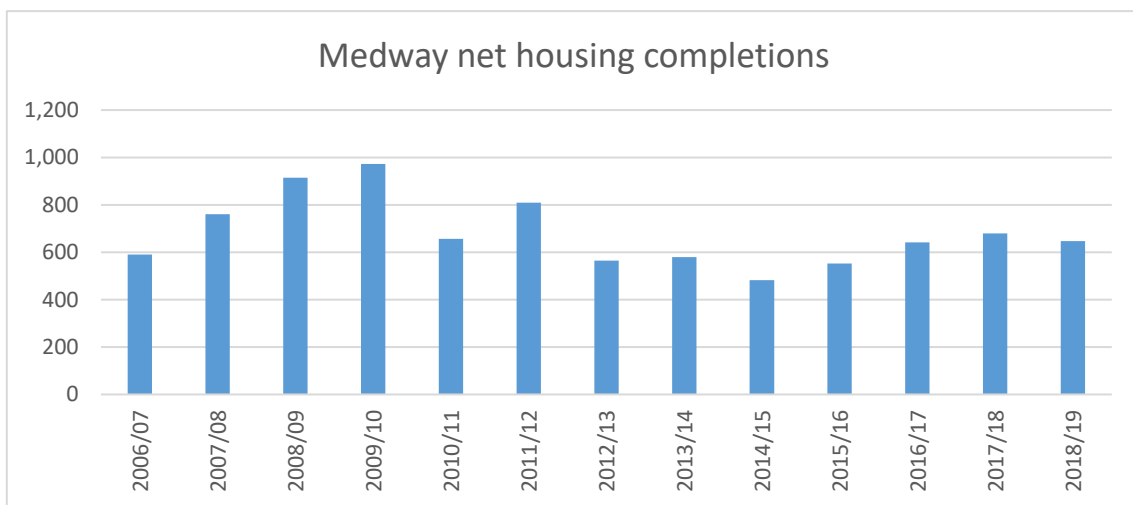
Local Plan and will mean Medway will be able to make decisions based on the adopted policies including the sites allocated for housing in favour of other sites. There needs to be a degree of caution again as a change in circumstances can influence the delivery of new homes. The current Covid-19 situation will have an impact on the delivery of new homes in 2020-21 due to construction work stopping on most sites from March 2020, the slow reopening of sites with ongoing social distancing measures slowing site progress and economic conditions impacting the market. At this stage, it is still unclear how much impact will be felt in the medium to long term.

- 2.20. The Covid-19 pandemic is an issue that will affect the housing market nationally and all local planning authorities will need to plan how to manage the gap in housing delivery. Even though there are measures local authorities could introduce to support the sector in the recovery, it is not wholly within their control. National recovery planning will need to include support for local planning authorities and the development sector especially if the government continues to aspire to 300,000 new homes per year by the middle of this decade. There are some signs that this is starting to happen with the government announcing measures to support the housing market. Without further action, there is a chance that more authorities, and possibly a majority, will fail the HDT and will mean they face a presumption in favour of sustainable development even if they have current Local Plans. This will be contrary to a plan-led system which is still supported in the [NPPF](#).
- 2.21. The housing trajectory will be reviewed as part of existing work programmes including annual monitoring and evidence base work for the new Local Plan. This will include consideration of the impacts of Covid-19 alongside other factors. Developers and landowners of large and strategic sites have been asked to provide up-to-date estimates of their expected housing delivery as part of the annual monitoring of permitted sites and an update on SLAA sites. This has happened since the lockdown was introduced and responses are being received so will include some adjustments due to the current situation, although there is still uncertainty about the longer-term impact. The Council will continue to engage with the development sector to monitor current conditions and delivery plans.

### **Housing delivery since the 2008 recession**

- 2.22. The Covid-19 pandemic has led to a recession in the UK and this in turn will impact the delivery of new homes. This follows on from limited growth in the economy in the run up to the 2019 general election and Brexit plans which resulted in uncertainty in the market. The wider economic circumstances are outside of the control of the Council and most new homes are delivered by the private development sector. It is likely that there will be a slowdown in the housing market and the build out rate will reflect market conditions. This is subject to ongoing analysis. The development sector is an important aspect of both national and local recovery plans.

2.23. Looking back at the impact of the last recession might help us understand how the current recession will impact housing delivery. There might be lessons to be learned about how to positively influence the continuation of delivery of new homes. Professionals within the development sector, both private and public sectors, have been discussing what actions or measures can be put in place to reduce the impact on housing delivery. There has also discussion around the benefits the development sector can offer to kickstarting and supporting the economy. All recessions start for different reasons and the medium to long term impacts vary significantly. At this stage, it is unclear what the full impacts of this recession will be and whether the 'bounce-back' will be quick or not.

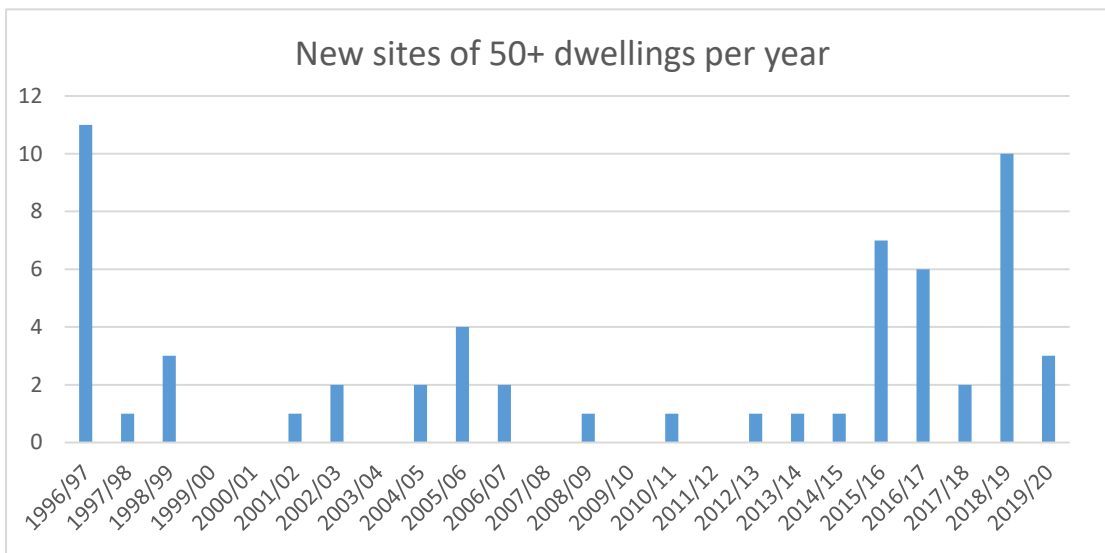
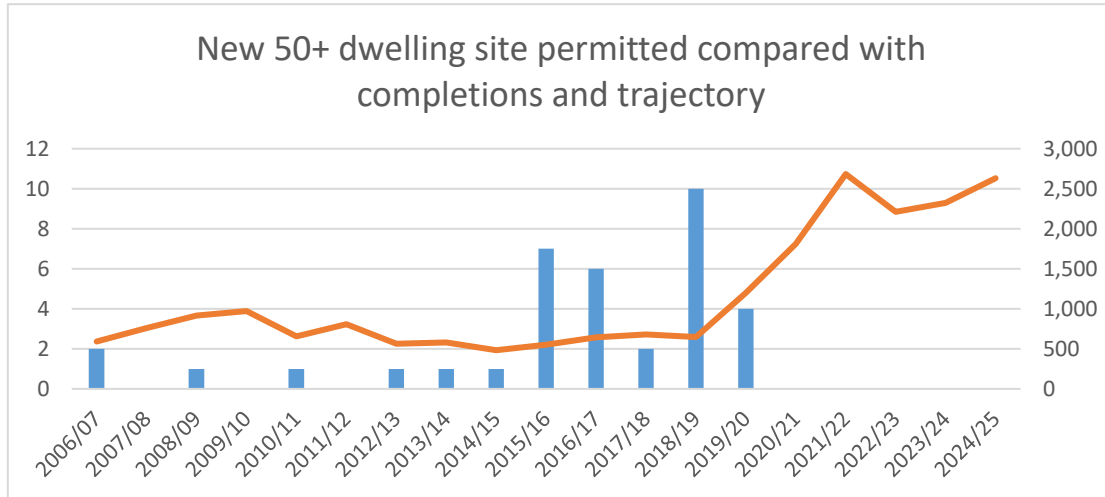


2.24. The above charts show the number of homes delivered nationally and within Medway since 2006/07. There is a noticeable difference in the delivery of new homes after the recession between the two. Nationally there was a significant drop in delivery in 2008-09 but this does not happen in Medway until 2010-11 followed by a higher rate of delivery in 2011-12 and only then is there a sustained slowdown in

delivery. Nationally it took ten years to see a return to pre-recession levels of delivery. With the possibility of higher levels of delivery this year exceeding even pre-recession levels it looks as though the housing situation in Medway has followed the same pattern overall but was delayed in doing so.

- 2.25. At the time of the last recession, Medway had several allocated sites with planning permission. Some were delivering new homes in the run up to the recession and others had their first completions in 2008-09. This included sites such as Medway Gate, Liberty Park, J5 & J6, Grange Farm and Bells Lane. This is not to say there were not financial issues for these housebuilders and developers at the time or that the build out rate was the same as prerecession levels. The Council positively engaged with developers and worked with them including introducing payment plans and delaying S106 triggers to ensure they did not close sites. It was in the interests of both parties to engage as many of these developments were underway and they will have invested a certain amount in these developments. Therefore, many continued whereas other sites that had not progressed so far were stopped with some recommencing a few years later. Similar requests are being made of the Council now.
- 2.26. There was the introduction of the NPPF in 2012 which made changes to policy in relation to housing supply. This was after the government had introduced other measures after the recession to boost the housing market such as Help to Buy. The number of new homes that need to be planned for has increased significantly since this time. The Strategic Land Availability Assessment has been regularly reviewed and updated and this will have identified sites that are available for delivery over recent years. The latest SLAA has seen a substantial increase in the number of suitable, available and achievable sites mainly due to the interventions in transport and environmental measures to be delivered by the successful HIF bid, which provide for addressing potential constraints to development.
- 2.27. Small and medium sites play an important role in the delivery of new homes and this has been the case in Medway. Many of these sites are on brownfield land and play an important role in helping Medway meet its regeneration aspirations. Small and medium sites generally come forward more quickly with shorter lead-in times. However, larger sites deliver more dwellings per year than smaller sites. The following chart shows newly permitted sites of 50 or more dwellings per year as identified by annual monitoring. It demonstrates that a significant number of larger sites were identified in the run up to the last Local Plan. There is then a long period of time where only small numbers of new large sites were identified in each year. This is followed by the last few years where on average the number of new larger sites permitted has increased significantly. In the last six years there have been 30 new sites with 50 or more units permitted which compares with preceding six years when only four new larger sites were permitted. This has happened because the Council has taken positive steps to address the shortfall in the number of new homes

being permitted including making difficult decisions about the types of sites that are suitable for development. Many of these sites are starting to deliver and this will hopefully be reflected in the monitoring data for 2019-20. And like the last recession, as these sites are in development they are likely continue delivering, even if at a slower rate.



## Covid-19

- 2.28. This report references the Covid-19 pandemic throughout because it has had an impact all areas of life. At the time of writing the country is easing out of lockdown but the effects of the pandemic will continue to be felt for many months or years to come. Like most public sector organisations, the Council has been a first responder during the pandemic and supported its local area throughout. This has put considerable pressure on services and budgets from responding to the pandemic, increased demand in some service areas but a significant loss of revenue in other areas.
- 2.29. The Planning service entered the lockdown with a business as usual attitude, recognising the important role the delivery of development has in the economy and

how it can be a catalyst for kick-starting an economic recovery. The service had been through a business continuity exercise at the end of last year so well placed to respond to the challenges it faced. Working practices were rapidly adapted with the aim of running a fully operational service. Temporary measures were put in place to ensure that decision making could continue, including a change to delegation rules and virtual planning committees. Working from home became the norm for most officers and support was put in place including improved ICT solutions.

- 2.30. There has been continued engagement with the development sector during the pandemic. This has included meetings with senior officers and the Head of Planning. There has been a request for information from developers to support annual monitoring and phasing work, as well as an update on SLAA sites.
- 2.31. The Council is working on a pandemic recovery plan which will set out how it is approaching the recovery and the work undertaken across various workstreams to date. This will inform corporate priorities and reinforce the Council's commitment to sustainable growth in Medway.

### **Monitoring of previous actions**

- 2.32. The following summary highlights progress on actions from the last action plan and highlights other action where progress has been made and will support the delivery of housing.

## **Progress on actions to boost delivery**



### **Progression of draft Local Plan**

Published December 2019:

- Updated Local Development Scheme
- Updated Strategic Land Availability Assessment
- Town centre masterplans for Chatham, Gillingham and Strood
- Playing Pitch Strategy



Stakeholder engagement on Hoo Development Framework undertaken in July 2019 with stakeholders and local community representatives and a wider consultation commenced in March 2020.



Progression made on work programmes to complete evidence base:

- Strategic Transport Assessment
- Town Centre Parking Study
- Viability Assessment
- Monitoring framework



Collation of content on draft Infrastructure Delivery Plan from infrastructure providers March 2020.



Revisiting the Strategic Land Availability Assessment (SLAA) to identify sites potentially suitable and available for housing development that could increase delivery rates, including public sector land and brownfield land

Latest SLAA update December 2019 with updated proforma sent to developers May 2020.



Comprehensive pre-application service offered and encouraged. Recent website updates allow more comprehensive submission online.



Review of Development Management processes

- Collation of information to support introduction of condition PPAs
- Use of PPAs encouraged with just over one a month signed
- Processes updated to include increased use of technology
- Introduction of online payments for pre-apps, planning application and bird mitigation contributions



Engaging regularly with key stakeholders to obtain up-to-date information on build out of current sites, identify any barriers, and discuss how these can be addressed

- Engagement with developers through major developers, and agents forum and breakfast meetings with developers and registered providers
- Facilitated the formation of SME forum
- Build-out rates information obtained via annual monitoring, S106 and implementation monitoring.
- Barriers to delivery recorded by implementation officer and monitored using PAS data standard



Working with registered providers to identify sites below 25 units for them to deliver




- Delivery of a site this year with 20 affordable units in addition to section 106 delivery



Refresh of Planning Protocol with regular stakeholder meetings held. The commitments continue to be promoted through partnership working with developers



Successful Housing Infrastructure Funding bid

	Promotion of local apprentices with developers and housebuilders <ul style="list-style-type: none"> <li>• Skills Summit November 2019</li> </ul>
	Continued delivery of place-making programme
	Implementation of Medway 2035 regeneration strategy

## Planning Policy and Process

2.33. 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

2.34. The Council is preparing a new Local Plan and aims to publish the draft plan in Spring 2021. 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 (5YHLS). This has includes identifying key constraints and means of mitigation where appropriate, such as through the provision of infrastructure.

2.35. 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 that 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 (IDP), and Viability Assessment (VA). 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.

2.36. 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.

- 2.37. It was announced in November 2019 by the Ministry for Housing, Communities and Local Government (MHCLG), Medway had been successful in its £170 million Housing Infrastructure Fund (HIF) bid. The bid focused on significantly improving the Hoo Peninsula's transport connections and the environmental infrastructure and having them all delivered and in use by 2024. Earlier work has shown there is potential for development on the Hoo Peninsula and the successful delivery of the infrastructure improvements identified in the bid will help support this growth, through addressing constraints and securing environmental assets.
- 2.38. Since the announcement on the HIF bid, the Council has undertaken a consultation on 'Planning for growth on the Hoo Peninsula'. This is part of the work on a development framework to guide how growth could come forward on the Hoo Peninsula. The work seeks to set a vision and key principles for managing change. The document will help as evidence for the new Local Plan. The consultation in Spring 2020 included a brochure introducing the proposals. The comments received are being considered and will be published in due course. There will be a more detailed document to support the draft Local Plan.

### **Strategic Land Availability Assessment**

- 2.39. 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 eight subsequent reviews and reports, the latest being published in December 2019. These were supported by 'call for sites' exercises in 2008/2009 and 2014 for residential development. Since then the Council accepted new sites until the end of the Regulation 18 Development Strategy consultation in 2018. Further updates have been sought from developers and site promoters in Spring 2020. 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.
- 2.40. The Medway SLAA 2019 assessment found an increased supply of potential development land that is suitable, available, and achievable, an increase of 282% compared with the 2018 assessment. This is at a scale to meet the scale and range of growth needs identified for the new Local Plan period. It reflects the certainty provided by the successful HIF bid to overcome transport and environmental constraints, supporting potential growth at sites on the Hoo Peninsula; plus developing an urban regeneration agenda brought about by further investment from the Council and its development company, Medway Development Company (MDC).

## **Brownfield Land Register**

- 2.41. 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.
- 2.42. 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 2020, has sites listed with a minimum number of homes to be delivered at 1,925. This is a significant increase from last year's 783. Of these, a minimum of 633 dwellings had permission and 136 were pending a decision at the time of publication and these form part of the development pipeline (see Map 3 for the split of all sites by land use in the pipeline). There are another 1,156 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.
- 2.43. 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.

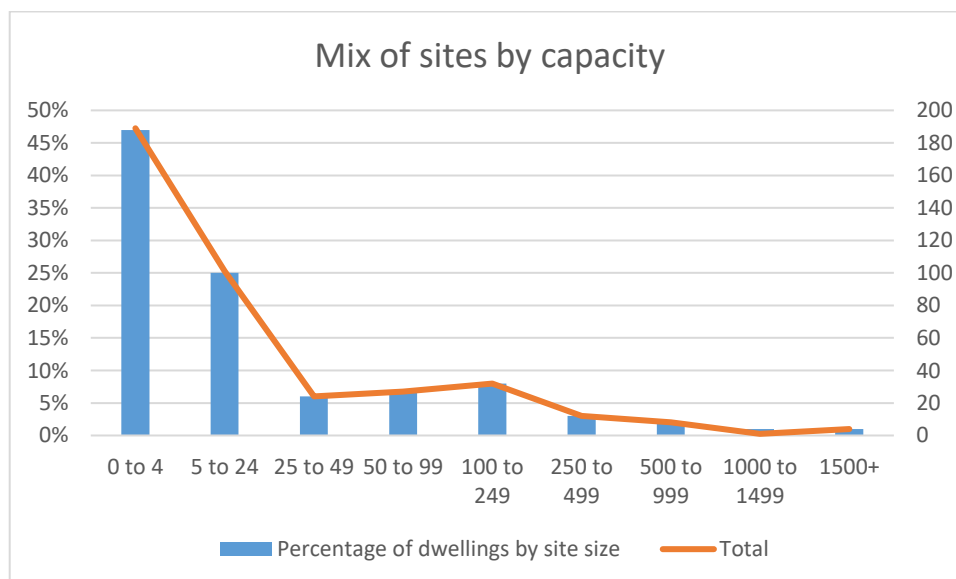
## **Development briefs**

- 2.44. 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.
- 2.45. 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.

- 2.46. 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.
- 2.47. Town centre masterplans for Strood, Chatham and Gillingham to identify and encourage re-development in response to structural changes in retail were adopted in December 2019. These will support ongoing regeneration of these areas and will also help increase the attractiveness of the area to developers.
- 2.48. The Council intends to increase the number of development briefs produced linked to allocations in the new Local Plan.

### Encouraging the development of small and medium-sized sites

- 2.49. Earlier discussion focuses on the increase in development coming from larger and greenfield sites that the Council has permitted outside the Local Plan boundaries to increase the pipeline of sites and this is starting to give positive results. However, the Council recognises that there is a need for a good mix of sites to meet the identified LHN. Traditionally, Medway has had a lot of small and medium size sites with many being brownfield sites. The graph below shows sites by capacity based on all the sites in the housing trajectory in the AMR 2018/19, excluding the few sites that allow for net reduction in dwellings. Nearly half of all sites are small sites of 0-4 units. As is probably expected, the quantity of sites then falls as the capacity of the sites get larger. The larger sites will deliver a greater quantum of units overall but this will happen over a longer period of time and some large sites will not deliver at the same time as each other. The small to medium sites will be able to deliver alongside the larger sites and this will help increase delivery rates. It also shows that there will be a variety of sites available for allocation.



## **Efficient decision taking in development management**

- 2.50. Timely decision making on determining planning applications for housing is part of the wider process of maintaining housing supply. The latest performance report prepared for the Planning Committee indicates that performance is above national in all areas and when compared to similar authorities. When reviewed for last year's action plan, it was below average when compared with similar authorities for major applications but is now above average at 100% for major applications. When compared with the latest national data available, October to December 2019, Medway performed above the national average for all types of applications. For three out of six of the last six quarters it has been 100% of major applications determined within the statutory or agreed timescale and above national target in all quarters. This will include major applications for housing development. Minor applications have all been above national target for the last six quarters.
- 2.51. During the Covid-19 pandemic lockdown, Planning service staff have been working from home most of the time. However, the service has been delivered as usual. The Head of Planning secured an amendment to delegated powers during the period of social distancing on 1 April 2020. This first virtual Planning Committee meeting was held on 29 April. Other internal processes were adapted to ensure an efficient service continued. This has meant disruption to applicants has been minimised and helps with the delivery of housing. At a roundtable discussion, developers and agents praised Medway's attitude to operating at these times and supporting businesses to continue working.
- 2.52. 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. This means that some applications do take longer than the statutory time frame, but Medway has a good record in determining applications within an agreed timescale.

## **Pre application service and presentation to members**

- 2.53. 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.

- 2.54. 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. These have continued to be scheduled during recent months, moving to virtual presentations adapted to current restrictions on physical meetings.
- 2.55. During the Covid-19 pandemic, the Planning service has worked hard to ensure that pre-application responses were prioritised and meetings continued virtually. This was disrupted only initially by staff working from home and ICT limitations, but this has been rapidly addressed to ensure a full service can be offered and delivered.

### **Encouraging the use of Planning Performance Agreements**

- 2.56. The Planning Service has increased the use of Planning Performance Agreements (PPAs) over the last few years and there is an established process in place. 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**

- 2.57. 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 also clear that commencement often starts on site prior to all precommencement conditions being discharged.
- 2.58. 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 also send a list of suggested precommencement conditions to the applicant for agreement prior to making a recommendation. This gives the applicant the opportunity to submit and agree the information with the application and remove the need to add the condition. 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.

- 2.59. Developers have identified problems securing materials as being a possible area for delay as the country eases lockdown measures. If they need to source alternative materials, there is the potential need to submit further discharge of condition applications which will compound the delay. The Council has recognised this in the recovery plan and is looking at ways to introduce flexible conditions for materials.

### **Developer Contributions**

- 2.60. 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. A further review will be based upon infrastructure delivery work being carried out as part of the Local Plan, and published with the draft 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 increased from 30 weeks in 2018/19 to 48 weeks in 2019/20. The planning decision is issued within a few days of the S106 being signed. The time taken to determine the application post committee is 17 weeks which remains unchanged. There can be problems getting the S106 agreed between legal teams which may explain the delay after committee. 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**

- 2.61. All new dwellings within the 6km buffer around the Medway, Swale and Thames Marshes and Estuary Special Protection Areas (SPA) 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 section 106 agreement (S106) 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. In August 2018, 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. In November 2019, this was improved again by the introduction of an online form and payment for the contribution. 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**

- 2.62. 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**

- 2.63. 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. Before submitting the draft Local Plan for examination, the Council is seeking to update this with Gravesham Borough Council.
- 2.64. Prior to Covid-19, evidence from the development and property sectors gathered through meetings was that the market in Medway was quite buoyant. This is against the backdrop of the UK voting to leave the European Union and the Brexit negotiations. The uncertainty over our future relationship with the EU, two general elections and delay to the initial timetable caused the local market to be sluggish at times. Nonetheless, work on the Local Plan viability assessment has confirmed that the market is perceived to be strong and it is a highly desirable place to develop

housing. This is supported by an anticipated increase in the number of new homes delivered during 2019-20 and the number of new developers entering the Medway market as well as existing developers continuing to develop sites. There was an increase of about 24% in the number of units under construction from 2017/18 and 2018/19. This points to a confidence in developing in Medway. In 2018/19, there were a few large sites that due to non-planning issues during construction delivered more slowly than initially expected and this had an impact on the overall delivery rates for that year but these units will contribute to an increased number of units completed in the following year.

- 2.65. 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 couple of years there has been an increase in interest in Medway with a number of other volume housebuilders and small and medium enterprise's (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, Leander Homes, Jones Homes, Quinn Estates, Linden Homes and Esquire Developments.
- 2.66. In 2019, the housing affordability ratio in Medway stood at just over 8.4, meaning that the average property in Medway costs a little under eight and a half times the average annual salary. This is a slight improvement from last year, meaning homes in Medway are slightly more affordable than they were. The change is a result in an increase in average earnings. Housing in Medway is less affordable than nationally (7.83), but more affordable than across the South East region (10.23). NLP's report into build out rates in the housing market, '[Start to Finish](#)' uses housing affordability ratios to define higher demand areas and link this to stronger markets. It concludes that 'stronger local markets have higher annual delivery rates.' It recognises that this is a broad brush measure but it is a key part of assessing local housing need using the government's standard method so worth consideration. It also recognises that higher demand areas generally have larger sites so this could be the influencing factor.
- 2.67. 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 2020, the [UK House Price Index for England](#) indicated the average price in Medway was £246,550 compared with £248,271 nationally and £296,830 in Kent. Medway is only just below the national average but for developers working in this area it is possible to achieve higher values in other areas in Kent in close proximity to Medway.



- 2.68. The value of land should reflect the lower sales values that can be achieved locally. The viability of sites is often part of the discussions at application stage and as noted, there is work on a viability assessment being undertaken for the Local Plan. 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 house prices in Medway are considered a positive factor in supporting the housing market.
- 2.69. In March, large numbers of development sites shut down in response to the coronavirus pandemic and lockdown. Like all businesses, they are having to manage social distancing on site alongside reductions in staff due to those shielding and self-isolating. There have been problems with the supply chain, and this started earlier than the UK lockdown due to lockdowns in other countries being in place. There is uncertainty around how the market will recover so some sites have chosen to complete part-built units but not to make any new starts. Reporting has indicated that lots of mortgage products have been withdrawn and many require 30% deposits. The situation is still somewhat fluid. However, estate agents reported a surge in contacts, listings and viewings when they first reopened. Initial responses to annual monitoring have been included some optimism about the demand for units but with caution about delays in delivery being caused by social distancing restrictions. There have also been reports of some volume housebuilders raising cash to buy land at reduced prices, notably Taylor Wimpey. There are concerns that small and medium sized developers will be pushed out of the market because they will be affected more heavily by the recession than volume housebuilders. All of these factors will have a significant effect on the delivery of new homes but it is a varied picture and at this stage it is difficult to know exactly how deep this will be. This has been an unprecedented time and the situation continues to evolve.

### **Multiple outlets**

- 2.70. Local SMEs have stated they think if government and planning authorities were to require parts of big sites were allocated to them or require partnership working between volume housebuilders and SMEs on large sites, that the quality and rate of delivery would go up. Both the [Letwin](#) review and NLPs '[Start to Finish](#)' research recognise that having multiple outlets on sites will on average have a positive impact on build out rates. This has proved challenging to facilitate locally due to technical and legal issues. The new Local Plan is considering a policy to support housing mix and require this on sites over a defined threshold of units or the need to produce development frameworks for these sites to specify how development should come forward.

### **Affordable housing completions**

- 2.71. Last year, 2018/19, saw gross completions of affordable housing at 181 units which is 26% of the number of gross housing completions. The level achieved varies on an

annual basis. It is recognised that affordable housing can accelerate the delivery of housing and that it is a distinctly separate market to standard market housing. It can also be used to support development during a recession by providing a useful injection of cash when the units are transferred. The Letwin '[Independent Review of Build Out Rates](#)' highlights sites with a higher proportion of affordable housing will deliver more quickly. NLPs '[Start to Finish](#)' report draws a similar conclusion. Medway will be considering the level to set affordable housing requirements as part of the viability assessment work for the 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.

- 2.72. 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.
- 2.73. 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 section 106s to build out their own sites.
- 2.74. Developers in Medway, particularly SMEs, are now reporting that affordable housing providers will not take units from smaller sites when the total number of affordable units is less than 50. This has the potential to cause delays on all sites delivering less than 200 homes and even stall delivery. Medway has a lot of sites below this threshold so this could have a significant impact on delivery rates. This is an issue that needs to be addressed by MHCLG. The Council is progressing discussions locally and will be setting up a task group with developers and registered providers to commit to a protocol on the delivery of affordable housing

### **Role of SME developers**

- 2.75. The number of SMEs within the Medway market has reduced in recent years and they are being forced out of business for many reasons including policies in Local Plans encouraging larger sites and new settlements. They have a different operating model to the volume housebuilders who can control the market. As an example, during the Covid-19 pandemic it has been reported that Tier 1 developers have received supplies ahead of other developers which is one of the areas that has severely affected the ability of sites to continue operating. SMEs are more likely to build out their sites quickly upon approval because this supports their business

model. The Council recognises that SMEs play an important role in the supply of new homes and will help with the facilitate the delivery of a diverse mix of sites. Local SMEs are promoting an SME delivery policy for consideration in Local Plans and Medway officers are in discussions about this.

### **Stalled and dormant sites**

- 2.76. 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 8,000 homes in Medway where development has not yet started or is under construction. 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.
- 2.77. 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**

- 2.78. Development in recent years in Medway has provided for choice for different markets, including suburban estate housing and waterfront apartments. The current pipeline (see Map 2), shows most permissions for flatted developments are in the urban core with housing developments tending to be on the periphery and on the peninsula. This reflects the types of sites coming forward and the Council's action on permitting developments outside the current Local Plan boundaries to ensure more housing is delivery.
- 2.79. 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 as well. 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.

<b>Completions (gross) on large sites by property type and number of bedrooms 2018/19</b>		
Number of bedrooms	<b>Houses</b>	<b>Flats</b>
<b>One</b>	4	106
<b>Two</b>	25	59
<b>Three</b>	58	2
<b>Four or more</b>	50	2
<b>Total</b>	<b>137</b>	<b>169</b>
<b>Total % split</b>	<b>45%</b>	<b>55%</b>

*Table 6 - Please note, this table only shows sites which have been completely built out; it does not include sites where completions have occurred with the remainder still under construction*

<b>Affordable Completions (gross) by property type and number of bedrooms 2018/19</b>		
Number of bedrooms	<b>Houses/Bungalows</b>	<b>Flats</b>
<b>One</b>	0	56
<b>Two</b>	12	72
<b>Three</b>	35	0
<b>Four or more</b>	6	0
<b>Total</b>	<b>53</b>	<b>128</b>
<b>Total % split</b>	<b>29%</b>	<b>71%</b>

*Table 7*

- 2.80. 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.
- 2.81. 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 PRS scheme is due to be complete by May 2021. 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. The Council will monitor the delivery to assess the level of interest in this housing product.

- 2.82. 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. For 2018/19 is that 31% 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. These will have been difficult decisions taken by the Planning Committee but the increase in delivery numbers is beginning to be seen.
- 2.83. 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.

### **Empty Homes**

- 2.84. Medway has a higher proportion of empty homes than other Kent authorities. In 2019, there were a total of 1,398 long term vacant properties (long term being defined as vacant for 6 months or more) which equates to 1.21% of the total dwelling stock. These homes will be vacant for a multitude of reasons, although often they are left when the owner dies and either there is no direct inheritance or those that inherit do not use or sell the property. This can often lead to them needing renovation or being left derelict. They are generally 2 or 3 bedroom dwellings with quite a few being in the terraced housing stock in Gillingham but there are some semi detached houses and flats as well. They may be lower value homes that are costly to renovate so not viable for the owners to pursue.
- 2.85. The Council has a dedicated Empty Homes and Derelict Buildings Officer who is developing an Empty Homes Strategy. For derelict units, section 215 notices can be used to require the owner to tidy up the land and improve the external appearance of the building, but this does not guarantee the property coming back into use. Part of the strategy will be introducing an interest-free loan scheme to support owners to redevelop their property with a requirement of the loan being the property brought back to use. The strategy has the support of the portfolio holder/deputy leader.

### **Medway Development Company**

- 2.86. 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 identified development plans for 12 Council-owned sites over 5 years.

2.87. Since its creation in 2018, MDC has continued to progress its early phase sites, which include Chatham Waterfront, Whiffens Avenue Car Park, Chatham, White Road Community Centre, Chatham and Britton Farm, Gillingham. Across these sites 355 new homes will be delivered and these schemes have been approved by the Planning service. Three of these sites are currently progressing on site and it is anticipated that the first homes will be completed autumn 2020. The company's next major project will be the redevelopment of Mountbatten House where early phase designs are currently being developed and MDC officers continue to hold regular meetings with the Planning service to ensure efficient progress of this scheme, as well as those which are now on site in their delivery phases.

### **Direct delivery and Housing Revenue Account**

2.88. In addition to MDC, Medway Council is also directly delivering housing using its Housing Revenue Account. At the end of last year, the Council has delivered a project for six bungalows in Twydall, Gillingham for older residents this year and those with mobility problems. This provides for a small number of homes meeting specialist needs 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.

2.89. This year, the team have secured planning permission for three more sites in Twydall for a total of 28 units as part of the HRA Phase 4 Programme. The tendering process has been completed and it is hoped works will begin in October 2020. Expected completion will be in 2021/22.

2.90. The team is working on the delivery of another sites in Gillingham with a local developer. This project and Phase 4 forms years 1 and 2 of a 10 year development programme and will hopefully provide 74 units in total.

### **Compulsory Purchase Orders**

2.91. 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. The Council has used CPO powers to purchase Mountbatten House, a redundant office block in Chatham, for conversion by Medway Development Company to residential use. 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**

- 2.92. 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, both complex sites with heavy contamination.
- 2.93. 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.
- 2.94. 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 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. The developers were predicting a quicker build out than this with completion by 2029 but this has recently slowed, possibly in response to Covid-19, with a predicted completion date for 2034/35. The Council secured funding from central government to carry out decontamination and site preparation works, including flood defences, 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 90 homes under construction with 126 complete.
- 2.95. Both these sites are on brownfield land and this will have been a factor in their delivery. However, both are key regeneration sites with high quality development. 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**

- 2.96. 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, and has led on many urban regeneration schemes and continues to work with Homes

England to bring forward development. The Council's work on its Covid-19 recovery plans supports development and investment in Medway.

### **Medway 2035 and Regeneration**

- 2.97. 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. It is being refreshed to align with the Council's Covid-19 recovery plans.
- 2.98. 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**

- 2.99. The Council 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. It was announced in November 2019 the Council had been successful in its bid to the Ministry for Housing, Communities and Local Government (MHCLG) for £170 million from the Housing Infrastructure Fund. 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. This will enable further development in this area that could help to meet Medway's growth needs over the next 20 years. This potential growth could also be an important part of our development strategy for the new Local Plan.
- 2.100. The Planning and Regeneration teams have been working together on a development framework to guide how growth could come forward. This proposes a rural town based around Hoo St Werburgh and potential expansion of other villages. A brochure introducing the proposals, which set out the scale, ambitions, and principles for growth was consulted on in the spring of 2020, the comments are now being considered and will be published in due course. A more detailed document will be prepared to support the draft Local Plan.



2.101. The Council is working with the government to agree the legal and project management arrangements, so that we can move quickly with getting the projects underway. Work is also continuing developing project timelines and budgets. There will also be preparation work to secure planning permissions for road, rail and environmental investments.

### **High Street bids**

2.102. Vibrant and successful town centres are an important part of a wider 'offer' to attract development and people to Medway. The Council has been awarded up to £1.6million of government funding to revitalise a section of Chatham High Street located within the Star Hill to Sun Pier Conservation Area. The project will be delivered through Historic England's High Street Heritage Action Zone programme and will breathe new life into the high street. The funding will be used to help the area become a cultural and creative hub with a mix of artists, creatives and makers occupying under-used historic buildings.

2.103. Medway is also bidding for a share of the £675 million Future High Streets Fund to further transform Chatham High Street. The Council got through to the second phase of the bidding process and has been drawing up proposals, based on the initial plans, to finalise outline and final Business Cases to be submitted to MHCLG. If successful, the funding can be invested into Chatham to further economic growth, increase housing, create more jobs and provide a vibrant town centre experience.

### **Place branding**

2.104. 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 'Putting Medway on the Map'. A place branding project promotes Medway as a 'waterfront city'. There was a place branding launch in June 2018 with stakeholders and individuals from Medway's community. 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. These activities contribute to building confidence and securing investment in Medway.

### **Cultural events and festivals**

2.105. Medway has a large and varied cultural events and festivals programme which celebrates Medway's past and present. It hosts more than 30 days of free festivals and events each 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. This has been impacted this year due to the Covid-19 pandemic but events have been supported virtually instead. The Covid-19 recovery plan will consider ongoing support and development of Medway's cultural industries and activities.

### **City of Culture 2025 bid**

2.106. In July 2019, the Council announced its aspiration to become UK City of Culture in 2025. The aspiration is to create a legacy for Medway and promote our cultural offer. The ambition to bid has been driven by many organisations across Medway working in partnership and recognising the strong cultural heritage and culture of innovation that personifies Medway. The authority has a strong track record of hosting national and international sporting events; it is one of the fastest growing economies in the south-east; and it has a rich cultural heritage. If successful, it will support growth in Medway and further establish it as a place where people want to live, work, learn and visit. The aspiration is to create a legacy for Medway and promote our cultural offer.

### **Communication with landowners, developers, agents and registered providers**

2.107. 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.

2.108. One of the key messages that Medway officers are keen to promote is their positive and open for business attitude. The starting point is that development should be permitted unless there is material harm. Developers recognise that Medway officers will work with them to bring forward high quality development and are willing to think outside the box. The Council actively engage with the development industry in a number of ways.

2.109. The Head of Planning holds breakfast meetings jointly with Maidstone and Swale Borough Councils with a range of 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.

- 2.110. In November 2019, the Head of Planning helped facilitate the creation of a SME developers forum and will continue to attend and support the network. The first meeting was well attended and will provide an opportunity for SME developers to collaborate on training, expertise and joint ventures. It is currently a group of 20 small to medium housebuilders that build between one and 100 homes a year. The forum was formed to bring together a group of similar sized companies to discuss challenges in the planning system and explore how to better deliver high quality schemes as a collective. There is only one other similar SME forum in the country, in London. The Council identified the need to support this group of developers because the proportion of new homes created by small housebuilders has dropped from almost 50 per cent to 10 percent but there is a need to promote small to medium sites across Medway to achieve the level of delivery required. The new Chief Planner at MHCLG will be attending the next SME forum meeting.
- 2.111. 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.
- 2.112. 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.
- 2.113. There are monthly meetings with MDC and Housing to collaborate on housing delivery. There have also been roundtable discussions with registered providers, organised by Housing and Planning Services.

### **Planning Protocol**

- 2.114. The 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.

- 2.115. At the beginning of 2019 Kent Planning Officers Group (KPOG), Kent Developers Group (KDG) and Kent Housing Group (KHG) held a joint review of the document. An event was held in June 2019 where representatives of all the groups discussed the document, what had been achieved and areas that needed more work. The groups felt there had been good progress in liaison and joint working with the Protocol facilitating collaboration between parties and that it was still fit for purpose and the commitments still relevant. Following this event a working group was established to formalise views on specific actions, expanding the documents and seeking wider endorsement.
- 2.116. The details of the review were to be finalised as the pandemic started. There were four recommendations made to Kent Chief Executives which includes endorsing the achievements of the Planning Protocol; endorsing the Planning Protocol Task List 2020, endorsing joint working post Covid-19 between KPOG, KDG, KHG and SELEP area partner groups in East Sussex and Essex; and refresh support for Commitment 1: 'We will ensure that appropriate resources are made available but deliver an efficient, high-quality planning service'.

### **Resourcing the Planning Service**

- 2.117. Medway used the increase to planning fees to resource the Planning Service. This included 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. There have been calls by the development sector to ask the government to ensure planning services are funded well so they can respond to the challenges of recovery as the country comes out of lockdown. After a period of some vacancies the Council is now recruiting to bring the service back to full staffing levels.

### **Commuted sums**

- 2.118. 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**

- 2.119. 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. This continues with the Covid-19 recovery planning groups.

2.120. In October 2019, more than 150 people including representatives from businesses, schools, university, colleges and training providers attended a summit which aimed to bring business demand and skills supply together. The summit explored how education and employment can influence each other and work together to create a better prepared workforce.

### **Progress in promoting housing delivery**

2.121. Progress is being recognised in the press, both locally and nationally. Kit Malthouse, former Minister for Housing, referenced a meeting he had with members and officers in 2019 and a visit to Rochester Riverside last year. Increasingly articles on Medway's property market appear in national newspapers, identifying the area as an attractive place to live with a strong offer.

2.122. In an [appeal decision](#) in 2019 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.

2.123. The recognition of the efforts being made are relevant but this action plan now provides a basis to link the analysis of the issues to the scope of potential responses. The information in this report is primarily being used by the Council to review its processes and to inform its planning work.

### 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
<b>Policy and Process</b>		
<ul style="list-style-type: none"> <li>• Publication of draft Local Plan               <ul style="list-style-type: none"> <li>○ Provide proposed development allocations to meet housing needs</li> <li>○ Demonstrate mix of sites and delivery rates to secure five-year land supply and range of housing</li> <li>○ 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.</li> <li>○ Policy and allocations for specialist housing needs in draft plan.</li> <li>○ Infrastructure Delivery Plan and Viability Assessment provide basis for sound development allocations.</li> <li>○ Monitoring framework to consider measures arising from HDT action plan.</li> <li>○ Review of Developer Contribution Guide to align to draft Local Plan.</li> <li>○ Publication of further policy and guidance documents as supporting evidence for the Local Plan and to promote development opportunities.</li> </ul> </li> </ul>	Spring 2021	Planning Policy team
<ul style="list-style-type: none"> <li>• Review of development management processes               <ul style="list-style-type: none"> <li>○ review processes for condition discharge</li> <li>○ review options for flexible condition for materials</li> </ul> </li> </ul>	Ongoing work and feed into annual service plans	Development Management teams and legal

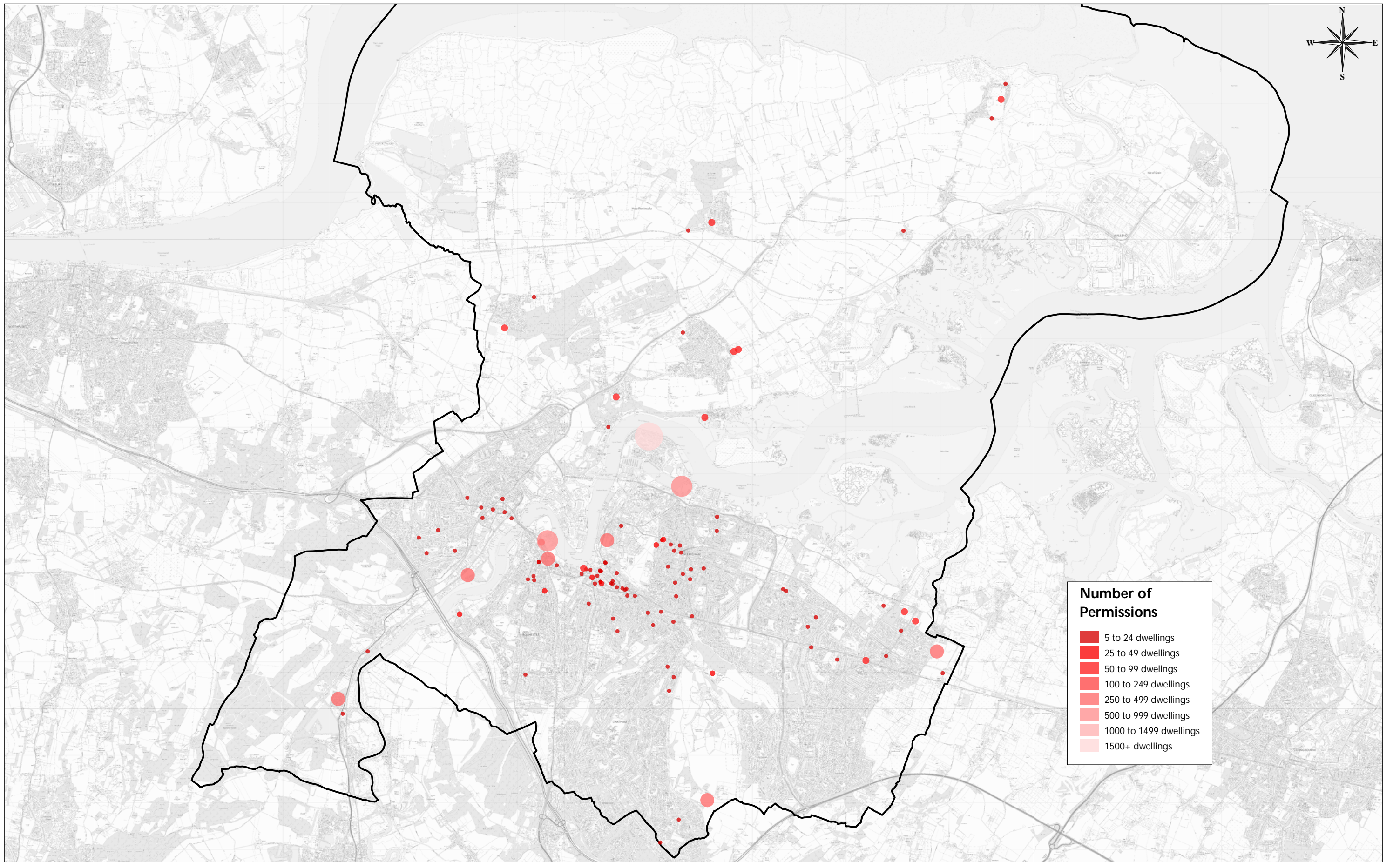
<ul style="list-style-type: none"> <li>○ encouraging increased use of PPAs and consideration of specific application type PPAs such as discharge of conditions</li> <li>○ review process associated with S106 negotiation and introduction of some more flexible clauses in particular associated with affordable housing</li> </ul>		
<ul style="list-style-type: none"> <li>• Continue to monitor site using evidence log (PAS data standard) to RAG rate sites and focus on unblocking red sites.</li> </ul>	On going	Implementation Officer, Planning Policy Team
<ul style="list-style-type: none"> <li>• Monitoring of progress on action plan to be included within service plan monitoring and reporting.</li> </ul>	Quarterly	Planning Service
<b>Supply and Demand</b>		
<ul style="list-style-type: none"> <li>• Working with registered providers to identify sites below 25 units for them to deliver as 100% affordable housing</li> </ul>	On going	Planning Policy & Housing teams
<ul style="list-style-type: none"> <li>• Developing a plan to use commuted sums for delivery of affordable housing units</li> </ul>	On going	Housing
<ul style="list-style-type: none"> <li>• Formation of task group with representatives of the Council, developers and registered providers to work on protocol for delivery of affordable housing</li> </ul>	Autumn/Winter 2020	Planning and Housing
<ul style="list-style-type: none"> <li>• Empty Homes Strategy</li> </ul>	On going	Empty Homes Officer, DM Team
<ul style="list-style-type: none"> <li>• HIF delivery of infrastructure and environmental projects</li> </ul>	On going to deliver by 2024	Dedicated HIF Delivery Team
<ul style="list-style-type: none"> <li>• HRA delivery</li> </ul>	Ongoing	Housing and Regeneration teams
<b>Leadership, entrepreneurship and attraction</b>		
<ul style="list-style-type: none"> <li>• Continue engagement processes between Planning Service and development sector.</li> </ul>	On going	Planning Service
<ul style="list-style-type: none"> <li>• Continuing delivery of place-making programme and implementation of Medway 2035 regeneration strategy, including City of</li> </ul>	On going with annual review in service plans.	Corporate services

Culture bid, delivery of Innovation Park Medway.		
<ul style="list-style-type: none"> <li>Covid-19 recovery plan</li> </ul>	Implementation of plans from summer 2020.	Medway Council in partnership with wider stakeholders

#### **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. The first action plan was agreed by the Council's Cabinet on 6 August 2019. This second action plan is to be presented to Cabinet on 4 August 2020.
- 4.2. The Head of Planning leads 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 feeds 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.
- 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. Given the timing of the preparation of this report, we anticipate providing an update on the assessment of the Covid-19 impacts and recovery plans in the AMR to be published in December 2020.





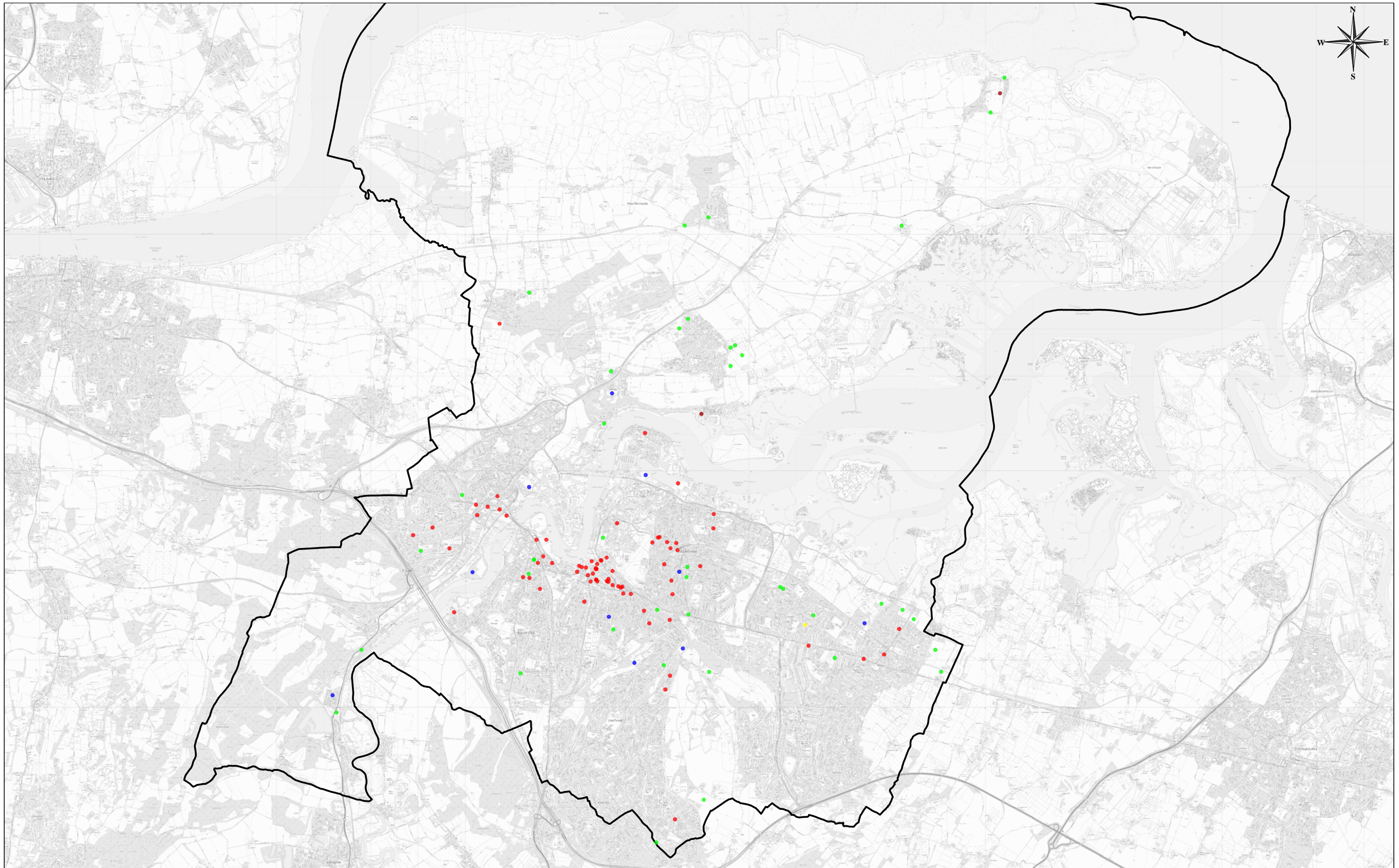
### Map1 - Pipeline of sites with planning permission for housing

All sites of 5 or more units with planning permission as of 31 March 2020

Point data has been used to represent the developments as some of these sites are very small and would not be legible as polygons on a map. The larger the point on the map represents the larger the permission.

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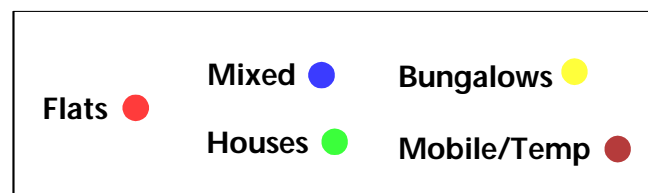




## Map 2 - Housing Mix in residential development pipeline

Point data has been used to represent the developments as some of these sites are very small and would not be legible as polygons on a map. Please refer to the key as the different coloured points represent different data.

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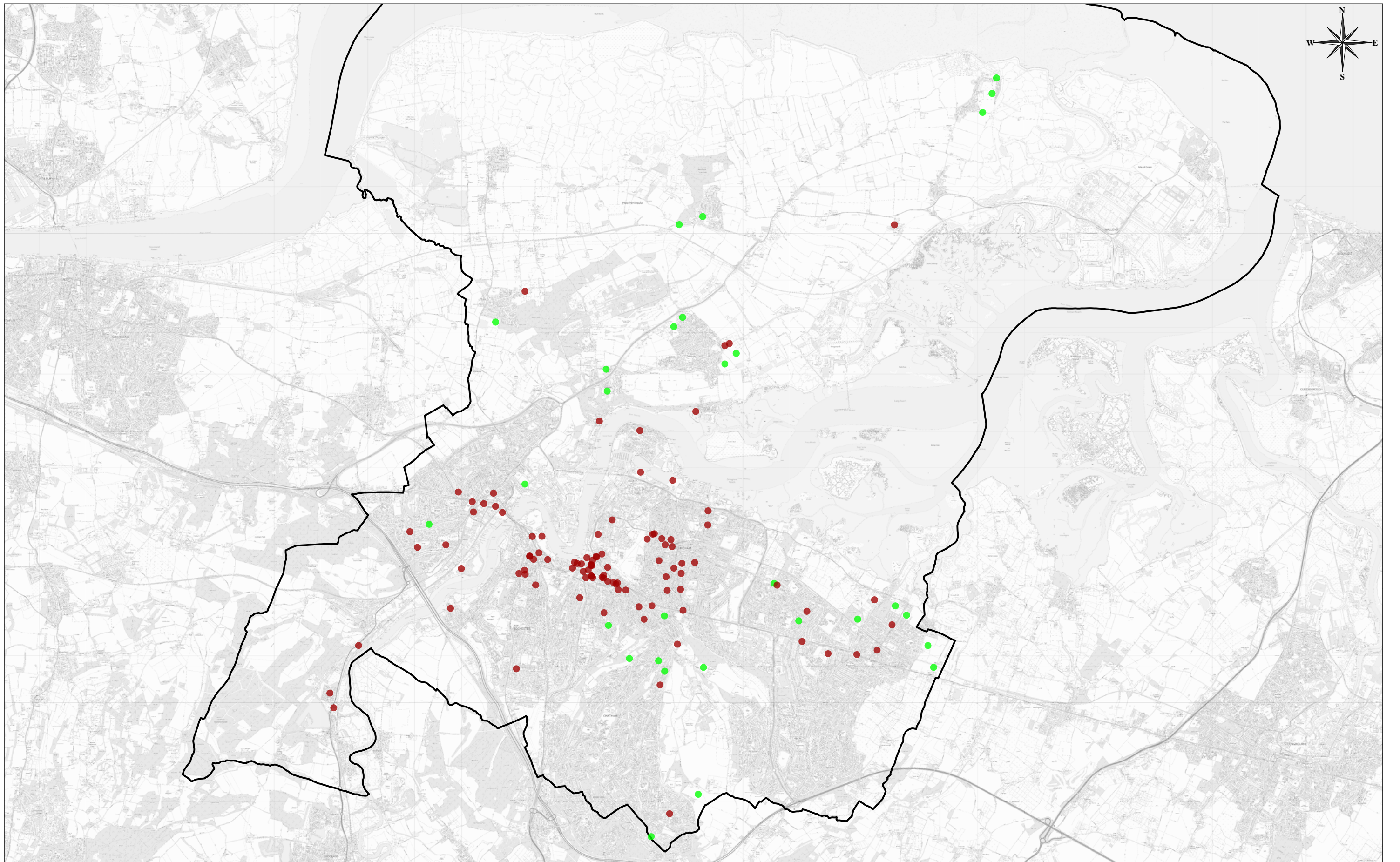


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**Map 3 - Sites with planning permission shown by land type as either greenfield or previously developed land**

All sites of 5 or more units with planning permission as of 31 March 2020

Previously Developed Land	●
Greenfield Land	●

