

PLANNING COMMITTEE

19 AUGUST 2020

HOUSING DELIVERY TEST ACTION PLAN UPDATE

Report from: Richard Hicks, Director of Place and Deputy Chief Executive

Author: Dave Harris, Head of Planning

Summary

This report sets out a Housing Delivery Test Action Plan that considers measures to help boost the supply of housing in Medway.

1. Budget and policy framework

- 1.1. There are no policy framework decisions arising directly from this report. The Housing Delivery Test Action Plan was approved by Cabinet on 4 August 2020. This is an information item for the Planning Committee.
- 1.2. The costs of preparing the Housing Delivery Test Action Plan are met within the Planning Service budget.

2. Background

- 2.1. The Government has made the delivery of housing a key aim of its administration. Ongoing reform of the planning system has sought to boost the supply of housing. This has included the introduction of the Housing Delivery Test (HDT) that measures the delivery of housing in a local authority area against its defined level of housing need. The test compares the net number of homes delivered over the preceding three years to the housing requirement for the same period. The intention is to encourage local planning authorities to take action to address the causes of low rates of housing delivery.
- 2.2. The first HDT, published in February 2019, gave Medway a result of 47% delivery against its defined level of housing need. The second, published this February, a result of 46%. The following table shows Medway's data taken from the published measurement.

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

- 2.3. The first action plan was published in August 2019 as the result was below 95% and the council now needs to produce a second, updated action plan in August 2020, within six months after the result as prescribed by the National Planning Policy Framework. In addition, a 20% buffer is applied to the five-year land supply as delivery is below 85%. This has the effect of further increasing the council's housing target to around 2,000 homes a year. Further measures are being phased in by government. Where the HDT indicates rates of delivery falling below specified thresholds then the 'presumption in favour of sustainable development' will apply when the council is determining planning applications. The 'presumption' weakens the council's management of local decision making on planning applications and may lead to the release of more greenfield sites and/or development that does not align with the spatial strategy in the emerging local plan.
- 2.4. The transition arrangement in place for the first two years of the measurement required the level of delivery 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 increases to 75% and as the HDT measurement is based upon the preceding three years delivery it is unlikely Medway will meet this level of delivery in year 3, even if there is an increase in the delivery rate for last year. The table below sets out the predicted delivery rates in coming years.

2018	2019	2020	2021	2022	2023	2024
47%	46%	56%	70%	102%	111%	119%
1st 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

- 2.5. The predicted results show that Medway will pass the HDT in 2022 if it delivers the number of homes set out in the housing trajectory based on market intelligence and analysis of past trends. 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
- 2.6. It is noted that housebuilding in Medway in recent years has not reached the high levels of housing needs identified by the government formula. However,

there are clear signs of an improving housing market. Published data and the council's own development monitoring systems indicate a significant uplift in housebuilding in 2019/20, and the rates are forecast to further increase in coming years to well over 2,000 homes a year by 2022. This reflects the 'pipeline' of sites coming forward that have been granted planning permission in recent years. 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. 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.

- 2.7. The action plan provides details of the council's activities in promoting sustainable development. The scope and scale of this work provide compelling evidence of its commitment to boost housing investment in Medway. The council works corporately to maximise the benefits of regeneration and economic growth and is proactive in engaging with developers and landowners. This includes regular liaison with the development sector, through council led initiatives such as breakfast meetings with a cross section of developers, a Small and Medium Enterprises Developers forum, annual meetings with major developers and planning agents; in addition to the services provided in relation to the development management and plan making processes. The council is also delivering housing sites through Medway Development Company and the Housing Service. The council provides strong leadership in its ambitions for Medway's regeneration agenda. The regeneration strategy promotes the opportunities for new housing in Medway's town centres and urban waterfronts. The council has secured funding to deliver on its ambitions, with success in attracting investment from government, such as the Housing Infrastructure Fund, Local Growth Fund and Historic England's High Street Heritage Action Zone programme. The council's success in its place making work has led to increased confidence in attracting development investment into Medway. This is reflected in the growing number of sites coming forward for development, and levels of housebuilding activity. Published information on Energy Performance Certificate lodgements showed 1200 registrations in Medway in 2019/20. This provides a broad indication of levels of new housebuilding. The Council's own annual monitoring data for 2019/20 indicates an uplift in housing delivery of nearly 60% on the previous year. This reflects increased land supply for housing in Medway and growing confidence in the area.
- 2.8. The action plan recognises the potential impact of Covid-19 on the development industry. Planning officers have sought updated information from developers about any delays or changes to their delivery plans. The action plan also aligns to wider corporate work on Medway's recovery plans that seek to secure growth and investment locally. The HDT action plan emphasises the need for a coordinated approach to support sustainable

development and boosting the supply of housing. The report assesses past trends and recent decisions in planning and development and considers the council's wider role and actions in promoting successful growth in Medway. Through this, it clearly shows Medway's commitment to support quality housebuilding in appropriate locations and increasing confidence and levels of investment in new housing.

- 2.9. There is widespread concern amongst local planning authorities that the HDT, and associated requirements for a five-year housing land supply, penalise councils for matters outside of their control. Councils plan for housing land but have only a limited role in the delivery of housing. The impacts of a severe recession on housebuilding cannot be effectively addressed through actions taken by a local planning authority. Councils are working in collaboration to lobby government for some temporary relaxations on the penalties imposed on local planning authorities as a result of wider issues in the development sector, notably in relation to the impacts of Covid-19

3. Options

- 3.1. This report is submitted for information and updates the committee on the Housing Delivery Test Action Plan.

4. Advice and analysis

- 4.1. This report is for information and the Housing Delivery Test Action Plan was approved by Cabinet on 4 August 2020. The action plan to be published is presented in Appendix 1.

5. Risk management

- 5.1. The Housing Delivery Test Action Plan seeks to boost the rate of housebuilding in Medway to meet the identified housing need. There are potential risks around delivery rates for housing particularly in the recovery from Covid-19.

Risk	Description	Action to avoid or mitigate risk	Risk rating
Council fails to publish 2020 HDT Action Plan	Failure to meet government requirements	Preparation and publication of HDT Action Plan	E3
Housebuilding does not meet levels set by Government	Presumption in favour of sustainable development applies	Production of Local Plan and granting consents for proposals for sustainable development in advance of plan	A2

6. Consultation

- 6.1. There is no requirement to consult on the HDT action plan. The council regularly engages with the development sector and has included information gathered in preparing the HDT action plan. This has included seeking updates from developers on planned housing delivery rates, with consider of impacts from Covid-19 and the anticipated recession.

7. Climate change implications

- 7.1. The HDT Action Plan reports on the measurement of the HDT and sets out actions to promote housing growth but does not directly address climate change matters.

8. Financial implications

- 8.1. The production of the HDT Action Plan has been met using staff resources within the Planning Service.

9. Legal implications

- 9.1. The Housing Delivery Test Action Plan meets the requirements of the National Planning Policy Framework, 2019.

10. Recommendations

- 10.1. This report is submitted for information to update the committee on the Housing Delivery Test Action Plan.

Lead officer contact

Dave Harris
Head of Planning
Gun Wharf
Telephone: 01634 331575
Email: dave.harris@medway.gov.uk

Rachel Flintoft
Implementation Officer, Planning Service
Gun Wharf
Telephone: 01634 331099
Email: rachel.flintoft@medway.gov.uk

Catherine Smith
Planning Manager – Policy
Gun Wharf
Telephone: 01634 331358
Email: catherine.smith@medway.gov.uk

Appendices

Appendix 1: Medway Housing Delivery Test Action Plan, August 2020.

Background papers

None