



# Medway Housing Delivery Test Action Plan

**July 2021**

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## Executive Summary

This is Medway Council's third Housing Delivery Test Action Plan (HDTAP). The Council has produced the action plan in response to the Housing Delivery Test (HDT) results published in January 2021 because delivery was below the 95% threshold. This is despite the high rates of housing delivery in Medway in 2019/20, which at 1,130 new homes, was the highest level seen since the council was created in the late 1990s.

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 of the new Local Plan.

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 how Medway will perform in future HDTs based on the housing trajectory published in the Council's Authority Monitoring Report (AMR) 2019/20. This shows that there is the potential to pass the HDT by 2023. However, this recognises the need to have a sustained increase in housing delivery to achieve this, as is currently proposed by developers. The early signs for 2020/21 is delivery will be above 1,000 units again so the significant increase seen in the last monitoring year will be sustained. The trajectory in the last AMR did reflect a slowdown in the number of homes in the next couple of years to reflect the impact of Covid-19 and uncertainty about how that would affect delivery in the medium to long term. However, it is clear that the efforts to permit larger greenfield sites has left Medway well placed to continue delivering new homes, even if at a slower rate and this has contributed to a step change in the number of homes being delivered each year.

The report details progression of actions in the 2020 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 under delivery of housing. These are included in section 4 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 on-going period of public health measures to address the Covid-19 pandemic, and the early weeks in coming out of the third lockdown. Although the action plan responds to past activities in the housing market, the situation of over the last year and anticipated conditions in the near future are significant for this work. This action plan considers some of the impacts on the housing market resulting from the Covid-19 pandemic including the strong demand for housing in the last year. It also aligns to the Council's recovery plans to secure the economy and investment in infrastructure. There has been significant policy announcements and legislative changes in the planning sector over the last year and throughout the role of construction in the national strategy is clearly seen. Delivery of housing is still a key policy ambition of the government.
- 1.2 The Housing Delivery Test sits within the context of the government's agenda to boost the supply of housing. This is now given added significance as the country continues 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 third 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 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, in particular last year's consultation '[Planning for the future](#)'. Further government announcements and reforms to the planning system have followed with more expected in the near future.
- 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.
- 1.6 The HDT results are published annually and have been published three times to date, in February 2019, February 2020 and January 2021. It is a backward looking measure that compares the number of new homes delivered over the previous three years with the authority's housing requirement. Full details of the method of calculating the HDT are specified within the [Housing Delivery Test Rule Book](#) and the PPG. As the adopted housing requirement in Medway is more than five years old (through the Medway Local Plan 2003), the Council's HDT has been assessed against the minimum annual local housing need figure calculated using the 'standard method', as defined by government data.
- 1.7 A series of sanctions will apply when the test results show that housing delivery fell below the housing requirement in those three years, and this will depend on the level of shortfall. The sanctions apply in all years the HDT measurement
  - Below 95% - an action plan to be published within six months of the test results.
  - Below 85% - 20% buffer added to 5 year supply and an action plan.
  - Below 75% - a presumption in favour of sustainable development, a 20% buffer and an action plan.
- 1.8 Medway achieved a result of 55% in January 2021, up from 46% in the previous year. This means that all measures will be imposed. This means Medway are required to create an action plan, apply a 20% buffer to the five year housing land supply and apply a presumption in favour of sustainable development when determining planning applications. This will apply until the next HDT measurement. The Head of Planning has provided training to members on the implications of the Presumption in Favour of Sustainable Development in relation to planning decisions.



## **The purposes of this document**

- 1.9 The Council will use this action plan to assess the causes of under delivery of housing in the previous three years and identify actions to increase delivery in future years, as set out in the NPPF and following guidance in the PPG.
- 1.10 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. Medway Council officers have engaged with Planning Advisory Service (PAS) guidance and workshops to help prepare the first two action plans and workshops recently to understand the implications of failing to meet the 75% HDT threshold that means presumption in favour of sustainable development applies when determining planning applications. This has ensured a robust and comprehensive approach. The Head of Planning has since given training to members of the Planning Committee and officers on this issue. 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.
- 1.11 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.
- 1.12 This action plan:
- Considers Medway's development context and reviews historic performance on housing delivery including potential root causes of under delivery against housing targets
  - Explains measures the Council has already adopted to monitor and encourage housing delivery
  - Reviews actions supporting delivery from the last action 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.

This is in line with [Planning Practice Guidance](#) which states that the action plan should “identify the reasons for under-delivery, explore ways to reduce the risk of further under-delivery and set out measures the authority intends to take to improve levels of delivery.”

### **Preparation of the action plan**

- 1.13 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.
- 1.14 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 was carried out last year in the context of first Covid-19 lockdown, and the Council 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 being collated for the next AMR by way of site survey and contact has been made with developers on all sites with permission for 10 or more dwellings and will be used in the AMR to be published in December 2021. This work informs the trajectory of housing delivery and is also used to assess reasons for under delivery.

- 1.15 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. Ongoing monitoring of the implementation of planning consents has helped identify site specific issues that create barriers to development.
- 1.16 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 insight and areas to be considered.

## 2 The Housing Market and Recent Delivery

### Context

- 2.1 Medway has changed significantly over the past few decades, with regeneration and new infrastructure contributing to the development of a modern city. It is a diverse 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. Although rates of housebuilding are below the level of identified housing need, there was a dramatic increase last year in the net number of homes delivered from 647 in 2018/19 to 1,130 in 2019/20. This signals a change in the progression of sites in Medway and the Council is confident that the increased level of delivery will be sustained in 2020/21.
- 2.2 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. The Council has also reviewed Lichfield's' paper [Start to Finish](#) which provides analysis on build out rates and factors that might affect the pace of delivery.
- 2.3 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

- 2.4 The latest HDT measurement was published in January 2021 (2020 series) and showed that rates of housebuilding delivered in Medway in the preceding three years were 55% of the defined housing requirement, calculated using the method in the Housing Delivery Test Rule Book.

	2017-18	2018-19	2019-20	Total	Percentage result
Number of homes required	1,334	1,672	1,550	4,556	55%
Number of homes delivered	669	647	1,181	2,498	

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

- 2.5 There has been a significant increase in the number of homes delivered in 2019-20 compared with the preceding two years and is the highest level of delivery Medway has had since its inception in 1998. It looks as though the increase will be sustained in 2020/21 but survey work is ongoing so it is not possible to confirm exact figures at this stage. There is likely to be a number of reasons for the increase but it is significant that this coincides with the early phases of delivery of a number of sites outside the local plan boundaries. Greenfield sites such as Street Farm, Hoo, Walnut Tree Farm, Hoo, land west of Elm Avenue, Chattenden, land at Town Road, Cliffe Woods and land south of Stoke Road, Hoo have all completed their first units within two years of being identified for monitoring purposes. The strong delivery of these sites shows market confidence in delivering sites on the Hoo peninsula. Delivery of brownfield sites such as Colonial House, Chatham, Kitchener Barracks, Chatham and Temple Waterfront, Strood have continued, but at a slower pace and they also initially took longer to commence from the point of being identified.
- 2.6 As Government has promoted its agenda to boost housebuilding, it has introduced reforms to the planning system and the White Paper last year proposes further radical changes. Last year also saw a long-awaited announcement on the method for calculating local housing need, following consultation, and this saw the standard method adopted. In the preceding ten years, the Council had seen significantly different levels of defined housing need. This created uncertainty and the increases were 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. It increased with the introduction of the standard method and it is now 1,586 dwellings per year needed to meet the five-year housing land supply but increases to 1,903 when a buffer of 20% is added due to past

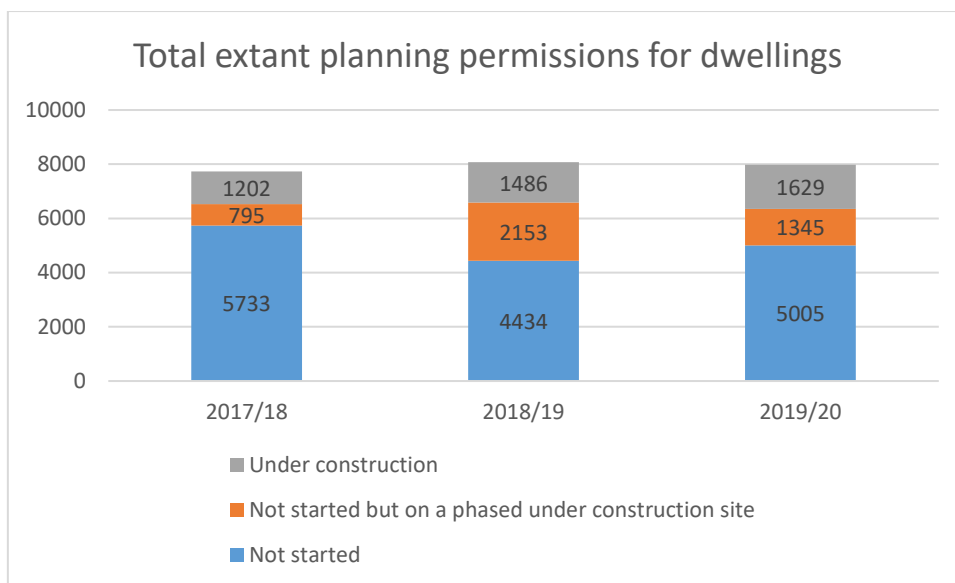
under delivery identified by the HDT. There are slight variations each year as the standard method uses the affordability ratio and the calculation of need can be adjusted in line with this and it marginally affects the overall number. The affordability ratio improved again this year which means the number of homes needs has reduced slightly this year. After consultation on the standard method last year, the government decided to introduce a different formula which would have seen Medway's identified need reduced. However, in December 2020 they reverted to the standard method with continued use of the 2014 household projections so the level of identified need is now broadly similar to the previous two years, even though household projections in 2016 and 2018 showed reduced growth in the number of households in Medway. The large variation in levels of housing need has stemmed from changes in Government policy and updates to demographic data. The Council has commissioned an assessment of Local Housing Need as part of the evidence base for the new Local Plan.

2.7 The following table shows the number of dwellings under construction and not started upto 2019/20.

	2015/16	2016/17	2017/18	2018/19	2019/20
<b>Extant permissions not started (net)</b>	5491	6494	6170	6587	6350
<b>Extant permissions under construction (net)</b>	760	805	1202	1486	1629
<b>Total</b>	<b>6251</b>	<b>7299</b>	<b>7372</b>	<b>8073</b>	<b>7979</b>

Table 2: number of dwellings under construction and not started at end of monitoring year 2019/20

2.8 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 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.)

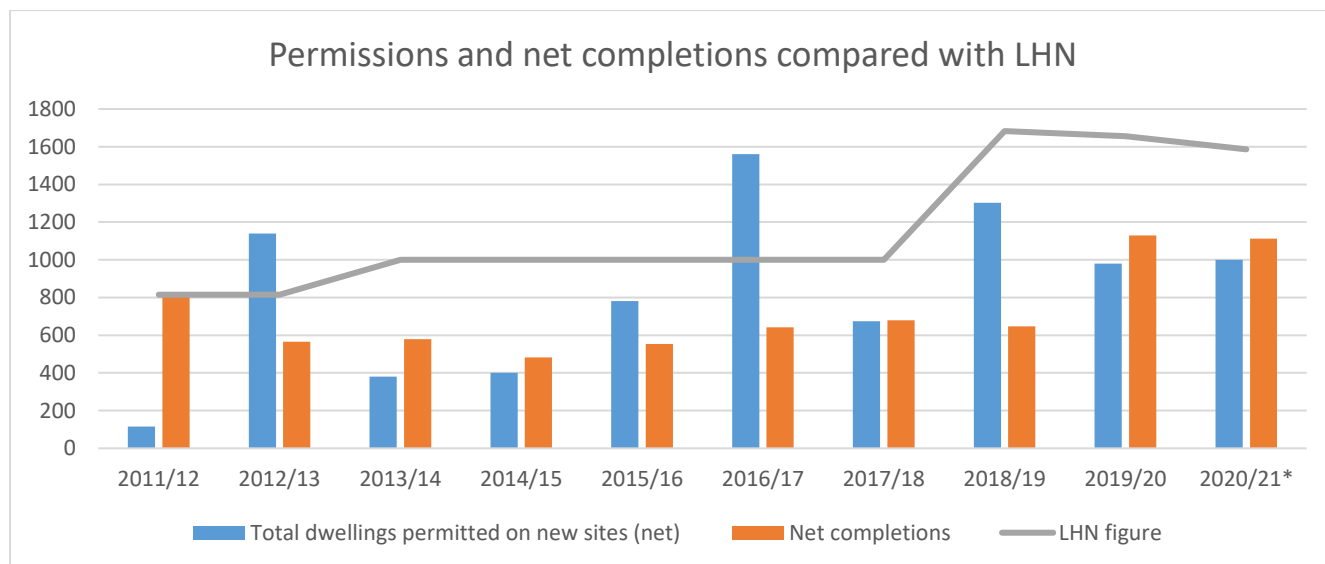


2.9 As shown in the graph above, for 2019/20, this subcategory is 17% of all extant permitted dwellings and 21% of not started extant permitted dwellings. In 2018/19, there was a significant increase in the number of units in the subcategory but it has decreased this year. There was a decrease in starts on sites in the last month of 2019/20 but this will have had only a marginal effect in that monitoring year so is likely to be similar or more noticeable in the 2020/21 monitoring. The uncertainty around Brexit will have had an impact over a longer period of that year. It is expected that there will be a dip in completions in the next few months because of sites shutting down last year.

	2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020	2020/ 2021*
<b>No of permissions on new sites</b>	49	68	77	91	81	109	114	104	116	105*
<b>Large/Windfall dwellings (net)</b>	55	1069	277	294	694	1447	543	1217	846	902*
<b>Small dwellings (net)</b>	61	70	103	107	87	113	132	86	134	98*
<b>Total dwellings permitted on new sites (net)</b>	<b>116</b>	<b>1139</b>	<b>380</b>	<b>401</b>	<b>781</b>	<b>1560</b>	<b>675</b>	<b>1303</b>	<b>980</b>	<b>1,000*</b>

Table 3: Planning permissions 2012-2020 \*provisional figures

2.10 On average, the number of new homes being permitted has increased in the last five years totalling 5,518 dwellings compared with 2,817 in the preceding five 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 graph below shows the number of newly permitted dwellings each year compared with net completions and the local housing need at the time (including provisional figures.)



2.11 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.

2.12 Early indicators for 2020/21, suggest that the delivery of housebuilding in Medway is close to that estimated 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 our housing completion figures. In 2019/20, it showed 1,206 new lodgements compared with the AMR net housing completion figure of 1,130 dwellings. This year, for 2020/21, they show 1,112 certificates being received for new lodgements. It is likely this figure will be close to housing completions but there should be caution over this figure as last year shows there can be some variance between the two. The EPC data is also of limited use 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.



However, it is an early sign that the increase in housing delivery in Medway will be sustained beyond last year's increase.

## **Covid-19**

- 2.13 In March 2020, large numbers of development sites shut down in response to the Covid-19 pandemic and lockdown. Like all businesses upon reopening, they have learned to manage social distancing on site and, at times, alongside reductions in staff due to those shielding, self-isolating or off sick. Many developers have stated that the pandemic has slowed their delivery, but most have been able to continue on site after the first national lockdown. There have been ongoing problems with the supply chain, and this started earlier than the first national lockdown due to lockdowns in other countries being in place. There have been further issues in relation to Brexit and to a lesser extent the blocking of the Suez Canal and this continues to be the case with some reports of shortages with equipment too. There was uncertainty around how the market would recover so some sites chose to complete part-built units but not to make any new starts early in the pandemic, however, most sites have picked up since then. Mortgage products have fluctuated over the period with some being withdrawn in the early part of the pandemic or requiring 30% deposits and the situation is still somewhat fluid. However, estate agents reported a surge in contacts, listings and viewings when they first reopened and this has continued, in part supported by the stamp duty holiday. Responses to annual monitoring in 2020 included some optimism about the demand for units but with caution about delays in delivery being caused by social distancing restrictions. This seems to be reflected in the initial responses coming in for the current round of annual monitoring with developers saying they expect a dip in completions in the next six months, reflecting the delay in starts just over a year ago. All of these factors will have a significant effect on the delivery of new homes but it is a varied picture. This has been an unprecedented time and the situation continues to evolve.
- 2.14 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 the last lockdown but with the potential of a third wave. 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.
- 2.15 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 2019 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 remain in place to ensure that decision making could continue, including a change to delegation rules and virtual planning committees. Working from home is the norm for most officers and support was put in place including improved ICT solutions.

- 2.16 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.
- 2.17 The Council has worked on delivering against its pandemic recovery plan during 2020/21, across a range of workstreams. This includes actions to address issues related to – unemployment; disproportionate impacts on key groups; responding to Government infrastructure funding opportunities; town centre recovery; digital exclusion; health and wellbeing; support for Medway’s economy, businesses, investment opportunities, and priority sectors; taking forward of specific projects including Britton Farm Learning and Skills Hub, and Innovation Park Medway; higher education impacts; and promoting public transport use post COVID. These workstreams will continue to inform corporate priorities and reinforce the Council’s commitment to sustainable growth in Medway.

### **Housing market conditions**

- 2.18 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.
- 2.19 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. The Council has commissioned an update on this with Gravesham Borough Council, ahead of submitting the draft Local Plan for examination and are awaiting a final report.
- 2.20 Evidence from the development and property sectors gathered through meetings is that the property market in Medway has been buoyant over the last year, after the first lockdown. This is against the backdrop of the Covid-19 pandemic and the UK leaving the European Union. 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 in the run up to this but in the preceding years the consensus was that the Medway market was generally buoyant. Work on the Local Plan viability assessment confirms that the market is perceived to be strong and it is a highly

desirable place to develop housing. This is supported by an increase in the number of new homes delivered during 2019-20 and it is anticipated this was sustained in 2020-21. There are a number of new developers entering the Medway market as well as existing developers continuing to develop sites. Some developers are reporting very strong demand for their products with lots of units selling off plan and on some smaller sites the whole development being fully sold half way through the build.

- 2.21 The housing affordability ratio in Medway, as of March 2020 was 7.57, meaning that the average property in Medway costs a little over seven and a half times the average annual salary. This is an improvement from last year, meaning homes in Medway are more affordable than they were. The change is a result in an increase in average earnings. Housing in Medway has a similar affordability ratio to the national ratio (7.84), but more affordable than across the South East region (9.92). 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.
- 2.22 Although Medway has a buoyant market, sales values are lower than in other parts of Kent and the south east. The UK House Price Index, based on sales data from HM Land Registry, shows an increase in average house prices of 9% as of April 2021 compared with the previous year. This is a significant jump from the 1.2% increase reported in the AMR last year for house prices from March 2019 to March 2020. However, the increase in Medway is broadly similar to increases seen in Kent and nationally. Prices in Medway are just below the average paid in England, £260,518 compared with £268,380. This compares with £318,983 for Kent. There are marked variations in residential property prices across Medway so for developers it is possible to achieve higher values in certain areas within Medway and also in other areas in Kent.
- 2.23 The value of land should reflect the lower sales values that can be achieved locally. Again, there is a marked variation in land values across Medway. The viability of sites can be 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 as properties are attractive to both local residents and those looking to move to a more affordable area.

## Housing Delivery Test projections

2.24 The [NPPF](#) requires local planning authorities (LPAs) to apply a presumption in favour of sustainable development to decision making 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 was 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 but it is now at 75% so the presumption applies to Medway in this respect as well. This can change in future years if the level of delivery increases to the level of need identified and the increase is sustained, as the measurement is based on three years of delivery.

2.25 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.

2.26 It is useful to project 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. The delivery figure has been adjusted by one month in the most recently published measurement to account for the closure of sites in the first pandemic lockdown.

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	1550	4556	669	647	1181	2497	55%
<b>2021</b>	1672	1550	1903	5125	647	1181	1313	3141	61%
<b>2022</b>	1550	1903	1903	5356	1181	1313	2168	4662	87%

<b>2023</b>	1903	1903	1903	5709	1313	2168	2334	5815	102%
<b>2024</b>	1903	1903	1903	5709	2168	2334	2154	6656	117%

Tables 4&5 - The above two tables include the results published in the HDT measurement 2018-2020. It also includes projections on delivery based on the housing trajectory in the AMR 2019/20 adjusted as per the HDT rulebook and including a 20% buffer. As part of the transitional arrangements, the number of homes required for the years 2015/16,

<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>47%</b>	<b>46%</b>	<b>55%</b>	<b>61%</b>	<b>87%</b>	<b>102%</b>	<b>117%</b>
1 <sup>st</sup> action plan and 20% buffer	2 <sup>nd</sup> 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	Action plan and 20% buffer	No imposed measures	No imposed measures

2016/17 and 2017/18 is based on the household projections, 2012 and 2014 bases. From 2018/19 onwards, 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 adoption of the local plan and its annual housing targets.

2.27 The projected results do show that Medway will pass the HDT in 2023 if it delivers the number of homes set out in the housing trajectory. This is a year later than projected in last year's action plan. Although Medway achieved its highest delivery in 2019/20, the trajectory was reviewed, in line with monitoring processes, and this has meant projected delivery has been pushed back. This was mainly due to the Covid-19 pandemic which has made it difficult to assess future delivery, both for the Council and developers, but also due to the first lockdown and ongoing social distancing being maintained on sites. Early indication for 2020/21, is that net delivery will be similar to last year but not quite as high as predicted. The HDT result is based on the previous three years housing delivery so any increase in the number of homes being delivered will need to be sustained.

2.28 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. Some government measures have been put in place to support the housing market. The alterations to stamp duty were introduced last year, extended in the spring with a reduction in the qualifying amount applying from July to September 2021 but it is too soon to know if this will then have a negative impact on the housing market after this time. There is continuing support for first time buyers with government backed mortgages to be introduced and 'First

Homes' to be available as part of affordable housing but again it is too soon to see the impact of these measures.

2.29 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 site.

### **3 Root Cause Analysis**

#### **Planning Policy and Development Management Processes**

- 3.1 This is a wide ranging section of the action plan. 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. 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**

- 3.2 The Council is preparing a new Local Plan and aims to publish the draft plan in autumn 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 included identifying key constraints and means of mitigation where appropriate, such as through the provision of infrastructure.
- 3.3 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.
- 3.4 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.

- 3.5 In advance of a plan being in place and given the government's emphasis on the planned system, Medway's local plan preparation may have impacted on delivery rates in recent years due to its complexity.

### **Strategic Land Availability Assessment**

- 3.6 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.
- 3.7 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.
- 3.8 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**

- 3.9 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.
- 3.10 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 2021, has sites listed



with a minimum number of homes to be delivered at 2,298. This is an increase on 2020's 1,925 which itself was a significant increase from 2019's 783. Of these, a minimum of 1,004 dwellings had permission and 176 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 1,118 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.

- 3.11 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, but it is not considered that this decision has impacted significantly on build rates in Medway in recent years.

### **Stalled and dormant sites**

- 3.12 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 generally 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. There has been progress on some sites, applications to alter the layout and number of units on other sites but a few other sites where progression seems to have stalled. There are also a few sites that were unable to make use of the extension of time to implement their planning consent before end April 2021.
- 3.13 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.
- 3.14 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.
- 3.15 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.

3.16 In general, it is acknowledged that stalled and dormant sites have had a likely impact on delivery rates in Medway in recent years, which has not been accounted for in the level of permissions granted.

### **Development briefs**

3.17 Development briefs and masterplans can be 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.

3.18 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..

3.19 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.

3.20 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.

3.21 The Council intends to increase the number of development briefs produced linked to allocations in the new Local Plan. Further work is now ongoing in Chatham as part of Historic England's Heritage Action Zone programme. The Council is also preparing a Hoo Development Framework to support a proposed strategic growth allocation on the Hoo Peninsula in the new Local Plan. The Framework will set out a strategic masterplan and key principles to guide growth. It is acknowledged that such strategies do not in necessarily, on their own, speed up the delivery of large sites, but do provide certainty in development coming forward. The work involves engagement with the development sector, service providers, local communities and wider stakeholders to address key issues to provide for sustainable and viable development.

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

- 3.22 Timely decision making on determining planning applications for housing is part of the wider process of maintaining housing supply. Service performance is reported to Planning Committee quarterly and includes benchmarking against similar unitary authorities. During the last year, the report has shown that determination of planning applications has exceeded government targets for major and minor planning applications, both of which include housing development applications. The service is also above national average for determination of major and minor applications most of the time.
- 3.23 During the Covid-19 pandemic, 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 a temporary amendment to the scheme of delegation on 1 April 2020 relating to the triggers for escalation of planning applications from officer to Committee level for a temporary period with effect from 2 April 2020 until such time as the Government's guidance on social distancing in response to the Covid-19 pandemic was lifted. As well as changes to the triggers, the meetings were held virtually between 29 April 2020 and 26 May 2021. 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.
- 3.24 The temporary changes to the scheme of delegation have reduced the number of applications that need to be considered by Planning Committee. Current legislation means that committee meetings will again have to be carried out in person, as the temporary provisions have been revoked. The Planning Committee have agreed a temporary extension to the amended scheme of delegation whilst the pandemic is ongoing and a request for this to be made permanent will be considered at some point in future.
- 3.25 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.
- 3.26 Medway Council's development management function is not seen as a barrier to development taking place in a timely manner.

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

- 3.27 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.
- 3.28 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.
- 3.29 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 was rapidly addressed to ensure a full service can be offered and delivered.
- 3.30 Engagement by members in Medway's planning service is positive and is not seen as a potential contributor to lower housing delivery test results.

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

- 3.31 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.

3.32 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 a slight decrease in the number of PPAs signed in the last year. The extended use of PPAs continues to be explored with the possibility of introducing them for specific consent types such as discharging of conditions. The use of PPAs is considered to have had a positive impact on housing delivery. Although there has been a slight decrease in the number signed in the last year, it is not significant enough to affect the delivery of housing applications progress as this stage.

### **Planning conditions**

3.33 A few stakeholders have cited the discharge of conditions as a source of delay in our processes. The median amount of time to determine discharge of condition applications, for applications decided between April 2020 and March 2021, was 7.57 weeks. Research using the data standard template has shown that conditions can take a lengthy time to discharge after the original planning permission is granted with some being considerably longer than the average. 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.

3.34 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.

3.35 In 2019, 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.

3.36 Developers have identified problems securing materials and equipment as being a possible area for delay and the eight weeks to determine these applications as too long because the availability of the approved materials may have changed within that time. If they need to source alternative materials, there is the potential need to submit further discharge of condition applications which will add to the delay. The Council has advised developers to submit a palette of materials for discharge to give them greater flexibility when ordering materials. Officers are also advising applicants earlier in the process of the acceptability of materials, especially when the discharge of conditions application has a number of different conditions to be discharge of varying complexity. This is seen to have a positive contribution to delivery rates.

### **Developer Contributions**

3.37 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, with this updated on an annual basis to reflect inflation. Triggers are agreed on a case by case basis and do not require all contributions on commencement or first occupation.

3.38 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.

3.39 The median number of weeks to determine a planning application with a S106 was 43 weeks in 2020/21 which is broadly unchanged from 2019/20 at 44 weeks. The planning decision is issued within a few days of the S106 being signed. The time taken to determine the application post committee was 23 weeks in 2020/21 compared with 14 weeks in 2019/20. 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.

3.40 Lengthy delays in determining section 106 agreements will have some impact on the delivery of housing. The Council has adopted some new procedures designed to improve the process, but it is too early yet to see if has had any positive impact on the determination periods of these applications. The Council is also reliant on the applicant's legal team to progress matters efficiently. The situation will be monitored in the coming year. Council.

## **Streamlining process for mitigation identified as part of Habitats Regulations Assessment**

- 3.41 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).
- 3.42 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, and it is considered that this has had a positive impact on delivery rates.

## **Planning Protocol**

- 3.43 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.
- 3.44 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.

3.45 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**

3.46 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 recruited to some vacancies, but it has been more challenging to recruit to all vacancies, particularly development management senior planner roles. This is not a unique situation to Medway and other authorities report similar recruitment issues.

3.47 Medway looks to improve the skills and opportunities for progression for existing staff. Training staff to become planning officers takes time and is done through the apprenticeship levy so generally needs to be available locally. There is some frustration that new local courses that can be accessed using the apprenticeship levy are not being accredited by the RTPI quickly enough.

### **Housing Delivery Analysis: Site, Developer and Housing Typologies**

3.48 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, Rochester Riverside), Bellway (south of Ratcliffe Highway, Hoo), Redrow (Temple Waterfront, Strood, Mierscourt Road, Rainham), and Berkeley (Victory Pier, Gillingham).

3.49 Last year 42% of new dwellings in Medway was delivered by these four developers, a reduction from 50% the previous year. However, over the last few 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. This includes Persimmon, McCulloch Homes, Taylor Wimpey, Abbey Homes, Peel, TopHat, Leander Homes, Jones Homes, Quinn Estates, Linden Homes and Esquire Developments. Some of these sites are now under construction or complete.



## **Empty Homes**

- 3.50 Medway has a higher proportion of empty homes than other Kent authorities. In 2020, there were a total of 1,771 long term vacant properties. Long term is defined as vacant for 3 months or more. 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.
- 3.51 For derelict units, section 215 notices are 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. The Council has a dedicated Empty Homes and Derelict Buildings Officer who is developing an Empty Homes Strategy which will be pursued this year.

## **Delivery of large 1,000+ unit sites**

- 3.52 Evidence from the data standard template is that larger sites for Medway have been historically slow to commence or deliver. Most notable are the strategic brownfield regeneration sites at St Mary's Island and Rochester Riverside, both complex sites with heavy contamination.
- 3.53 St Mary's Island is nearly complete and is the largest site to deliver in Medway's 20 year history and seen as a success of Medway's regeneration. The site was first identified in 1988 with an application submitted five years later. The development proposals were sponsored by the regional development agency and led by a masterplan. Permission was granted in 1996. The site can deliver 1,769 homes with 1,606 complete by end of March 2020. 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.
- 3.54 Rochester Riverside was first identified as a key regeneration site in 1988. There were 73 units built in 2012 but the remainder of the site 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 were 90 homes under construction with 126 complete at the end of March 2020. Phase 1 & 2 are due to complete September 2021 and phase 3 has started. A reserved matters application for part of phase 4 was submitted in May 2021.

3.55 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. In the longer term, Medway Council plans to allocate additional sites of this or similar size as part of its forthcoming local plan, and such sites are expected to be a key means of addressing housing need in Medway in a sustainable manner. As their sample of sites is so small in Medway, the build out rate of such sites will be of limited use 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.

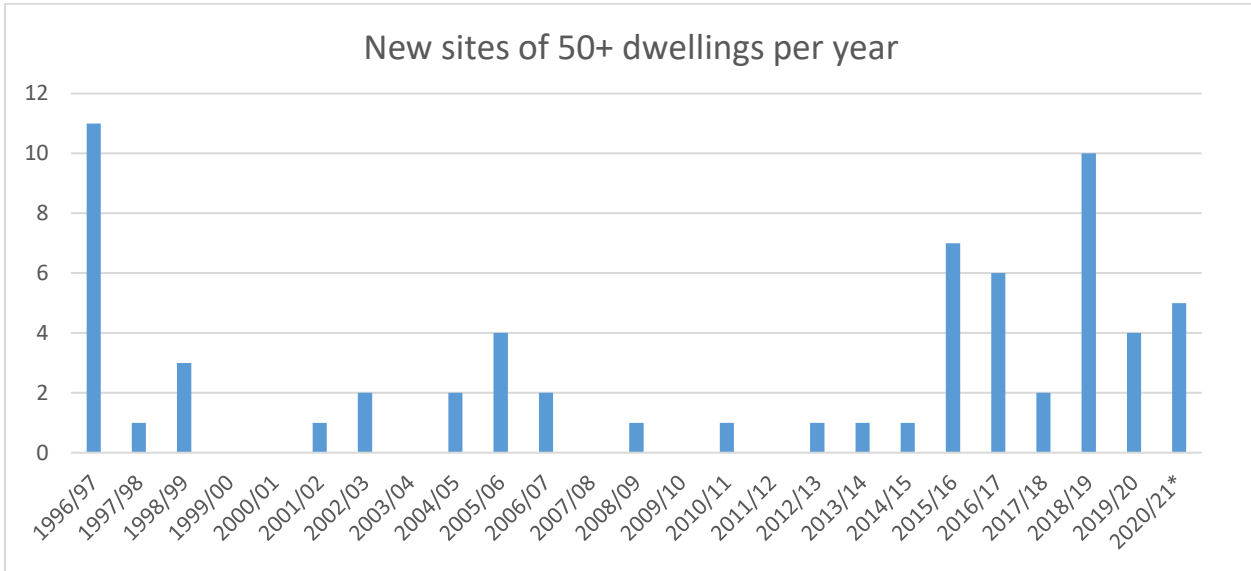
### **Delivery of medium-sized 50+ unit sites**

3.56 Medium sites play an important role in the delivery of new homes and this has been the case in Medway. The majority of development in Medway over the last five years has been delivered on sites over 50 dwellings, which could encompass both volume house builders and larger SMEs. Excluding delivery at St Mary's Island, delivery on such sites has accounted for approximately half of delivery in Medway in recent years.

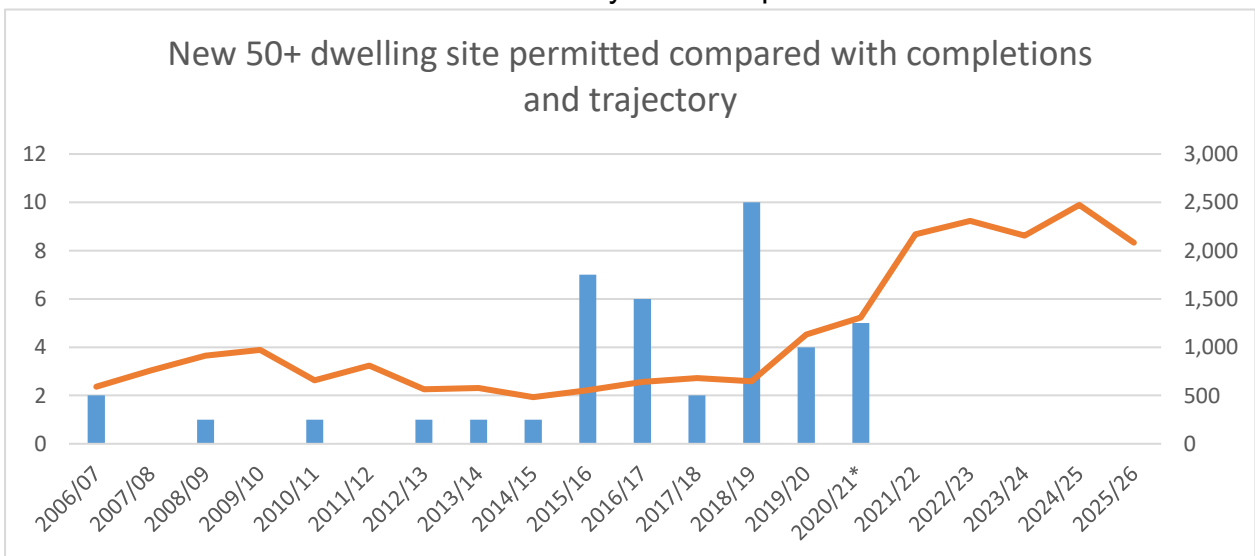
3.57 Many of these sites are on brownfield land and play an important role in helping Medway meet its regeneration aspirations. Small and medium sites generally come forward more quickly with shorter lead-in times. However, larger sites deliver more dwellings per year than smaller sites.

3.58 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. Over 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. There will be a variety of sites available for allocation to support this approach. Work on the local plan will look at the mix of sites, alongside work on viability, to help inform the trajectory.

3.59 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 these 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.



3.60 In the last six years there have been 34 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 was reflected in the monitoring data for 2019-20 with Medway’s highest rate of delivery in a year of 1,120 units. The early indications for the current round of monitoring is that there will be similar levels of delivery for 2020-21. The trajectory in 2019-20 reflected a reduced rate of delivery that is expected due to Covid-19.



## **Role of SME developers**

3.61 The number of SMEs within the Medway market has reduced in recent years and they are being forced out of business for many reasons. They have cited the increase in local housing need requirements in the south east as a possible factor. The need to deliver large amounts of housing has led to local plan policies focussing on strategic sites and new settlements which do not suit their business model. They have a different operating model to the volume housebuilders who have greater control of 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 efficiently. 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 facilitate the delivery of a diverse mix of sites. Local SMEs are promoting a small sites policy for consideration in Local Plans and Medway officers are in discussions about this.

3.62 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.

## **Diversity of housing types and market segmentation**

3.63 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.

3.64 Last year Medway predominately delivered 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. This is will be informed by an updated local housing needs

assessment which is currently underway. 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. The large sites allocated on Hoo will also provide a wide mix of housing.

*Table 3: 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>Completions (gross) on large sites by property type and number of bedrooms 2019/20</b>		
<b>Number of bedrooms</b>	<b>Houses</b>	<b>Flats</b>
<b>One</b>	13	689
<b>Two</b>	106	549
<b>Three</b>	165	26
<b>Four or more</b>	173	0
<b>Total</b>	<b>457</b>	<b>1,264</b>
<b>Total % split</b>	<b>27%</b>	<b>73%</b>

*Table 4*

<b>Affordable Completions (gross) by property type and number of bedrooms 2019/20</b>		
<b>Number of bedrooms</b>	<b>Houses/Bungalows</b>	<b>Flats</b>
<b>One</b>	6	96
<b>Two</b>	26	128
<b>Three</b>	57	8
<b>Four or more</b>	12	0
<b>Total</b>	<b>101</b>	<b>232</b>
<b>Total % split</b>	<b>29%</b>	<b>71%</b>

- 3.65 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 partnered with Medway Development Company to deliver 20 modular units on the White Road Community Centre site.
- 3.66 The Chatham Waters development will see 199 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 Council will monitor the delivery to assess the level of interest in this housing product.

3.67 There has also been an increase in the diversity of sites being delivered in Medway. In 2015/16, only 7% of consented development in the housing pipeline was on greenfield sites. For 2019/20, it was at 30% of future development of homes in Medway are planned on greenfield sites. This demonstrates that the Council has granted planning permission for a number of greenfield sites, outside of current Local Plan development boundaries, to increase housing land supply. These will have been difficult decisions taken by the Planning Committee but the increase in delivery numbers is beginning to be seen, as evidenced by Medway's recent increase in delivery performance.

3.68 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 with one site now having one complete and three under construction when recently surveyed. Encouraging the delivery of more self-build plots in suitable and sustainable locations 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.

### **Role of Affordable housing**

3.69 Last year, 2019/20, saw gross completions of affordable housing at 333 units which is 27% of the number of gross housing completions. The level achieved varies on an annual basis but the increase in units does reflect the overall increase in delivery of new homes. However, 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.

3.70 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.

3.71 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.

- 3.72 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.
- 3.73 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 an 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.
- 3.74 The government has recently announced the introduction of First Homes with transition arrangements in place including grant funding for developers to incentivise early delivery of these homes. The homes will be discounted by at least 30% of market value, capped at a cost of £250,000 outside London. Developers, particularly SMEs, say it is unclear what impact this will have on the market at this stage. The new local plan will include first homes in its policies. This is an area that will need to be monitored.

## **Leadership, Entrepreneurism and Attraction**

3.75 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**

3.76 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, Climate Change Action Plan and wider changes.

3.77 The Regeneration 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 £40million 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. They have also secured government funding through the Housing Infrastructure Fund and Future High Streets Fund.

3.78 SELEP have allocated Medway up to £1.99million of Getting Building Funding (GBF) to create a learning skills and employment hub. The skills hub will be run by Medway Adult Education to help adults to retrain, upskill and get employment opportunities. It will be situated on the first floor of the former shopping centre, Britton Farm in Gillingham. The final funding will be announced later in the year. In addition to this, the ground floor has been converted into offices in partnership with Kent and Medway NHS and Social Care Partnership Team and Medway Development Company will build 44 affordable homes in the old loading bay of the site.

## **Housing Infrastructure Fund programme**

3.79 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.

3.80 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 published in the spring of 2020, with a consultation on HIF proposals starting in January 2021 and the comments are now being considered and will be published in due course. A development framework is being prepared to support the draft Local Plan.

3.81 The Council worked with the government to agree the legal and project management arrangements and work is underway to progress the projects. Work is also continuing developing project timelines and budgets. There is also ongoing preparation work to secure planning permissions for road, rail and environmental investments with a planning application being submitted for a country park to support environmental improvements and increased growth on the peninsula.

### **High Street bids**

3.82 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 and Rochester High Streets 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 by revitalising and repairing historic buildings to bring them back into use, and uncovering the hidden heritage of the area through a community led cultural programme.

3.83 Medway also successfully secured £9.5 million of the Future High Streets Fund to further transform Chatham High Street. The funding will be invested into Chatham to further economic growth, increase housing, create more jobs and provide a vibrant town centre experience. This will include creation of creative and collaborative workspaces, diversification of the Pentagon Shopping Centre, and works to enable and reshape town centre living.

## **Place branding**

3.84 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**

3.85 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 programme has been impacted due to the Covid-19 pandemic, but events have been supported virtually instead. The Rainbow Effect is a new project that has seen Medway commission 10 local creatives to create a range of contemporary artwork. Estuary 2021 is the second edition of the large-scale arts festival that celebrates the lives, landscapes, and histories of the Thames Estuary. Medway Cultural Partnership in partnership with Medway Council are overseeing the development of a new Cultural Strategy for Medway over the next ten years (2022-2030).

## **City of Culture 2025 bid**

3.86 In May 2021, the government launched the competition for 2025 UK City of Culture. Medway announced its aspiration to submit a bid in July 2019 and it is being shaped by people across Medway. 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. The winning city or town will be announced in Spring 2022.

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

- 3.87 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.
- 3.88 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.
- 3.89 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.
- 3.90 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 be 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 an SME forum meeting.

- 3.91 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.
- 3.92 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 some 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.
- 3.93 There are monthly meetings with Medway Development Company and Housing to collaborate on housing delivery. There have also been roundtable discussions with registered providers, organised by Housing and Planning Services.

### **Medway Development Company**

- 3.94 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.
- 3.95 Since its creation in 2018, MDC has continued to progress its early phase sites, which include Chatham Waterfront, Whiffens Avenue Car Park, Chatham (known as Garrison Point), White Road Community Centre, Chatham and Britton Farm, Gillingham. The 20-dwelling scheme at White Road reached practical completion in January 2021. At Garrison Point, piling works have completed with work on the concrete frame has started. At Chatham Waterfront, piling works have commenced. Across these sites 355 new homes will be delivered and these schemes have been approved by the Planning service.
- 3.96 The company's next projects include the redevelopment of Mountbatten House, Upper Mount Car Park and Queen Street Car Park. Mountbatten House got planning permission for 164 units at the end of April 2021. Upper Mount Car Park will deliver some of the Mountbatten House affordable housing, off site, and there is currently a

planning application pending a decision. Queen Street Car Park will provide 45 offsite affordable dwellings for the adjoining site and designs are currently being developed.

3.97 MDC officers continue to hold regular meetings with the Planning service to ensure efficient progress of their schemes, from early pre application discussions, use of PPAs, and progression of conditions as well as those which are now on site in their delivery phases.

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

3.98 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.

3.99 Last year, the team 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 summer 2021. Expected completion will be late 2022 to early 2023.

3.100 The team is working on the delivery of another couple of sites in Gillingham with a local developers. 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**

3.101 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 is using CPO powers to purchase Mountbatten House, a redundant office block in Chatham, for conversion by Medway Development Company to residential use. There was 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 meet the needs of Medway residents as well as supporting regeneration in Chatham.

## **Commuted sums**

3.102 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 some 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**

3.103 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 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.

3.104 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.

3.105 There is also the potential for up to £1.99 million from the SELEP Getting Building Funding to deliver a learning skill and employment hub at the former Britton Farm Shopping centre which will help adults to retrain, upskill and get employment opportunities.

## 4 Key Actions & Responses

4.1 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 and the monitoring of actions from previous action plans.

Key Actions	Root cause/evidence	Timescale	Progress and outcomes	Responsibility
Policy and Process				
<p>Publication of draft Local Plan</p>	<p>Provide proposed development allocations to meet housing needs</p> <p>Demonstrate mix of sites and delivery rates to secure five-year land supply and range of housing</p> <p>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.</p> <p>Policy and allocations for specialist housing needs in draft plan.</p> <p>Infrastructure Delivery Plan and Viability Assessment provide basis for sound development allocations.</p> <p>Monitoring framework to consider measures arising from HDT action plan.</p> <p>Review of Developer Contribution Guide to align to draft Local Plan.</p> <p>Publication of further policy and guidance documents as supporting evidence for the</p>	<p>Autumn 2021</p>	<p>Work on the evidence has progressed and publication of the draft plan is timetabled for Autumn 2021.</p> <p>Publication will give further clarity on proposed allocations and phasing of development.</p>	<p>Planning Policy team</p>

	Local Plan and to promote development opportunities.			
Review of development management processes	<p>Review processes for condition discharge review options for flexible condition for materials</p> <p>Encouraging increased use of PPAs and consideration of specific application type PPAs such as discharge of conditions</p> <p>Review process associated with S106 negotiation and introduction of some more flexible clauses in particular associated with affordable housing</p> <p>Review of Development Management decision making processes</p>	Ongoing work and feed into annual service plans	<p>Conditions data indicates generally timely decisions are being made. Ongoing consideration of flexible condition for materials.</p> <p>Officers have continued to promote PPAs which supports timely decision making.</p> <p>Updated ISO procedure to be adopted and audited independently.</p>	Development Management and Legal teams
Continue to monitor site using evidence log (PAS data standard) to RAG rate sites and focus on unblocking red sites.	<p>Review of sites has highlighted sites that have stalled and allow for targeted actions on relevant sites.</p> <p>General issues raised can be acted upon if that would be beneficial to multiple sites and encourages quicker delivery.</p>	On going	<p>Sites have been identified and actions to progress taken.</p> <p>New sites get added and reviewed when annual monitoring survey is carried out.</p>	Implementation Officer, Planning Policy Team
Monitoring of progress on action plan to be included within service plan monitoring and reporting.	Service planning monitored quarterly to ensure progress on actions.	Quarterly	Monitoring of actions is happening in line with service monitoring processes.	Planning Service



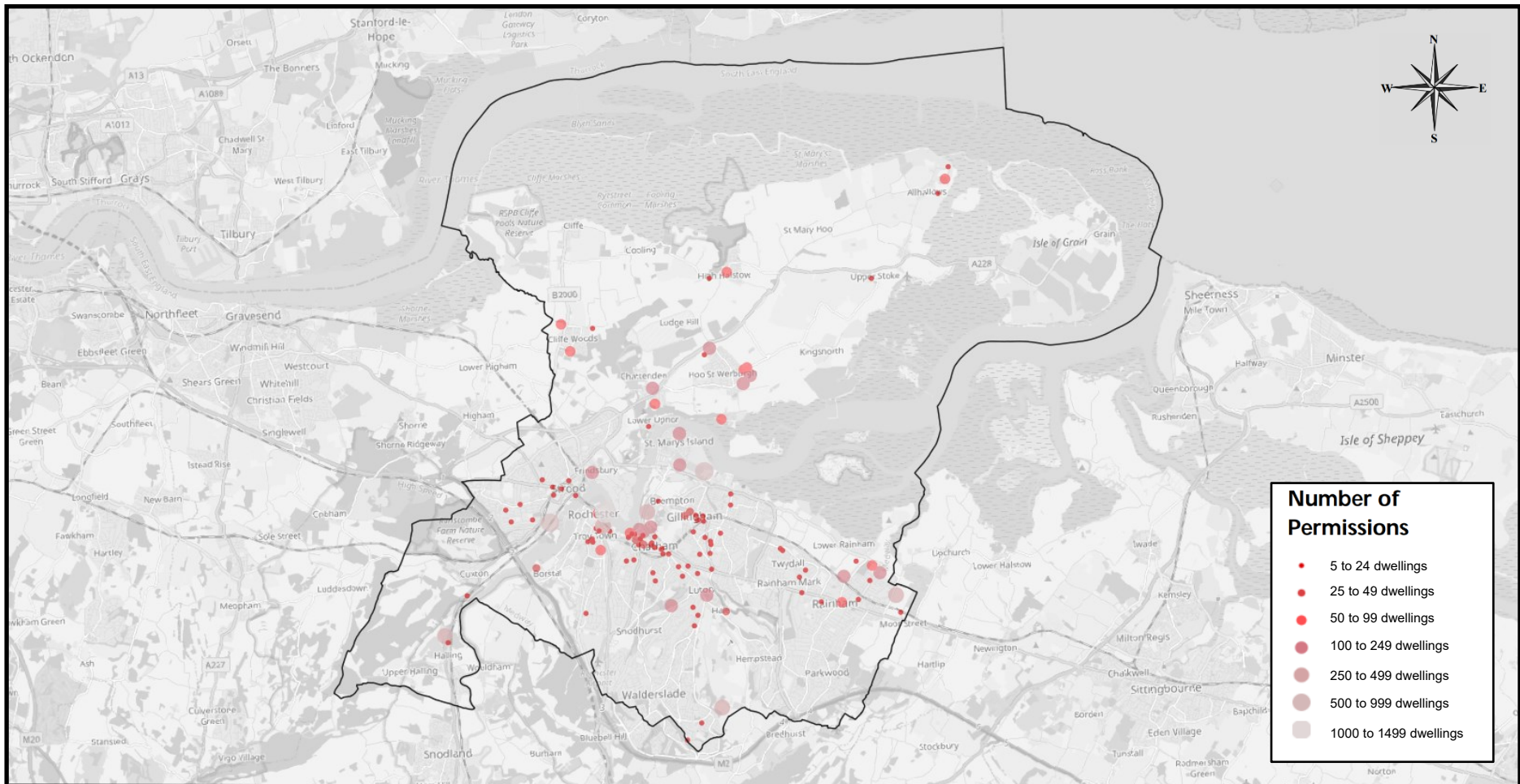
Site Delivery				
Working with registered providers to identify sites below 25 units for them to deliver as 100% affordable housing		On going		Planning Policy & Housing teams
Developing a plan to use commuted sums for delivery of affordable housing units	Housing team to identify sites suitable for affordable housing with some delivered by commuted sums. Support from Planning service to identify suitable sites.	On going	Sites delivered in past years with some due to be delivered in the next 1-2 years.	Housing
Formation of task group with representatives of the Council, developers and registered providers to work on protocol for delivery of affordable housing		Autumn/Winter 2020		Planning and Housing
Empty Homes Strategy	Proportionally high level of empty properties in Medway indicates need to address the issue.	On going	Dedicated derelict buildings an empty properties officer identifying relevant sites.  Seeking approval of to join Kent County Council's 'No Use Empty Scheme' to	Empty Homes Officer, DM Team

			provide loans to support bringing empty properties back into use.	
HIF delivery of infrastructure and environmental projects	Infrastructure to support delivery of Local Plan ambitions to provide additional housing on the Hoo Peninsula	On going to deliver by 2024	<p>Consultation undertaken on Hoo Development Framework and HIF proposals.</p> <p>Planning application submitted for country park, part of the environmental enhancements part of the HIF programme.</p> <p>Extensive technical work on road, rail and environmental projects.</p>	Dedicated HIF Delivery Team
HRA delivery	Additional local authority housing will support overall delivery of housing	Ongoing	<p>A few sites have planning permission with expected delivery timescales of 1-2 years.</p> <p>Purchase of units from local developer who is interested in collaboratively working with the council.</p> <p>Work ongoing to secure additional sites.</p>	Housing and Regeneration teams
First Homes	Allocation of sites. Monitoring of delivery. Dialogue with developers.	On going	New policies	Planning Service

			Dialogue with developers.	
Leadership, entrepreneurship and attraction				
Continue engagement processes between Planning Service and development sector.	Continuing to support the development sector in Medway to deliver sites efficiently and identify issues in a timely manner.	On going	Continuation of breakfast meetings. SME forum established. Delivery rates and issues obtained through monitoring.	Planning Service
Continuing delivery of place-making programme and implementation of Medway 2035 regeneration strategy, including City of Culture bid, delivery of Innovation Park Medway.		On-going with annual review in service plans.	Implementation of Medway 2035 regeneration strategy	Corporate services
Covid-19 recovery plan		Implementation of plans from summer 2020.		Medway Council in partnership with wider stakeholders

## **5 Project management and monitoring arrangements**

- 5.1 The Council has an ambitious vision for Medway's sustainable growth. There is corporate commitment to securing housing delivery. This action plan is to be presented to Cabinet on 13 July 2021.
- 5.2 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.
- 5.3 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.
- 4.1. 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



### Map 1 – Pipeline of sites with planning permissions for housing

#### All sites of 5 or more units

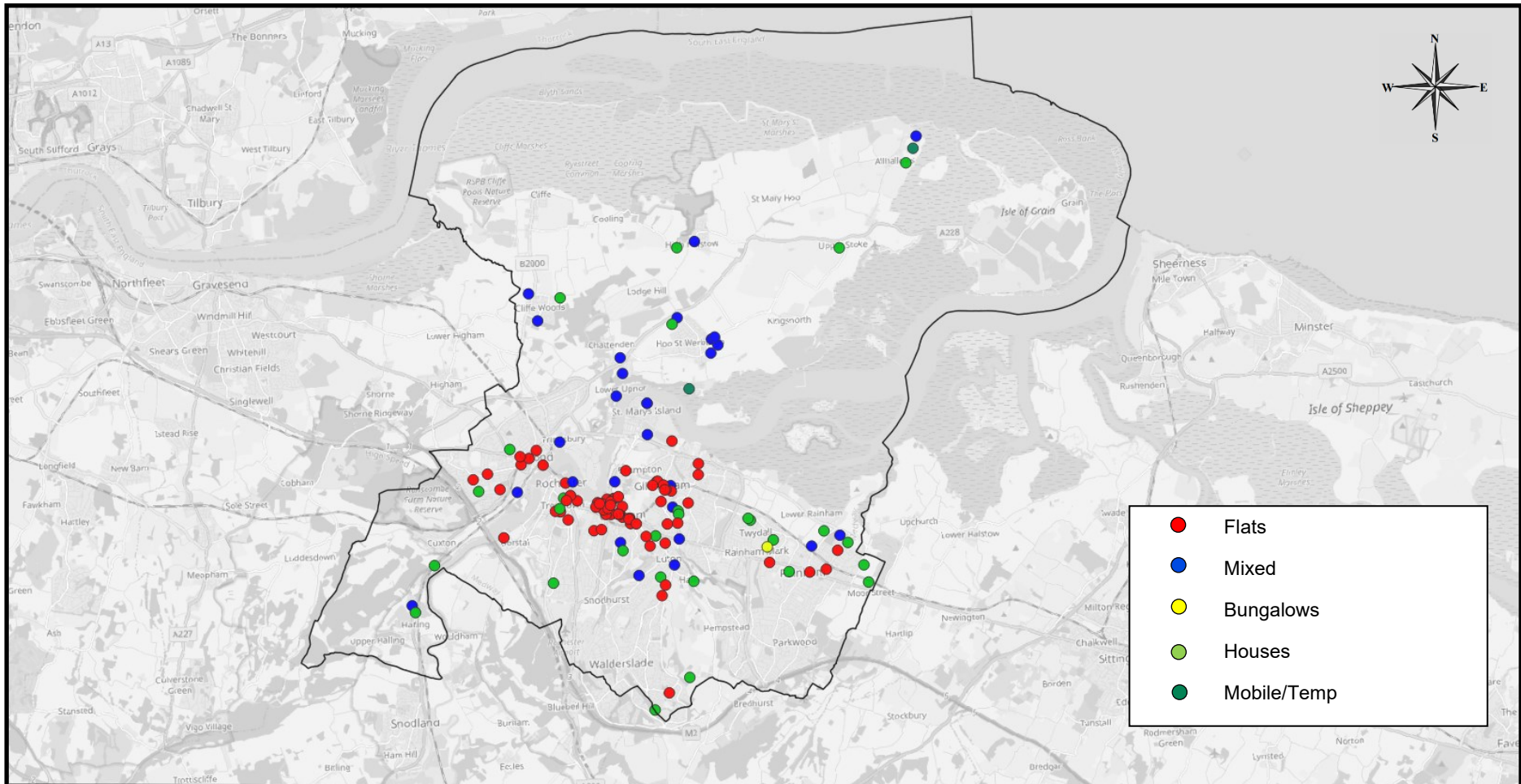
Point data has been used to represent the developments as some of these sites are very small and would not be legible as polygons on a map. The larger the point on the map represents the larger the permission.

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## Map 2 - Housing Mix in residential development pipeline

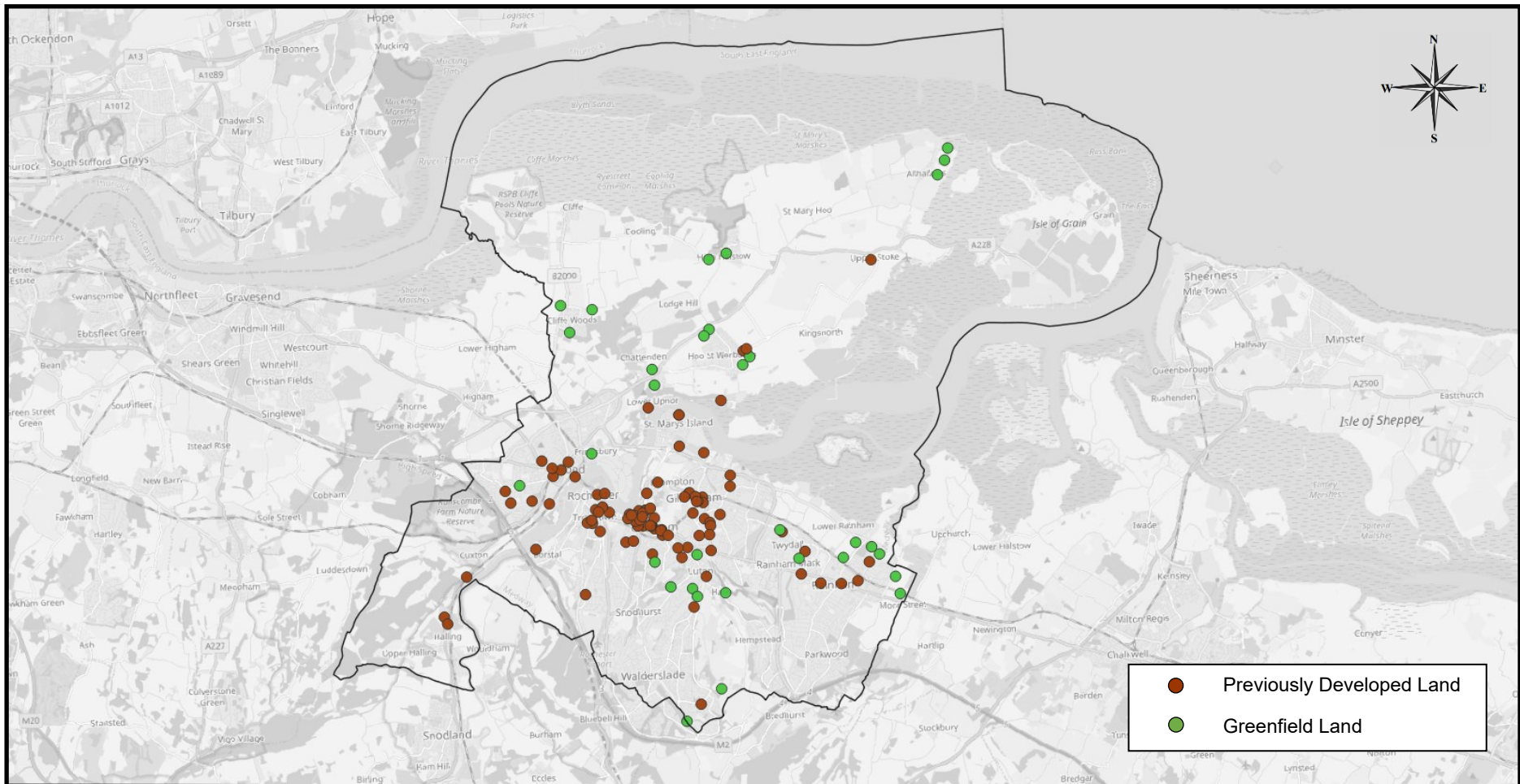
Point data has been used to represent the developments as some of these sites are very small and would not be legible as polygons on a map. Please refer to the key as the different coloured points represent different data

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

All sites of 5 or more units

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