

## **CABINET**

**5 JULY 2022**

### **HOUSING DELIVERY TEST ACTION PLAN**

Portfolio Holder: Councillor Jane Chitty, Portfolio Holder for Planning,  
Economic Growth and Regulation

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#### **Summary**

This is Medway Council's fourth 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 2022 because delivery was below the 95% threshold. This is despite the highest rates of housing delivery in Medway's history in 2019/20 and 2020/21, at 1,130 and 1,082 new homes, respectively. The Action Plan considers the factors influencing housebuilding in Medway, and actions that the Council can take to promote and boost the delivery of new homes.

#### **1. Budget and policy framework**

- 1.1. The government requires councils to prepare Housing Delivery Test action plans where rates of housebuilding fall beneath defined targets. This decision is within the Council's policy framework. The report has been prepared using existing resources in the Planning Service.

#### **2. Background**

- 2.1. The Housing Delivery Test (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.
- 2.2. This is Medway Council's fourth Housing Delivery Test Action Plan (HDTAP). This is set out at Appendix 1. The Council has produced the action plan in response to the Housing Delivery Test (HDT) results published in January 2022 because delivery was below the 95% threshold. This is despite the

highest rates of housing delivery in Medway's history in 2019/20 and 2020/21, at 1,130 and 1,082 new homes, respectively.

- 2.3. Medway achieved a result of 67% in January 2021, up from 55% in the previous year and from just under 50% in the first two years. This means that all measures defined by the government from the HDT will continue to be imposed. Therefore, the Council is required to produce 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, unless there are other material considerations to outweigh this. 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.

	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>Total</b>
<b>Number of homes required</b>	1,672	1,550	1,111	4,332
<b>Number of homes delivered</b>	647	1,181	1,067	2,895
<b>Percentage result</b>				67%

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

- 2.4. There was a significant increase in the number of homes delivered in 2019-20 compared with the preceding two years and this was sustained in 2020-21 and they are highest level of delivery Medway has had since its inception in 1998. It looks as though the increase will be sustained in 2021-22 but survey work is ongoing so it is not possible to confirm exact figures at this stage. Early indicators for the last year, suggest that the delivery of housebuilding in Medway is similar to the record levels of delivery seen in the previous two years. There is likely to be a number of reasons for the increase but it is significant that this uplift coincides with the early phases of delivery of a number of greenfield sites on the Hoo Peninsula. Delivery of brownfield sites such as Colonial House and Kitchener Barracks in Chatham, Chatham Waters, and Temple Waterfront, Strood have also continued, but at a slower pace.
- 2.5. The Council's development monitoring data indicates increased construction activity that will continue to deliver high rates of housebuilding in coming years. The number of starts on homes under construction is the highest it has been in the last four years.

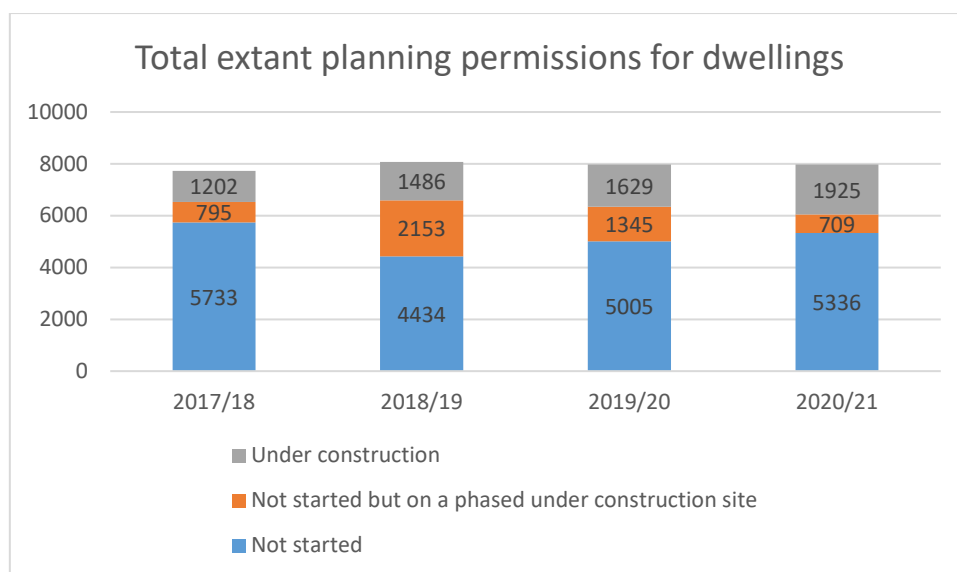


Figure 1: Development status of consented housing sites

2.6. 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 Medway Authority Monitoring Report 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 five months in the most recently published HDT measurement to account for the closure of sites in the first pandemic lockdown and the disruption this caused to the house building industry.

2019	2020	2021	2022	2023	2024	2025	2026
46%	55%	67%	84%	87%	86%	98%	108%
1st action plan and 20% buffer	2nd action plan and 20% buffer	Action plan, 20% buffer and presumption in favour of sustainable development	Action plan and 20% buffer	Action plan and 20% buffer	Action plan and 20% buffer	No imposed measures	No imposed measures

Table 2: Actual and forecast HDT results

2.7. The projected results show that Medway will pass the HDT in 2025 if it delivers the number of homes set out in the current housing trajectory. This is two years later than projected in last year's action plan. Although Medway achieved its highest rates of delivery in 2019/20, with a massive jump from 647 to 1,181 homes, 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 made it difficult to assess future delivery, both for the Council and developers.

- 2.8. Government guidance 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.” The action plan considers issues in the local and wider housing markets; looks internally at the processes followed in the Council’s Planning Service; analyses trends in housing delivery in Medway; and reviews the Council’s corporate role in providing leadership in boosting confidence and attracting investment to the area. This analysis highlights the Council’s activities in both promoting investment and delivering new homes.
- 2.9. The action plan notes the specific challenges and issues experienced in the housing market, reflecting wider economic and social conditions in the country in the last few years and ongoing. This level of disruption has caused a range of impacts outside of the influence of the Council as a local planning authority. The ongoing pressures create some difficulties for forecasting future housing delivery, albeit the current indicators show ongoing strong rates of housebuilding in Medway. The new Medway Local Plan will set out a development strategy to meet growth needs over coming decades. The strategy will provide for a range of sites to increase housing choice across Medway. In advance of the new Local Plan, the Council will continue to consider opportunities to deliver sustainable development to boost the housing land supply.

### 3. Options

- 3.1. The Council has considered a broad range of criteria and potential actions in drawing up the content of the HDT Action Plan. There are limited options to consider in relation to the publication of the HDT Action Plan. Government requires the publication of the HDT Action Plan by late July 2022.

### 4. Advice and analysis

- 4.1. It is advised that the Council publish the HDT Action Plan as presented in Appendix 1 to meet the government requirements and to confirm the measures being taken by the Council to support housebuilding in Medway.
- 4.2. The new Medway Local Plan is highlighted in the HDT Action Plan as a critical means of boosting housebuilding in Medway. The publication of the draft Local Plan will be informed by a comprehensive Sustainability Appraisal.

### 5. Risk management

- 5.1. The HDT Action Plan has considered a wide range of factors that can influence rates of housebuilding in Medway. There are a number of external risks, over which the Council has limited control, such as the disruptions in the supply chains and price increases for construction materials. However, the Action Plan has focused on those areas where the Council is able to exercise more influence locally, including the work of the Planning Service and corporate actions to attract investment and boost confidence in Medway.

Risk	Description	Action to avoid or mitigate risk	Risk rating
Council fails to publish 2022 HDT Action Plan	Failure to meet government requirements	Preparation of HDT Action Plan	E3
Housebuilding does not meet levels set by Government.	Presumption in favour of sustainable development applies, so 'tilted balance' given to development proposals, which may result in further speculative development proposals and loss of appeals.	Production of Local Plan supported by comprehensive evidence base and granting consents for proposals that represent sustainable development in advance of plan.	A2

## 6. Consultation

- 6.1. There is no requirement to consult on the HDT Action Plan. The Council regularly engages with the development sector and has included information gathered from developers in preparing the HDT Action Plan. This has included seeking updates from developers on planned housing delivery rates. The Council will publicise the HDT Action Plan in meetings with developers, and welcome comments.

## 7. Climate change implications

- 7.1. The HDT Action Plan reports on the measurement of the HDT and sets out actions to promote housing growth. This does not directly address climate change matters. However, there are specific considerations on climate change in the wider work in preparing the Local Plan and in the determination of planning applications in the context of the Presumption in Favour of Sustainable Development.

## 8. Financial implications

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

## 9. Legal implications

9.1. The Housing Delivery Test Action Plan meets the requirements of the National Planning Policy Framework, 2021. The Presumption in Favour of Sustainable Development is set out in the NPPF, 2021.

## 10. Recommendation

10.1. Cabinet is requested to approve the publication of the Medway Housing Delivery Test Action Plan, 2022, as set out at Appendix 1.

## 11. Suggested reasons for decision

11.1. Publication of the Medway HDT Action Plan, 2022, will enable the Council to meet requirements set by Government.

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## Appendices

Appendix 1: Medway Housing Delivery Test Action Plan, July 2022

## Background papers

None