

## **Cabinet**

**3 June 2025**

### **Medway Housing Delivery Test Action Plan**

Portfolio Holder: Councillor Simon Curry, Portfolio Holder for Climate Change and Strategic Regeneration

Report from: Mark Breathwick, Assistant Director Culture and Community

Author: Catherine Smith, Head of Planning Policy  
Rachel Flintoft, Section 106 Officer

#### **Summary**

The Housing Delivery Test measures rates of housebuilding against nationally defined levels of need. The 2023 Housing Delivery Test was published in December 2024, with a result of 72% for Medway. The government requires councils to prepare a Housing Delivery Test action plan where rates of housebuilding fall beneath defined targets. The Council is required to publish the action plan in June 2025. The report outlines the purpose of this document, rates of housing delivery in Medway, and advises on implications for the authority. Approval is sought to publish the action plan, to meet government requirements.

#### **1. Recommendations**

- 1.1. The Cabinet is recommended to approve the publication of the Medway Housing Delivery Test Action Plan 2025, as set out at Appendix 1 to the report.

#### **2. Suggested reasons for decision(s)**

- 2.1. To meet the requirements to publish an Action Plan within six months of the test's publication, where the Housing Delivery Test result is less than 95%.

#### **3. Budget and policy framework**

- 3.1. The government requires councils to prepare a Housing Delivery Test action plan 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.

#### **4. Background**

- 4.1. The government has made the delivery of housing a key aim of its administration. Ongoing reform of the planning system has sought to boost

the supply of housing. This included the Housing Delivery Test (HDT), introduced in 2018, that measures the delivery of housing in a local authority area against its defined level of housing need. The test compares the net number of homes delivered over the preceding three years to the housing requirement for the same period. The intention is to encourage local planning authorities to take action to address the causes of under delivery of housing.

- 4.2. [The 2023 HDT measurement](#) was published in December 2024, and it gave Medway a result of 72% delivery against its defined level of housing need, based on the government's standard method formula, covering the period from April 2020 to March 2023. The following table shows Medway's data taken from the published measurement. It is worth noting that the number of homes delivered varies slightly from the net gain in dwellings published in the Authority Monitoring Report (AMR) each year because it includes other types of gains and losses such as mobile/temporary dwellings and communal accommodation.

	2020-21	2021-22	2022-23	Total	Percentage result
<b>Number of homes required</b>	1,110	1,586	1,675	4,371	<b>72%</b>
<b>Number of homes delivered</b>	1,075	1,121	961	3,157	

- 4.3. A series of sanctions apply when the test results show that housing delivery fell below the housing requirement in the three years being measured, and the sanctions imposed will depend on the level of shortfall. The sanctions apply in all years of the HDT measurement.
- Below 95% - an action plan to be published within six months of the test results.
  - Below 85% - 20% buffer added to the 5-year housing land supply and an action plan
  - Below 75% - a presumption in favour of sustainable development, a 20% buffer and an action plan.
- 4.4. As the result is below 75%, a HDTAP must be prepared, a 20% buffer is applied to the five-year housing land supply and a presumption in favour of sustainable development applies. This will apply until the next HDT measurement which is likely to be published at the end of 2025. In the first HDT, Medway scored just 47% and delivery rates have grown considerably since that point but not yet at a level that results in passing the HDT.
- 4.5. There has been a record increase in the number of homes being delivered in Medway in recent years and this has been sustained over the last five years. There was a slight decrease in delivery in 2022-23 compared with the previous year but an increase 2023-24. It is reasonable to expect some fluctuation because delivery rates vary depending on the individual sites currently being built out and whether some sites complete just before or after

the end of the reporting year. Wider trends in the economy and development industry can have an impact on delivery rates. There are likely to be several reasons for the decrease up to March 2023, and although many factors are external to the Council's control, there are some things the Council can do locally to support the delivery of new homes. The HDTAP explores the reasons for under delivery, the actions it is taking to support delivery and suggests actions to boost delivery.

- 4.6. The table below sets out this reporting year's result and predicted delivery rates in coming years. This year's result was as expected. The predicted results for the coming years is lower when compared with the predictions in the last HDTAP but this is mostly to do with the pipeline of sites available for delivery as presented in the latest AMR, as this information is used to update the predictions. Previously, sites identified in the Strategic Land Availability Assessment published in December 2019 formed part of the phasing of housing delivery but did not form part of phasing for the last two years because of the status of the emerging Local Plan, with work on the call for sites, Land Availability Assessment and the Regulation 18 consultations. Work has continued in preparation for publication of the draft Local Plan which will provide for spatial growth including allocation of housing sites. The predictions can be updated following the publication of the Regulation 19 plan. The 2024 measurement is likely to be published at the end of 2025. It is possible to accurately calculate the result using the [Housing Delivery Test rule book](#). We expect the result will remain below 75% as it is based on housing delivery for the preceding three years and although it will include 1,310 homes for 2023/24, it will also include the lower level of 961 homes delivered in 2022/23.

2023	2024	2025	2026	2027
72%	69%	73%	76%	84%
Action plan, 20% buffer and presumption in favour of sustainable development	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	Action plan and 20% buffer

- 4.7. The action plan:
- Considers Medway's development context and reviews historic performance on housing delivery.
  - Lists measures the Council has already adopted to monitor and encourage housing delivery.
  - Reviews actions supporting delivery from the last plan.
  - Proposes measures to contribute to increasing the amount of new housing delivered.
  - Sets out measures to continue monitoring housing delivery and understanding the factors influencing delivery rates.
  - Includes a timetable to review the action plan.

- 4.8. The adoption of a new Medway Local Plan is seen as the main measure the Council can take to boost the supply of housing, with new allocations to deliver the area's sustainable growth. Work has been focused on the evidence base to support the plan which includes reviewing the Land Availability Assessment, which considers potential development sites. This together with the Sustainability Appraisal provides key steps in identifying an appropriate strategy for Medway's growth. The Council will be publishing its Draft Local Plan in June 2025. This will set out land supply to meet Medway's housing needs over the plan period. New development allocations in the Local Plan will significantly boost the supply of housing in Medway. The Local Plan will include a housing trajectory setting out annual delivery rates of housing on individual sites. This will be a key evidence strand for further work on the HDT Action Plan.
- 4.9. In preparing the action plan, a variety of issues have been identified that might be of concern relating to the delivery of housing in Medway. Developers have reported that conditions for delivering their projects have been difficult over the past few years and much of this will have been caused by wider national and global issues. They have cited supply chain issues, skilled worker shortages and increased costs. They are having problems in securing contracts to build schemes or with contractors going bust. Some have needed to redesign schemes, re-finance, and seek new approvals from their backers. Developers in Kent and other areas of southeast England, particularly SMEs, are having problems in securing an agreement with registered providers to take on affordable housing provided as part of a section 106 agreement which has delayed starts on some sites. The Council has been working proactively to try to resolve these issues including making some changes to specific section 106s and working with relevant stakeholders. There have also been fewer planning applications being submitted overall which in turn means fewer decisions. This is for all types of planning applications but the number of permissions for dwellings on new sites has reduced in the last two years and so reflects the general reduction in applications submitted. These issues point to a potential reduction in the number of homes being completed in the next couple of years. However, these issues also reflect wider national trends and there is nothing to suggest that this is a specific problem for Medway. The publication of the Draft Local Plan is anticipated to provide more certainty on Medway's growth ambitions, and to support further planning applications coming forward.
- 4.10. When the HDT was first introduced, there was a degree of frustration amongst local planning authorities that the Housing Delivery Test, and associated requirements for a five-year housing land supply, penalise councils for matters outside their control. It also seems unclear how applying a 20% buffer to the need figure of an authority that is already unable to meet its identified housing needs will in itself boost the delivery of housing. Councils plan for housing land but have only a limited role in the delivery of housing. The action plan briefly considers wider societal impacts on housebuilding but those impacts cannot be effectively addressed through the action plan.

- 4.11. The HDTAP is going to the same Cabinet meeting as the Draft Local Plan Regulation 19 proposal, and shortly before the consideration of the Local Plan at Council in late June.

## 5. Options

- 5.1. The Council has considered a range of criteria and potential actions in drawing up the content of the action plan. There are limited options to consider in relation to the publication of the Housing Delivery Test Action Plan. Government requires publication within six months of the release of the last HDT measurement so it will need publishing by mid-June 2025.

## 6. Advice and analysis

- 6.1. It is advised that the Council publish the HDTAP to meet the government requirements and to confirm the measures being taken by the Council to support housebuilding in Medway.
- 6.2. The new Medway Local Plan is highlighted in the HDTAP as a critical means of boosting housebuilding in Medway. The publication of the draft Local Plan will be informed by a comprehensive Sustainability Appraisal. A Diversity Impact Assessment will also be carried out on the plan.

## 7. Risk management

- 7.1. The HDTAP 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. However, the action plan will focus on areas where the Council is able to exercise influence locally, including the work of the Planning Service.

Risk	Description	Action to avoid or mitigate risk	Risk rating
Council fails to publish Housing Delivery Test Action Plan 2025	Failure to meet government requirements	Preparation of the Housing Delivery Test Action Plan	CIII
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.	All

Likelihood	Impact:
A Very likely	I Catastrophic

B Likely C Unlikely D Rare	II Major III Moderate IV Minor
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## 8. Consultation

- 8.1. There is no formal requirement for consultation. However, the Planning Service regularly engages with relevant stakeholders and this feeds into the analysis of the action plan.

## 9. Climate change implications

- 9.1. The Housing Delivery Test Action Plan reports on the measurement of the Housing Delivery Test 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 new Medway Local Plan and in the determination of planning applications in the context of the Presumption in Favour of Sustainable Development.

## 10. Financial implications

- 10.1. The costs of preparing the Housing Delivery Test Action Plan have been met using staff resources within the Planning Service's existing revenue budget.

## 11. Legal implications

- 11.1 The Housing Delivery Test Action Plan meets the requirements of the National Planning Policy Framework 2024.

## Lead officer contact

Catherine Smith  
Head of Planning Policy  
Gun Wharf  
Telephone: 01634 331358  
Email: [catherine.smith@medway.gov.uk](mailto:catherine.smith@medway.gov.uk)

Rachel Flintoft  
Section 106 Officer  
Gun Wharf  
Telephone: 01634 331099  
Email: [rachel.flintoft@medway.gov.uk](mailto:rachel.flintoft@medway.gov.uk)

## Appendices

Appendix 1 - Medway Housing Delivery Test Action Plan June 2025

## Background papers

None