



## AGENDA

### LOCAL PLAN PANEL MEETING

Date: Thursday, 8 July 2021

Time: 7.00 pm

Venue: Council Chamber, Swale House, East Street, Sittingbourne, ME10 3HT\*

Membership:

Councillors Mike Baldock (Chairman), Monique Bonney (Vice-Chairman), Alastair Gould, James Hunt, Carole Jackson, Elliott Jayes, Peter Marchington, Benjamin Martin, Richard Palmer, Eddie Thomas and Ghlin Whelan.

Quorum = 4

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Pages

#### Information for the Public

\*Members of the press and public may follow the proceedings of this meeting live via a weblink which will be published on the Swale Borough Council website.

Link to meeting: To be added.

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1. Apologies for Absence and Confirmation of Substitutes

2. Minutes

To approve the [Minutes](#) of the Meeting held on 3 June 2021 (Minute Nos. 42 - 45) as a correct record.

3. Declarations of Interest

Councillors should not act or take decisions in order to gain financial or other material benefits for themselves or their spouse, civil partner or person with whom they are living with as a spouse or civil partner. They must declare and resolve any interests and relationships.

The Chairman will ask Members if they have any interests to declare in respect of items on this agenda, under the following headings:

(a) Disclosable Pecuniary Interests (DPI) under the Localism Act 2011. The nature as well as the existence of any such interest must be declared. After declaring a DPI, the Member must leave the meeting and not take part in the discussion or vote. This applies even if there is provision for public speaking.

(b) Disclosable Non Pecuniary Interests (DNPI) under the Code of Conduct adopted by the Council in May 2012. The nature as well as the existence of any such interest must be declared. After declaring a DNPI interest, the Member may stay, speak and vote on the matter.

(c) Where it is possible that a fair-minded and informed observer, having considered the facts would conclude that there was a real possibility that the Member might be predetermined or biased the Member should declare their predetermination or bias and then leave the meeting while that item is considered.

**Advice to Members:** If any Councillor has any doubt about the existence or nature of any DPI or DNPI which he/she may have in any item on this agenda, he/she should seek advice from the Monitoring Officer, the Head of Legal or from other Solicitors in Legal Services as early as possible, and in advance of the Meeting.

## Part A Report for Recommendation to Cabinet

4. Housing Delivery Test Action Plan 2021

**Issued on Monday, 28 June 2021**

The reports included in Part I of this agenda can be made available in **alternative formats**. For further information about this service, or to arrange for special facilities to be provided at the meeting, **please contact DEMOCRATIC SERVICES on 01795 417330**. To find out more about the work of the Cabinet, please visit [www.swale.gov.uk](http://www.swale.gov.uk)

**Chief Executive, Swale Borough Council,  
Swale House, East Street, Sittingbourne, Kent, ME10 3HT**

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<b>Local Plan Panel Meeting</b>	
<b>Meeting Date</b>	8 July 2021
<b>Report Title</b>	Housing Delivery Test Action Plan
<b>Cabinet Member</b>	Cllr Mike Baldock, Cabinet Member for Planning
<b>SMT Lead</b>	Emma Wiggins
<b>Head of Service</b>	James Freeman
<b>Lead Officer</b>	Jill Peet
<b>Key Decision</b>	No
<b>Classification</b>	Open
<b>Recommendations</b>	<ol style="list-style-type: none"><li>1. That the Panel note the content of the Housing Delivery Test Action Plan;</li><li>2. That delegated authority be granted to the Cabinet Member for Planning to agree the attached Housing Delivery Test Action Plan for submission to the Secretary of State and published on the Council website.</li></ol>

## 1 Purpose of Report and Executive Summary

- 1.1 The purpose of this report is to introduce the Council's draft Housing Delivery Test (HDT) Action Plan, a non-statutory report the Council has been asked to prepare as a result of achieving a score of below 95% in the government's Housing Delivery Test published in January 2021.
- 1.2 The purpose of the HDT Action Plan is to set out the reasons for housing under-delivery when measured against the housing requirement in the area and identify the steps the Council intends to take to drive up delivery. It should also identify ways to reduce the risk of further under-delivery.
- 1.3 The draft Action Plan attached to this report sets out the reasons for under-delivery in Swale and sets out the various measures already underway by the Council to improve this. The Council is on track to improve delivery by continuing with the actions already planned and in progress.

## 2 Background

- 2.1 The government published its Housing White Paper "Fixing our broken housing market" in February 2017. It set out measures that would be introduced to speed

up and increase housing delivery, to help the government achieve its target of delivering an additional 300,000 new homes a year.

2.2 One of the measures introduced is the Housing Delivery Test (HDT), which was formalised through the National Planning Policy Framework. This measures the net additional dwellings provided against the target homes required with results on performance for each local planning authority in England issued annually.

2.3 Swale Borough Council has an Objectively Assessed Need for housing of 776 new dwellings per annum. For the HDT, the delivery of new homes was assessed against this figure for the preceding three monitoring years as follows:

Monitoring year	Annual target	No. of dwellings delivered (annual figure)	Total number of homes delivered for the 3 year HDT monitoring period	Total number of homes required during the 3 year HDT monitoring period	HDT monitoring score	Housing Land Supply buffer required
2015/16	776	593				
2016/17	776	556				
2017/18	776	572	1,721	2,328	74%	20%
2018/19	776	674	1,802	2,328	77%	20%
2019/20	710*	767	2,014	2,262	89%	5%

\*government adjusted figure to take into account the impacts of the Covid pandemic on housing delivery [Housing Delivery Test: 2020 measurement - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/housing-delivery-test-2020-measurement)

2.4 By achieving a score in the HDT test of below 95%, the Council is asked to prepare an Action Plan and as the score is above 85%, a 5% buffer is to be applied to the 5 year Housing Land Supply requirement. If the score was below 85% a buffer of 20% would be required. Members may recall that in the previous two years of the HDT score, the Council fell below the 85% score and had to apply the 20% buffer. The buffer can make a difference between whether or not an authority has a five year housing supply, particularly where delivery rates have been marginal. If the housing land supply is below 5 years, the ‘tilted balance’ in terms of determining planning applications is in play. The consequences of failing the HDT and needing to apply the 20% buffer are therefore significant.

2.5 The Housing Delivery Test Action Plan is an opportunity to feed back to Government the reasons for delivery below target. The draft attached at Appendix I to this item suggests that the reasons are complex and not related to the planning context; and that simply applying a requirement to increase land supply is counter – productive and does not achieve the desired results.

### 3 Proposals

3.1 The recommendations are therefore:

1. That the Panel note the content of the Housing Delivery Test Action Plan;
2. That delegated authority be granted to the Cabinet Member for Planning to agree the attached Housing Delivery Test Action Plan for submission to the Secretary of State and published on the Council website.

### 4 Alternative Options

4.1 The Council could choose not to publish the HDT Action Plan. There are no sanctions if such an action plan is not submitted to MHCLG or published but it would be prudent to do so as it explains the reasons behind the Council's lack of delivery and what measures are in place to address this. The HDT AP can assist at planning appeals as it sets out the Council's position in this regard and provides useful context.

### 5 Consultation Undertaken or Proposed

5.1 There is no formal requirement to consult on the Action Plan although engagement with relevant stakeholders is recommended. Views from developers in producing the Housing Land Supply Statement are sought as part of the preparation of the housing land supply and recent representations on the Regulation 19 consultation have also provided useful insight.

### 6 Implications

Issue	Implications
Corporate Plan	The proposals would align with Priority 1: Building the right homes in the right places and supporting quality jobs for all.
Financial, Resource and Property	The Assessment has been carried out within the existing Local Plan resources.
Legal, Statutory and Procurement	None anticipated at this time.
Crime and Disorder	None anticipated at this time
Environment and Sustainability	None anticipated at this time
Health and Wellbeing	None anticipated at this time

Risk Management and Health and Safety	None anticipated at this time
Equality and Diversity	None anticipated at this time
Privacy and Data Protection	None anticipated at this time

## **7 Appendices**

7.1 The following documents are to be published with this report and form part of the report:

- Appendix I: Swale Borough Council Housing Delivery Test Action Plan 2021

## **8 Background Papers**

None



## 1. Introduction

- 1.1 Swale Borough Council achieved 89% in the Housing Delivery Test results published on 19 January 2021 [Housing Delivery Test: 2020 measurement - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/housing-delivery-test-2020-measurement) The results measure the average number of completions against the Objectively Assessed Needs (OAN) for the monitoring years 2017/18; 2018/19; and, 2019/20 for the Borough. The OAN for Swale is 776. Where a local planning authority fails to deliver 95% of its agreed housing number, a Housing Delivery Test Action Plan should be prepared. Through this action plan, the Council is required to identify the reasons for any failures in delivery and to set out actions that it will undertake to improve and secure improvements.
- 1.2 This document provides commentary on some of the reasons for the Borough's housing delivery rates and sets out actions the Council has and proposes to undertake to ensure an uptick in the coming years.

### National Policy Background

- 1.3 The government published its Housing White Paper "Fixing our broken housing market" in February 2017. It set out a number of measures that would be introduced to speed up and increase housing delivery, to help the government achieve its target of delivering an additional 300,000 new homes a year.
- 1.4 One of the measures was the introduction of the Housing Delivery Test which is now embedded in the National Planning Policy Framework (2019) and supporting Planning Practice Guidance. The test is an assessment of the number of net new dwellings delivered in the local planning authority area against their housing target over the preceding three years monitoring period. If a local planning authority achieves a delivery record of below 95% an action plan must be prepared; if it is below 85% a buffer of 20% (rather than 5%) must be applied to the 5 year Housing Land Supply (HLS) calculations as well as the preparation of an Action Plan. If the score is below 75%, the policies which are most important for determining the application are out-of-date and the presumption in favour of sustainable development applies.
- 1.5 The primary role of the Action Plan is to identify the reasons for under-delivery, explore ways to reduce the risk of further under-delivery and set out the measures the authority intends to undertake to improve levels of delivery. An action plan is intended to be a practical document, focussed on effective measures aimed at improving delivery within an area underpinned by local evidence and research of key issues.

## 2. Influences on Swale Housing Delivery

### Swale Geography and Location

- 2.1 The Borough of Swale is a complex area with regards to housing delivery. Development viability in the east of the Borough, in and around Faversham and in the rural areas is strongest, but weaker in the west of the Borough around Sittingbourne and on the Isle of Sheppey. Recent evidence prepared for the emerging Local Plan Review shows development is viable in the Borough although there is a geographical difference in land values that impacts on the degree of viability. There is a limited number of volume housebuilders that will develop in Swale due to marginal profit/viability issues but there is a strong and growing SME sector.
- 2.2 Swale is the one of the closest local planning authorities to London without Metropolitan Green Belt. However, it is constrained by landscape and ecological designations at national and international level and by land at high risk of flooding and coastal change. Other landscape designations at the local level have further focussed development allocations in and around the main settlements of Sittingbourne and Faversham and identified opportunities on the Isle of Sheppey at Minster and at Queenborough & Rushenden. Sustainability considerations have also influenced the allocation of development in these locations. These settlements have a good range of shops, services and transport links, and are surrounded by land that has the least environmental or amenity value when compared with other parts of the Borough.
- 2.3 Swale has strong transportation links east/west along the M2 and A2 and for rail services between London and Canterbury/the coast but weaker north/south links. Traffic and transport capacity issues within Swale are significant, with key points on both the strategic and the local road network at or approaching capacity and necessitating the use of Grampian conditions on development which is coming forward. HIF bid funding to make improvements that will support development that is already committed in the adopted Local Plan, Bearing Fruits (adopted 2017) has been allocated and is being led by Kent County Council as the highways authority for the area. Highways England has committed funding as part of their Route Investment Strategy to upgrade the Stockbury roundabout/M2 junction 5 to provide a north – south flyover on the A249. These improvements are essential to deliver already committed development and are assumed as a starting point for the increases in development targets expected through the emerging local plan review.

- 2.4 Social infrastructure, particularly for health and education is inadequate to serve existing communities in many parts of the Borough. Whilst additional housing development has the potential to bring forward the delivery of additional facilities, the inadequacies are more complex. GP to patient ratios in Swale are the worst in the UK (1 GP for every 3,342 in Sittingbourne and Sheppey parliamentary constituency<sup>1</sup>) These problems are exacerbated by issues with recruiting that the CCG is already trying to address and NHS England funding models for additional GP premises provision and the Council is working closely with the local CCG to secure the provision needed across the Borough. The need for a new secondary school for Sittingbourne has already been identified and plans are in progress to deliver this.

### 3. Housing Delivery Analysis

#### Planning Context and Housing Need; Adopted Local Plan, Bearing Fruits

- 3.1 Bearing Fruits was submitted for examination and identified a target of 10,800 dwellings for the Plan period 2011-2031 (540 dwellings per annum, reflecting consistent past market delivery rates). On the Local Plan Inspector's advice, a renewed Strategic Housing Market Assessment (SHMA) (2015) was prepared to take account of revised national planning policy and publication of relevant data. Additionally, on the Inspector's advice, the plan period was rebased at 2014. The 2015 SHMA concluded that the full Objectively Assessed Need (OAN) is 776 dwellings per annum. This was tested through the Examination in Public and confirmed through the inspector's interim reporting, despite serious reservations on the Council's part that the market in Swale could consistently deliver this figure on an annual basis. This reservation was based on evidence of past delivery rates that consistently fell short of housing targets, despite having appropriate and up to date local planning documents in place.
- 3.2 The Strategic Housing Market Assessment (SHMA) of September 2015 indicated a total housing requirement of 13,192 dwellings for the Borough for the period 2014/15 to 2031, or 776 dwellings per annum as identified above. The uplift in the housing target caused the Examination to be paused to allow the identification of additional sites and for these sites to be consulted upon to meet the new target. The additional sites were then considered as proposed Main Modifications when the examination resumed.

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<sup>1</sup> [GP-Patient Ratio: Swale - Tuesday 19 March 2019 - Hansard - UK Parliament](#)

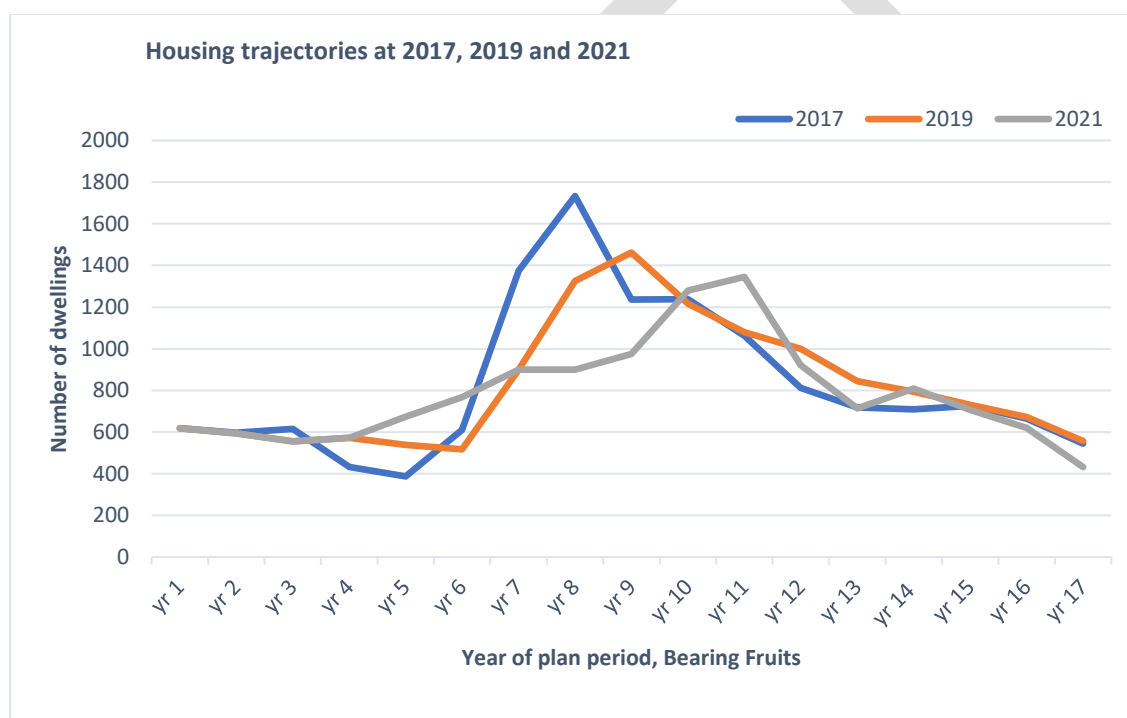
- 3.3 The Inspector 's Final Report was issued confirming the Main Modifications in June 2017 and Bearing Fruits was adopted in July 2017. **Policy ST4 Meeting the Local Plan development targets** sets out the allocated sites that will deliver approximately 14,124 dwellings. This is a surplus of 932 dwellings against the requirement. A windfall allowance expected to deliver a further 1,800 dwellings was included for the latter ten years of the plan period. The figures set out in Policy ST4 are also minimum numbers except in identified cases as set out in Chapter 6 of Bearing Fruits, the likelihood being that the housing allocations (sites identified under Policies A8 to A19) will deliver more as detailed development proposals come forward. Minimum figures were identified in order to allow flexibility on design and layout which could increase overall yield.
- 3.4 During the six first years of the adopted local plan period, delivery has been below the annual OAN of 776. This was expected given that some of the sites were later additions to the allocations as a result of the uplift in number from 540 pa to 776pa. Other issues that impact on delivery include infrastructure capacity, landscape capacity and market absorption. These are discussed in more detail below.
- 3.5 There are a number of planning permission granted for residential development but the timing of the delivery of those dwellings is dependent on a number of factors beyond the Councils control. This includes constraints on the highways network, the time taken to agree S106 agreements and complete pre-commencement conditions. Site clearance requirements, such as whether ground preparations are required, e.g. the removal of minerals or decontamination works, significant access works can all impact phasing timescales.

#### Expected Housing Delivery Rates - the 5 Year Housing Land Supply Trajectory

- 3.6 The housing trajectory for Bearing Fruits demonstrated delivery below the annual local plan target for years 1 to 5, with years 6 to 11 delivering in excess of the target with years 12 onwards tailing off towards the end of the local plan period. This approach was accepted by the Inspector at the time of the Examination. This was before the Housing Delivery Test was introduced into national policy. As such, the direct impacts of this under delivery were not of significant concern given the Inspector's view that the application of the 'Liverpool' method for calculating housing land undersupply could be applied, meaning that any shortfall during the earlier years would be spread across the remaining years of the plan period.

- 3.7 The housing trajectories published in 2017, 2019 and 2021 are compared below. The comparison shows that the expected pattern of delivery for the early years of the plan is similar to the actual number of dwellings delivered and for each of the trajectories, the line of each of the curves is broadly similar but with the peak being pushed forward for 2019 and again for 2021. This is a result of the delays in delivering the improvements to M2J5. The improvements to this junction are critical to the delivery of housing allocated along the A249 corridor. Grampian conditions related to the works at M2J5 have been delayed and impacted on the timely delivery of housing in this part of the Borough. Once the works are completed, it is reasonable to presume that delivery rates will start to pick up and the peak years will deliver as predicted.

**Figure 1: Swale Housing Trajectories for 2017 and 2019 and 2021**

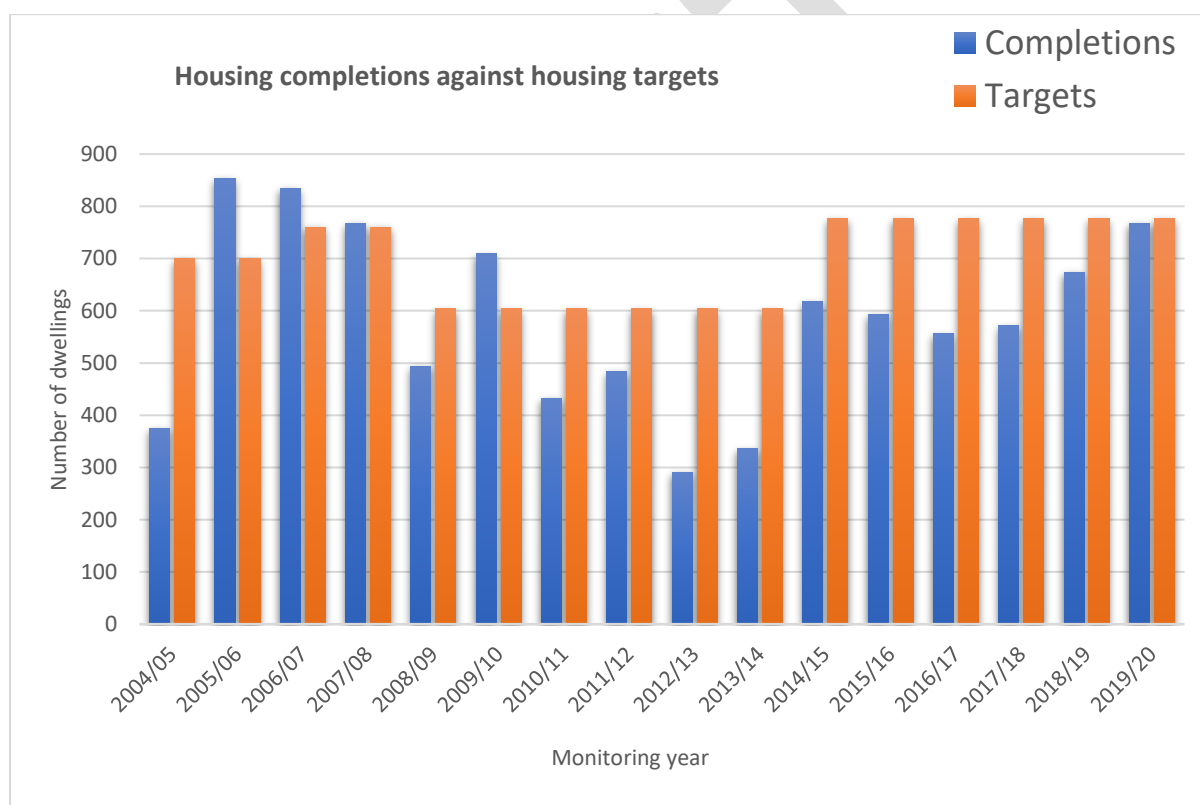


- 3.8 Delivery constraints are further exacerbated by the coronavirus pandemic and Brexit with issues around the supply of labour and materials. The effects of Covid19 are still to play out but national lockdowns are likely to have impacted on the house building sector. These issues are beyond the Councils control.
- 3.9 As part of the purpose of the Action Plan is to identify the reasons for under-delivery, the commentary below sets out a discussion of historic housing delivery in the Borough and Swale specific deliverability issues.

#### Historic housing delivery

3.10 Figure 2 below provides a measure of the Borough's delivery performance against its housing targets. It can be seen that overall the Borough has struggled to deliver against these targets. As mentioned above, the Borough is highly constrained by environmental designations. Historically, the Borough's principal town of Sittingbourne has been the key focus for new development. Moving forward, the Council is promoting a more dispersed strategy for development with a focus at the eastern end of the Borough where viability is stronger and affordability issues are more acute. The Council is of the view that this approach will result in appropriate levels of housing delivery in line with the government imposed targets.

**Figure 2: Total completions v. annualised target prevailing at the date**



#### Swale related deliverability issues

3.11 Since 2014/15, the government has introduced a vast swathe of measures to increase housing delivery. This includes fiscal incentives and changes to the planning system designed to speed up the local plans process and the delivery of planning permissions. For Swale, a significant new challenge is to deliver an annual housing figure in excess of any delivered in the recent past. Having achieved 89% in the HDT of January 2021, the Council is required to prepare an action plan and to apply a 5% buffer when calculating its housing land supply.

- 3.12 As part of its ongoing commitment to providing the homes needed in the Borough ([Corporate Plan 2020 - 2023 Final Version.indd \(swale.gov.uk\)](#)) “Priority 1: Building the right homes in the right places and supporting quality jobs for all” of the Corporate Plan commits to ensuring that future housing delivery is more closely aligned to the borough’s ability and capacity to provide for genuine sustainable housing needs in terms of location, type and tenure, and that the impact of housing growth is offset through improved physical, environmental, social and health infrastructure. This will be implemented through the review of the local plan. The Council continues with the following measures to support housing delivery:

*Masterplan/development briefs*

- 3.13 In a limited number of cases, masterplans/ development briefs are required by local plan policy but there is no requirement to adopt these as SPD; rather they can proceed in tandem with planning applications, limiting potential planning delays. These are therefore not seen as any impediment to housing delivery, but as essential for good planning and place making.

*Minerals safeguarding*

- 3.14 The adopted Kent Minerals and Waste Local Plan (KMWLP) 2020 required the prior extraction of minerals from sites. This affects the area covered by a safeguarding policy for brickearth sites in Swale. If, for genuine planning reasons, it would not be practical to extract the resource, there is an exemption from the safeguarding policy. Policy DM7 (criterion 7) of the KMWLP 2020 also provides an exemption of the requirement on sites allocated by an adopted local plan where criteria 1 to 6 have been applied to those sites and it has been concluded that mineral resources will not needlessly be sterilised.
- 3.15 The Council will, however, duly consider the development against the material planning considerations, including a consultation response from Kent County Council. This may require the Council to explore with the developer the means to which extraction of mineral reserves can take place.
- 3.16 The Kent policy has been in place for some while (although recently updated) and developers will be aware that they need to undertake the necessary assessment at an early stage, much in the same way as the other studies necessary for planning applications. The degree to which removal of brickearth itself, if required, impacts upon lead in times will vary, although it is acknowledged that it can increase lead in times, particularly on smaller sites and because there are only limited periods of the year that brickearth can be removed. However, if properly planned for, the requirement should not protract development timescales to the point that sites will not be able to contribute to the five year supply. Approaches to limiting timing impacts could include removal of the resource between the approval of outline planning permission and the approval of reserved matters, removal as

part of site preparations, or for large sites, its removal in tandem with discrete phases of development.

*Transport infrastructure*

- 3.17 The relationship between the delivery of housing allocations and adequate transport capacity is particularly significant in the Borough of Swale. This is particularly so for allocations to the west of Sittingbourne, given their relationship with junctions on the A249 at Grovehurst, Bobbing, Key Street and, notably junction 5 of the M2. To the east, junction 7 of the M2 at Faversham is also approaching capacity, with minor improvements being implemented to support committed development in Swale and the neighbouring local planning authority (Canterbury). Beyond this, major improvements to the junction are required which are now emerging through the Highways England Road Investment Strategy (RIS) programme.
- 3.18 It was established through the Local Plan Examination in Public that the first five years of the Bearing Fruits Local Plan were deliverable in transport terms and that appropriate solutions could be found to support the period beyond this, although these were not yet finalised in detail. An early Local Plan Review, with adoption by 2022 was also recommended to address this.
- 3.19 At the Local Plan Examination, Kent County Council Highways expressed concerns as to the implications of local plan growth for the local highway network, principally the A2 corridor between Teynham and Newington and at the Key Street and Grovehurst junction on the A249. Highways England and Kent Highways confirmed that the growth identified in Bearing Fruits could be accepted in the short to medium terms to ensure that the five year housing supply was maintained, with appropriate interim mitigation, but with the suggestion than an early review should take place to deal with the post five year situation. This review is already underway with high-level modelling work completed in 2020 and more detailed modelling work being undertaken now.
- 3.20 In terms of the phasing of sites relative to A249 infrastructure improvements, it was accepted that it would be necessary for some development to proceed ahead of improvements, both so that sites could make contributions to the five year supply as appropriate and the funding towards the mitigation schemes themselves. Nevertheless, the lead in time for some sites means that their phasing has, in reality, minimised the load on certain junctions ahead of their improvements. This will provide the opportunity to ensure



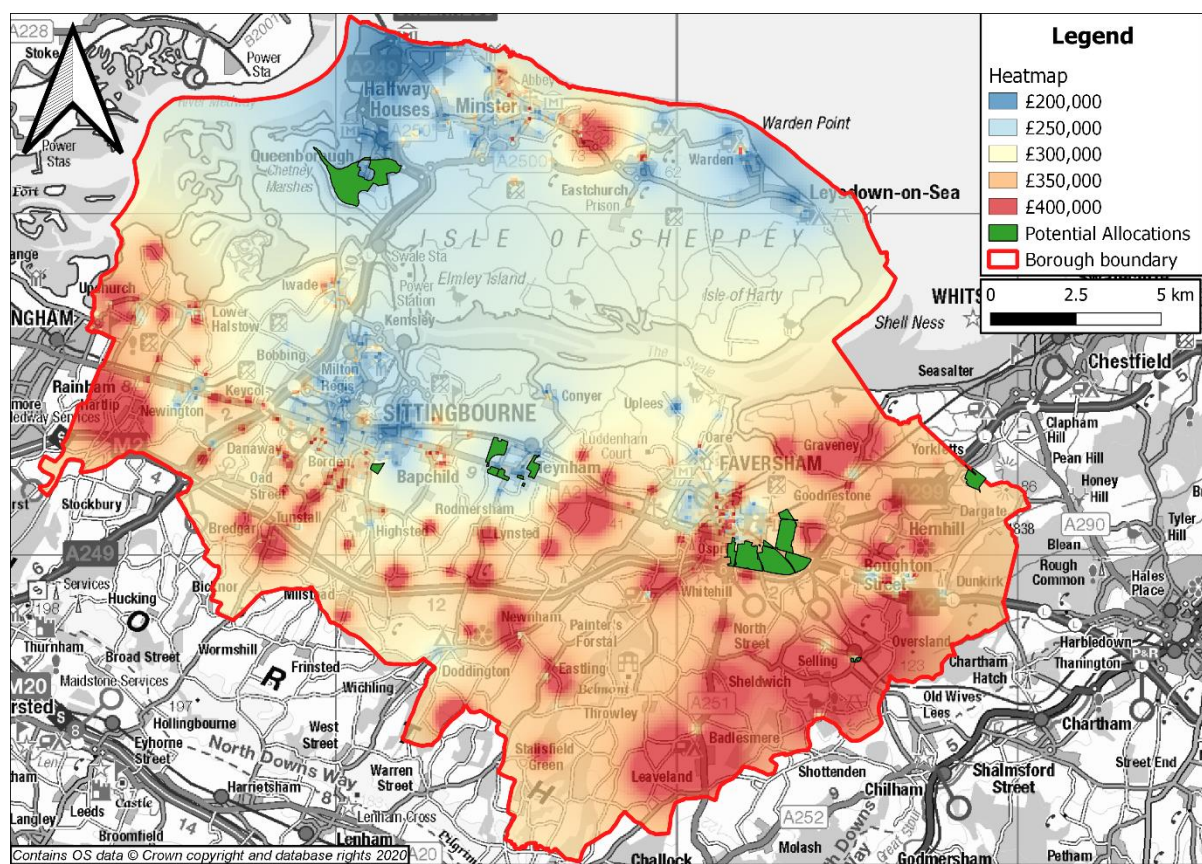
transport plans promoting sustainable modes of meeting transport needs are also able to gain traction.

- 3.21 Discussions with Highways England and Kent Highways are ongoing within the context of a number of planning allocations and applications with a HIF bid granted to KCC to help fund the A249 junction improvements with the local highway network.

*Viability*

- 3.22 Viability cuts across a number of other issues in Swale including the ability to provide adequate supporting infrastructure and to address policy for affordable housing provision.
- 3.23 The housing allocations in Bearing Fruits were assessed via strategic level assessments and site typologies undertaken as part of the Local Plan evidence base. In broad terms, Local Plan viability advice for Bearing Fruits showed that development viability was generally poorer on Sheppey, marginal at Sittingbourne and good to very good at Faversham and the rural areas. Allocations were found to be viable, with appropriate adjustments made to planning policies to create the most favourable viability climate for development. This information has recently been updated as part of the evidence base for the local plan review. The report concludes that the eastern end of the bough has stronger viability but that overall, there is the viability needed within the borough such that the requisite profit margins exist and is not a barrier to housing delivery.
- 3.24 There is nothing to suggest that viability is affecting delivery of houses - negotiation is taking place for example on affordable housing provision although this is at best a compromise on those policy objectives in the adopted local plan. The viability evidence for the emerging local plan produced the following “heat map” that sets out the distinctions between the lower and higher land values.

Figure 3: Land value heat map (all sales) with potential allocations/broad locations in the LPR



3.25 Strategic brownfield sites (Queenborough and Rushenden) on Sheppey have been the target of extensive Homes England investment in site remediation and infrastructure provision, but the market has been slow to pick up and invest in building out the remainder of this site. Homes England have recently been successful in working with Moat Housing to complete Phase I (101 units) on land at Rushenden Road but the allocation identified in Policy ST4 is for a minimum of 1,245 dwellings with the other phases still to come forward. Whilst the prospect for further development phases to come forward is looking more favourable, this is later than originally planned.

#### *Local Housing Market and Key Stakeholders*

3.26 The ratio of median house prices to median gross annual workplace-based earnings in Swale is 9.32 in 2020 up from 7.11 in 2014, the base date of Bearing Fruits. This compares with 10.27 average for Kent. (Source: [Housing affordability in England and Wales - Office for National Statistics \(ons.gov.uk\)](#)) The increase in the ratio of house price to annual earnings is reflected in the increase in property prices for the same period. The average house price in December 2020 was 9.8% higher than for December 2019. (Source: [UK House Price Index England: December 2020 - GOV.UK \(www.gov.uk\)](#)).

3.27 Historically, Swale has generally been one of the more affordable areas of Kent and housebuilders will seek to control their own market through how and when they release their own products. There is no incentive for them to build at higher rates and release more housing if it could potentially cause a reduction in unit retail price. This situation is compounded as adjacent housing market areas in Kent (notably Maidstone, Canterbury and Ashford) are higher value and therefore potentially more attractive investment prospects for housebuilders. This is illustrated in the table below:

Local authority area	Affordability ratio house price: annual earnings	Average house price December 2020	Average house price % change between December 2019 and 2020
Swale	9.32	£274,867	+9.8%
Medway	7.57	£254,559	+6.5%
Maidstone	10.00	£288,396	+1.6%
Canterbury	11.19	£325,890	+7.8%
Ashford	10.09	£312,116	+5.4%

3.29 The house building industry in Swale is also dominated by four or five of the large 'volume builders', with very few smaller builders occupying market niches active in the Borough. Consequently, the control of key sites is concentrated in few hands and there are fewer outlets – typically releasing 50- 100 dwellings per annum.

3.30 The self and custom build register was instigated after the Bearing Fruits plan was submitted, so was not able to be reflected in local plan policy. The Self Build Register currently has some 90 entrants which is a low number compared with expressions of interest amounting to 200- 300+ in neighbouring districts. This is an area for policy action in the emerging Swale Local Plan Review, and a draft policy has been prepared to support delivery of self-build homes.

#### **4. Housing Delivery Test and Key Actions arising**

4.1 To further investigate the reasons for a HDT score of below 95% (the threshold at which local planning authorities should prepare action plans), the Council has considered the specific requirements of the NPPF in relation to housing delivery (particularly in relation to

Chapter 5: Delivering a sufficient supply of homes). Paragraph 11b) states that strategic policies should, as a minimum, provide for the objectively assessed needs for housing. Local plans should identify enough land to meet their housing requirements.

- 4.2 **Does Bearing Fruits allocate enough land to meet the Borough's OAN?** Bearing Fruits was adopted in July 2017. It is a plan that is both up-to-date and sound. The OAN is accepted as 13,192 and local plan allocations amount to a minimum of 14,124 dwellings.
- 4.3 Policy ST4 Meeting the Local Plan development targets, sets out the allocations for housing for the local plan. There is enough land allocated to deliver around 14,124 dwellings for the plan period (including 50 dwelling phased beyond the plan period). This provides a surplus of 932 dwellings against the planned requirement and has been done to allow for choice, flexibility and contingency. There are a total of 13 allocated sites in Sittingbourne ranging in size from 10 units to 1,450 units. Faversham has 11 allocations ranging in size from 12 units to 370 units. Minster and Halfway have nine allocations ranging from 10 units to 620 units. Other allocations include sites at Queenborough & Rushenden, Boughton, Eastchurch, Iwade, Leysdown, Newington and Teynham. Within the central regeneration area of Sittingbourne, there is an identified capacity of 567, all sites of 1 hectare or less. The Council therefore considers that a sufficient supply has been allocated in a wide variety of locations, which reflects the adopted settlement strategy. The Council therefore considers that this requirement is met.
- 4.4 **Does Bearing Fruits identify a sufficient supply and mix of sites, taking into account their availability, suitability and likely economic viability** (as required by paragraph 67). In broad terms, viability advice prepared for the Local Plan EIP showed that development viability was generally poorer on Sheppey, marginal at Sittingbourne and good to very good at Faversham and the rural areas. More site-specific advice revealed variations on Sheppey and at Sittingbourne. For example, on Sheppey, outside Sheerness and Queenborough and Rushenden, viability could be achieved on greenfield sites at Minster and Halfway and on sites further to the east, particularly with policy adjustments made. At Sittingbourne, viability advice revealed greenfield sites as more generally viable than brownfield, while sites to the south of the town were likely to be more viable than those to the north. Nearby Iwade was also shown to be generally more viable than parts of Sittingbourne. Policy adjustments were made at the Local Planning stage to reflect these findings.

- 4.5 The housing market's ability to deliver new homes is affected by a number of issues and these will vary from site to site and from builder to builder. Annual build out rates are influenced by considerations such as the status of other sites within the developers' ownership, availability of materials and construction skills and indeed the general state of the wider economy and attitude by both housebuilders and buyers to risk. The Council will continue to monitor the status of allocated sites in the adopted local plan.
- 4.6 Does Bearing Fruit identify a supply of specific, deliverable sites for years one to five of the plan period; and for years 6 to 10; and where possible, for years 11 to 15 of the plan? At the local plan examination, the Council submitted a position statement setting out a trajectory for housing delivery across the whole plan period. It was evident that there would not be an adequate supply of housing delivery in years 1 to 5 and this was explained and accepted by the Inspector at the time. This under delivery is also caused by slippages in the phasing of the allocation at Crown Quay Lane due to issues with land ownership. The fact that the OAN increased significantly (as identified in the SHMA 2015) required the Council to identify further sites for housing during the paused Examination. The owners/promoters of the additional sites would not necessarily have progressed their planning application preparation work to the same degree as the sites identified earlier in the process due to them not being included (initially) as potential housing allocations, their potential for development being wholly uncertain. The annual delivery rates are expected to increase as the local plan matures and the strategic sites start to build out. However, an uplift in housing numbers will commence in 2022, increasing the need to 1, 048 per year (latest figures taking into account affordability ratio data published in March). With this in mind, and the need to increase the supply of sites in the Borough to increase delivery, the Council is progressing with its review of the local plan and includes potential allocations and more flexible policies to support further housing in line with the identified needs.**
- 4.7 Does the Council, through the development plan and brownfield register, identify land to accommodate at least 10% of the housing need on sites no larger than one hectare (or can it be demonstrated that there are strong reasons why this 10% target cannot be achieved)?** Although there wasn't a requirement to accommodate at least 10% of the housing requirement on sites no larger than one hectare when Bearing Fruits was prepared, examined and adopted, the Council is satisfied that there is a reasonable number of smaller sites. In light of the need to seek opportunities to deliver new road and other infrastructure, it was necessary for strategic scale sites to be identified through the Local Plan. The

Brownfield Register contains a number of sites, many of which are allocations in Bearing Fruits. Some of these sites have progressed through the development management process and have planning permission and are under construction. A significant number of small brownfield sites (below the register size threshold) continue to come forward as windfalls and are supported by local plan policy. They enhance housing delivery, although no formal allowance is made for them during the first five years of the plan period. In the emerging local plan review, small site provision is a requirement that has been fully considered in collaboration with the SME housebuilders network. Given their specific operational practices and requirements, a policy has been developed to provide considerable flexibility. The emerging policy and supporting text includes a number of measures the Council will use to support small site development, including the preparation of an SME protocol process to allow for positive and productive discussions at the pre-application stage. Due consideration has been given to the possibility of sub-dividing larger sites where appropriate. Discussions with developers of strategic sites have indicated their preference to control and explore this themselves to ensure they have the flexibility they need to deliver their own sites in a timely manner. The Council will continue to maintain its brownfield register.

- 4.8 Are planning processes adequate to ensure planning applications are determined with agreed timeframes?** Increasingly, the Council is using Planning Performance Agreements (PPAs) for the processing of major planning applications. As Local Plan allocations move into the planning application process, this should help support speedier decision making.
- 4.9 The timescale for the completion of complex S106 agreements can be a significant determinant of lead in times. However, there can be significant variances; for example, a S106 Agreement for some 300 dwellings took a year to resolve at Perry Court Farm, Faversham, whilst at the same time a similar sized scheme at Rushenden, Queenborough, took around a month. The Council has a Planning/Legal S106 Agreement Protocol that sets out the expectations for delivery by both planners and legal professionals. This should, over time, continue to shorten the overall planning process.
- 4.10 Nationally, the number of pre-commencement conditions is cited as a significant factor that delays lead-in times. Clearly, such conditions will normally be important to ensuring the acceptability of development and its detail, however the Council minimises their use as far as possible and will be reviewing if and how they may be further rationalised. The Council therefore considers that it is doing everything possible to expedite processing of planning

applications. The Council recommends the use of pre-application discussions to assist with the planning application process.

- 4.11 Additionally, a review of the planning service is due to be carried out to assess whether or not there are operational options that could streamline the process and enhance timescales from start to finish for applications.

## 5. Key Actions Arising

- 5.1 Local Plan Review: The adopted local plan, Bearing Fruits is up-to-date having been adopted four years ago. The Council is already progressing with the Review to ensure that it continues to have an up-to-date local plan that supports sustainable development in the Borough with policies and proposals that support wider council objectives. The Council took the decision in March 2020 to expedite the process and proceed directly to Regulation 19 consultation (rather than undertake a further Regulation 18 consultation) on the basis that the statutory requirements of Regulation 18 had already been met through the consultation, “Looking Ahead” that took place in spring 2018. On balance it considered that it would be more beneficial to expediate the process and ensure an up-to-date plan was in place than undertake additional Reg 18 consultation. The “Looking Ahead” consultation consisted of a number of questions including views on the potential options for delivering the Borough’s development needs in the local plan review period. The Council was satisfied that it had met the requirements of The Town and Country Planning Regulations and that proceeding directly to Regulation 19 was a sound approach. **The Council will continue to progress with the Local Plan Review in line with an updated LDS as required.**
- 5.2 SHLA Update: As part of the evidence gathering for the local plan review, a SHLA was prepared. Further submissions for potential housing allocations have been submitted to the Council. These will be considered for future needs as required.
- 5.3 Public Funding for Key Infrastructure: Having identified significant infrastructure limitation at the Lower Road on Sheppey, the junctions on the A249 at Key Street, Bobbing and Grovehurst and with junction 5 of the M2, the Council has been working with Kent Highways and Highways England to secure funding from the Housing Infrastructure Fund to deliver the road improvements necessary. The Council, in conjunction with other groups and organisations is seeking to maximise opportunities to support active travel and genuine choice of more active and sustainable modes of transport. This includes improvements and enhancements to the pedestrian environment and cycling routes. **The Council will continue**

**to work with partners to secure funding for road improvements and other agencies to support improvements in walking, cycling and public transport facilities.**

- 5.4 Five Year Housing Land Supply: The Council usually publishes an annual statement of housing land supply in accordance with national planning policy and practice guidance. This information provides an annual picture of delivery, identifying issues that affect supply. **The Council will continue to monitor housing land supply and publish data in the annual Housing Land Supply statement.**
- 5.5 Planning Process: In terms of development management, the Council has a good track record of determining planning applications within the statutory periods (including where appropriate agreed extensions of time) and makes use of PPAs for major development. **The Council will continue to make use of PPAs and other tools to ensure the continuation of timely decision making in the development management process and consider options to streamline the development management process.**
- 5.6 Applying the 'Tilted Balance': As the Council does not currently have a 5 year Housing Land Supply, paragraph 11d of the NPPF, sometimes referred to as the 'tilted balance' applies. The Council is assessing applications for housing on sites not identified in the local plan or within the confines of a settlement on their own merits but is generally seeking to support proposals that deliver sustainable development and respect the development strategy in the adopted local plan. In the short term this is unlikely to make a significant contribution to the 5 year HLS and is an activity the Council does not wish to encourage because it undermines the plan-led system. Consequently, the Council is progressing with the Local Plan Review as a means to increasing the supply of housing sites both through allocations and through a set of policies that support self-build and SME developments of up to 60 dwellings.

## **6. Summary and Conclusions**

- 6.1 The Council is satisfied that it continues to do everything it can to deliver its housing targets within its particular set of circumstances. It has considered what actions should be taken to increase delivery and these are already being done as set out above.
- 6.2 The issues around delivery are not the result of planning failures as everything has been and is being done to maintain an up to date local plan; streamline the planning process; and proactively pursue complementary public funding for key enabling infrastructure and to



deliver genuine alternatives to private car reliance by promoting sites that support a transport strategy of active travel.

- 6.3 Under-delivery of housing development in Swale was predicted for the first years of the adopted local plan. The reasons for this are explained in this report. A plan-led system is at the heart of the UK planning system and the best way for the Council to increase its housing land supply is to progress with a review of the local plan as it is already. Measures to speed up the time taken to determine planning applications is continually being considered as part of normal business practice within the Council.

Delivery will continue to be monitored along with the wider range of issues to ensure the Council is doing what it can to ensure that its housing delivery needs are met.

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