

<b>Planning and Transportation Policy Working Group</b>	
<b>Meeting Date</b>	8th August 2024
<b>Report Title</b>	Local Plan Review - Housing historic delivery and Local Plan Review housing targets
<b>EMT Lead</b>	Emma Wiggins, Director of Regeneration and Neighbourhoods
<b>Head of Service</b>	Joanne Johnson, Head of Place
<b>Lead Officers</b>	Stuart Watson, Project Manager (Policy)
<b>Classification</b>	<b>Open</b>
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. That members of Planning and Transportation Policy Working Group are asked to recommend to Policy and Resources the Local Plan housing target as set out in paragraphs 3.1 and 3.2 of this report, that includes a 5% buffer for consultation and examination resilience for the draft Plan Regulation 18 Plan consultation.</li> <li>2. Members are also asked to recommend to Policy and Resources Committee that proposed growth within the draft Plan Regulation 18 consultation should be for 7,990 dwellings that includes review of the remaining Local Plan Bearing Fruits (1,703 dwellings) as well as the balance housing need (6,287 dwellings).</li> </ol>

## **1. Introduction**

- 1.1 As part of preparing the draft Plan Regulation 18 document it is necessary to agree the housing target for the Plan consultation. Setting the housing target will then identify what the balance of housing need will be after existing known supplies of land have been considered. This balance of housing need will determine what additional land should be considered for allocation in the Regulation 18 consultation.
- 1.2 This paper sets out two main issues:
- Housing historic delivery up to 1 April 2024; and,
  - Local Plan Review Housing target and balance of housing need.

## **2. Historic housing delivery up to 1 April 2024**

- 2.1 The Local Plan Bearing Fruits 2017 (LPBF 2017) Strategic Policy 2 (ST2) sets out the Borough's development targets for the life time of the Plan (years 2014 to 2031). For housing the target set was 13,192 or 776 dwellings per annum with 618 dwellings having

been completed by the time of the Plan's examination in 2016. Strategic Policy 3 (ST3) of LPBF 2017 then set out the settlement hierarchy for the borough and the growth strategy for the new dwellings proposed within the Plan.

- 2.2 Table 4.3.4 (page 54) in LPBF 2017 sets out the Growth Strategy for the Plan by settlement hierarchy and is a predominately Sittingbourne (tier 1 settlement) led approach with moderate levels of development set for Faversham (tier 2), Queenborough and Rushenden, and Minster and Halfway (tier 3).
- 2.3 Analysis has been carried out to determine the actual performance of housing land supply and delivery since examination of the Plan against the growth targets of LPBF 2017, with the findings set out in table 1 below.
- 2.4 Between 1 April 2016 and 31 March 2024, 6,082 dwellings have been delivered and including the 618 before examination of the Plan gives a total dwellings completion of 6,700 during the Plan life time to date, an average of 670 dwellings per annum (6,700 dwellings/10 years). This means that 51% of the intended dwellings for the Plan period have been delivered ( $6,700/13,192 * 100$ ) in the first 10 out of 17 years and gives a good indication the LPBF 2017 is on course to meet the objectives that were set for housing growth.
- 2.5 In addition to completions during the Plan period there is also a significant amount of dwellings that have gained planning consent but have not yet been built out. At 1 April 2024 there were 7,047 dwellings consented and not built out totalling 53.4% of the LPBF 2017 target ( $7,047/13,192 * 100$ ) and this provides a strong indication that the existing Plan strategy will continue to perform well against its housing target.
- 2.6 Table 1 below sets out the quantum of dwellings that have been delivered and those consented but not built out and their location against the targets of LPBF 2017. When comparing the location of completed dwellings and those consented and not built out against the LPBF 2017 growth targets it can be identified that growth in Sittingbourne and Queenborough and Rushenden are falling considerably short of target by 16.8% and 11.2% respectively whilst growth in other non Plan target areas has been considerable, in excess of 21.7%. This means that whilst lower tier settlements' targets have been broadly met, targets for two of the Borough's highest settlements have been considerably missed. The location of the top 5 other settlements not in the Plan target areas has been set out in table 2 below.
- 2.7 Under the LPBF 2017 target to deliver 13,192 dwellings, 6,700 dwellings have been completed with 7,047 dwellings consented, which means that there is a positive balance of 555 dwellings to date providing that all permitted dwellings are built out.
- 2.8 Table 3 below sets out that at 1 April 2024 there only remains 1,703 dwellings on Local Plan Bearing Fruits 2017 allocated sites that have not been consented and their location against the Plans growth strategy. The table shows that Sittingbourne and Queenborough & Rushenden have the two largest amounts of dwellings left to gain

planning from allocated land whilst there are only minimal allocations in other settlements in the growth strategy.

2.9 Whilst the data presented demonstrates the Council is making good progress against the targets set out in the Local Plan Bearing Fruits 2017, the NPPF on Plan making and housing targets has since been amended. These amendments include the requirement to review Local Plans that are more than 5 years old and as part of that review to use the Government’s Standard method for calculating a local housing need. The Council’s local housing need under the Government’s standard method in April 2024 is 1,040 dwellings per annum. This is an increase of 264 dwellings against the LPBF 2017 annual target of 776, which is an uplift in requirement of 34%. The next section below looks at the Councils Local Housing need at 1 April 2024 and how it determines a housing target for the draft Plan Regulation 18 consultation that is scheduled for later this year.

**Table 1. Local Plan Bearing Fruits 2017 target comparison to supply and completions 1 April 2024**

	LPBF 2017 target	Actual Performance (completions + extants)	Difference	Total (completions + extants)	% extant permissions 2023/24	Extant permissions 2023/24	% Completions	Completions 2016/17 to 2023/24
Sittingbourne	43.5%	26.7%	-16.8%	3,518	29%	2,065	24%	1,453
Faversham	17.1%	16.3%	-0.8%	2,155	10%	734	23%	1,421
Sheerness *0%	0.0%	3.3%	3.3%	431	2%	131	5%	300
Queenborough and Rushenden	12.3%	1.1%	-11.2%	140	0%	2	2%	138
Minister and Halfway	14.7%	15.5%	0.8%	2,037	19%	1,370	11%	667
Boughton *below 1 %	0.4%	0.2%	-0.2%	25	0%	10	0%	15
Teynham	4.0%	3.8%	-0.2%	495	5%	330	3%	165
Newington	1.3%	3.1%	1.8%	405	3%	227	3%	178
Iwade	6.0%	4.7%	-1.3%	618	7%	521	2%	97
East Church *below 1 %	0.2%	0.7%	0.5%	95	0%	6	1%	89
Leysdown *below 1 %	0.1%	3.1%	3.0%	409	0%	11	7%	398
Other		21.7%		2,855	23%	1,640	20%	1,215
<b>Total</b>				<b>13,183</b>	<b>100%</b>	<b>7,047</b>	<b>100%</b>	<b>6,082</b>

**Table 2. Parishes with five largest supply and completions not within Local Plan Bearing Fruits 2017 strategic approach 1 April 2024**

	% Total (other location completions + extants)	Total (completions + extants)	% extant permission 2023/24	Extant permissions 2023/24	% Completions	Total completions 2016/17 to 2023/24
Borden	29%	739	43%	713	3%	<b>26</b>
Tonge	25%	652	24%	391	27%	<b>261</b>
Bapchild	17%	449	18%	293	16%	<b>156</b>
Upchurch	9%	240	7%	113	13%	<b>127</b>
Bobbing	7%	187	4%	60	13%	<b>127</b>

**Table 3. Location and quantum of remaining Local Plan Bearing Fruits allocations without planning consent at 1 April 2024**

	LP 2017 allocations not consented (%)	LP 2017 allocations not consented (dwellings)
Sittingbourne	24%	407
Faversham	5%	88
Sheerness		
Queenborough and Rushenden	61%	1043
Minister and Halfway	4%	60
Boughton	1%	21
Teynham	3%	43
Newington		
Iwade	2%	31
East Church		
Leysdown	1%	10
<b>Total</b>	<b>100%</b>	<b>1703</b>

### 3. Housing target and balance of housing need April 2024

- 3.1 The Council's local housing need is determined by the current Government's Standard Method that applies the Office for National Statistics (ONS) household projections for 2014 with an uplift based on the affordability ratio for average house prices to average workplace based earning (ONS 2023). The local housing need for Swale is currently

1,040 dwellings per annum - a change from 1,086 dwellings at 1 April 2023. This change is largely due to the affordability ratio dropping from 10.95 to 9.6 in March 2024 and a slightly lower household projection for the years 2024 to 2034. **Under the standard method the Council's need for the Plan period to 2040 (16 years) would be 16,640 dwellings.**

- 3.2 For the purpose of Plan drafting and resilience through the consultation process and Plan examination process it is appropriate to apply a buffer to this figure to cover any removal of housing sites. A buffer of 5% should ensure that there will not be the need to consult on further sites late in the Plan drafting process. **Applying a 5% resilience buffer to 16,640 dwellings for the proposed Plan period would result in a proposed Local Plan housing target of 17,472 dwellings.**
- 3.3 When considering how the housing target will be addressed during the Plan period it is appropriate to make an allowance for existing supplies of housing land supply and a projection for likely market trends. These forms of supply will greatly reduce the need for new land to be found for allocation and include:
- the extant stock of sites with planning consent considered deliverable during the Plan period;
  - the remaining Local Plan Allocations without planning consent that could be rolled forward into the Local Plan Review;
  - made Neighbourhood Plan allocations without planning consent; and,
  - an allowance for sites (known as windfall) that would come through the market and gain planning consent during the Plan period that have not been identified in the Local Plan.
- 3.4 With regards to known supply the Planning Policy officers identified that at 1<sup>st</sup> April 2024 there were 7,047 dwellings on sites with planning consent that have not been built out. The monitoring also identified that there were 1,703 dwellings on the remaining stock of Local Plan allocated sites without planning consent.
- 3.5 Further, the Council can also include recently made Neighbourhood Plan allocations or those likely to be made that have not gained planning consent. This includes both the Boughton-Under-Blean and Dunkirk Neighbourhood Plan (made 2023) that allocates 1 site for 12 dwellings and The Faversham Neighbourhood Plan (referendum Autumn/Winter 2024) that proposes 10 allocations totalling approximately 219 dwellings. The Faversham Neighbourhood Plan, once made, will supersede the Faversham Creek Neighbourhood Plan including any remaining allocations from that Neighbourhood Plan.
- 3.6 Based on windfall sites analysis carried out to support the Council's 5 year housing land supply position at a base date of 1<sup>st</sup> April 2024, it can be determined that after existing permitted small sites (1 to 4 homes) have been considered to be built in years 1 to 3 of the Plan period the Council can expect a small sites windfall allowance of 80 dwellings per year for the remaining 13 years of the proposed 16 year Plan period. This means there is a potential small sites windfall allowance of 1,040 dwellings for the Plan period.

- 3.7 A further windfall allowance can be made for large sites (5 or more dwellings) during the Plan period after both existing permitted large sites have been built out and non strategic site allocations will have been considered built out in years 1 to 10 of the Plan period. Based on this approach the Council can expect a large sites windfall allowance of 194 dwellings per year for the last 6 years of the proposed plan period. This means there is a potential large sites windfall allowance of 1,164 dwellings for the Plan period.
- 3.8 Table 4 below sets out the housing land supply knowns and allowances and that at 1st April 2024 demonstrate there is a balance of housing need for the Local Plan Review of 6,287 dwellings.
- 3.9 Due to the length of time since the Local Plan “Bearing Fruits” was adopted it is appropriate to reassess the remaining allocations without planning consent to determine if they still remain suitable and deliverable for the new plan period. However, this approach is not necessary for the Neighbourhood Plan allocations due to their having either been made recently or likely to be made before submission of the Local Plan.
- 3.10 **This means that future growth of the Borough should Plan for a total 7,990 dwellings (1 April 2024) that would include review of dwellings on remaining Local Plan allocations (1,703) as well as the balance of dwellings need (6,287).**

**Table 4. Balance of housing need for the proposed Plan period under Government Standard method**

<b>A</b>	<b>Local Plan Housing need target 2024 to 2040</b>	<b>17,472</b>	
B	Extant planning consents		7,047
C	Remaining LP 2017 allocations		1,703
D	Neighbourhood Plan allocations		231
E	Small windfall sites allowance		1,040
F	Large windfall sites allowance		1,164
G	Known supply and allowance (B to F)	11,185	
	<b>Dwellings requiring new land allocation (A-G)</b>	<b>6,287</b>	

## **4. Proposals**

- 4.1 That members of Planning and Transportation Working Group are asked to recommend to Policy and Resources committee the Local Plan housing target as set out in paragraphs 3.1 and 3.2 of this report, that includes a 5% buffer for consultation and examination resilience for the draft Plan Regulation 18 Plan consultation.
- 4.2 Members are also asked to recommend to Policy and Resources committee that proposed growth within the draft Plan Regulation 19 consultation should be for 7,990 dwellings that includes review of the remaining Local Plan Bearing Fruits (1,703 dwellings) as well as the balance housing need (6,287 dwellings).

## **5 Alternative Options Considered and Rejected**

- 5.1 The National Planning Policy Framework amended in December 2023 changed housing targets from statutory to advisory (in certain, evidenced circumstances) and allows for Councils to consider an alternative lower target than that set by the Standard Method for setting a Local Housing Need. The Council commissioned evidence to identify whether there is an exception circumstance for a lower housing requirement for Swale with early findings indicating that there were not. Since publication of the December 2023 NPPF a new Government was elected in July 2024 with a mandate of changing housing targets back to mandatory and increasing yearly build out rates for the nation from 300,000 to 370,000 dwellings.
- 5.2 At time of writing this report a consultation on the next version of the NPPF has just been launched that does not fundamentally changed the approach to Plan making. However, the consultation includes an alternative standard method of applying the MHCLG dwelling stock estimates 2023 and applying an uplift based on the affordability ratio of average house price to average workplace based earning (ONS 2023). The proposed approach would increase the local housing need for Swale from 1,040 to 1,061 dwellings, an increase of 336 dwellings over the proposed Plan period. At this stage any changes to the NPPF and standard method are only those proposed and are subject to consultation and could be changed. This means that use of the existing standard method for calculating a local housing need provides a starting point for Local Plan Review housing target. Should the revised Standard Method become adopted then this increase in housing requirement could be accommodated through the 5% resilience buffer as presented in this report.
- 5.3 The 5% resilience buffer to the Council's Local Housing need has been discussed informally with members and is presented as a reasonable option to ensure that there will not be a need to consult on additional sites late in the Plan drafting process.

## **6 Consultation Undertaken and Proposed**

- 6.1 The approach to setting a Local Plan housing target and proposed growth within the Local Plan Review has been discussed informally with members of this working group. The Local Plan Review draft Plan Regulation 18 that will go out for statutory consultation later this year will provide formal consultation on these matters.

## 7 Implications

Issue	Implications
Corporate Plan	The proposals in the report align with the economic objective of the Corporate Plan – To progress a Local Plan with local needs and capacity at its heart.
Financial, Resource and Property	The implications of this report will have no specific budgetary implications.
Legal, Statutory and Procurement	Preparation of a Local Plan is carried out under a national legislative and regulatory framework.
Crime and Disorder	None identified at this stage.
Environment and Climate/Ecological Emergency	The Local Plan will be supported by its own Sustainability Appraisal and Habitats Regulation Assessment at each key stage in decision making.
Health and Wellbeing	None identified at this stage
Safeguarding of Children, Young People and Vulnerable Adults	None identified at this stage.
Risk Management and Health and Safety	None identified at this stage.
Equality and Diversity	None identified at this stage.
Privacy and Data Protection	None identified at this stage.