

# **Housing Land Supply Update Analysis Paper**

1 April 2020

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## **1.0 Overview**

The purpose of this paper is to: provide detail on the components that contribute towards the Council's 5-year housing land supply at 1 April 2020; report on the Council's 20-year housing land supply progress; and to demonstrate the Council's performance against national requirements including the Housing Delivery Test (HDT).

Summary of the Council's Housing Land Supply 2019/20 include:

- At 1 April 2020 the Council can demonstrate 6.1 years' worth of deliverable housing sites against the Local Plan housing target of 17,660 dwellings.
- The 5-year housing land supply is made up of detailed planning consents (89%), outline planning consents (5%), allocated sites with planning consent pending (1%), allocated sites with no consent (1%) and a small sites (1-4 units) windfall allowance of (4%);
- The 20-year supply position has a surplus of 1,566 dwellings measured against the housing target of 17,660 dwellings.
- There were 1,304 dwellings (net) completed during the monitoring year 2019/20, bringing the total completed dwellings for the Local Plan period to 7,741.
- Work has commenced on sites totalling 3,705 dwellings at 1 April 2020, and this indicates that good progression is expected on dwelling completions during 2020/21.
- In 2019/20 more units were completed on greenfield rather than brownfield sites; and,
- Maidstone's has a 141% result measured against the Housing Delivery Test.

## **2.0 Housing Land Supply**

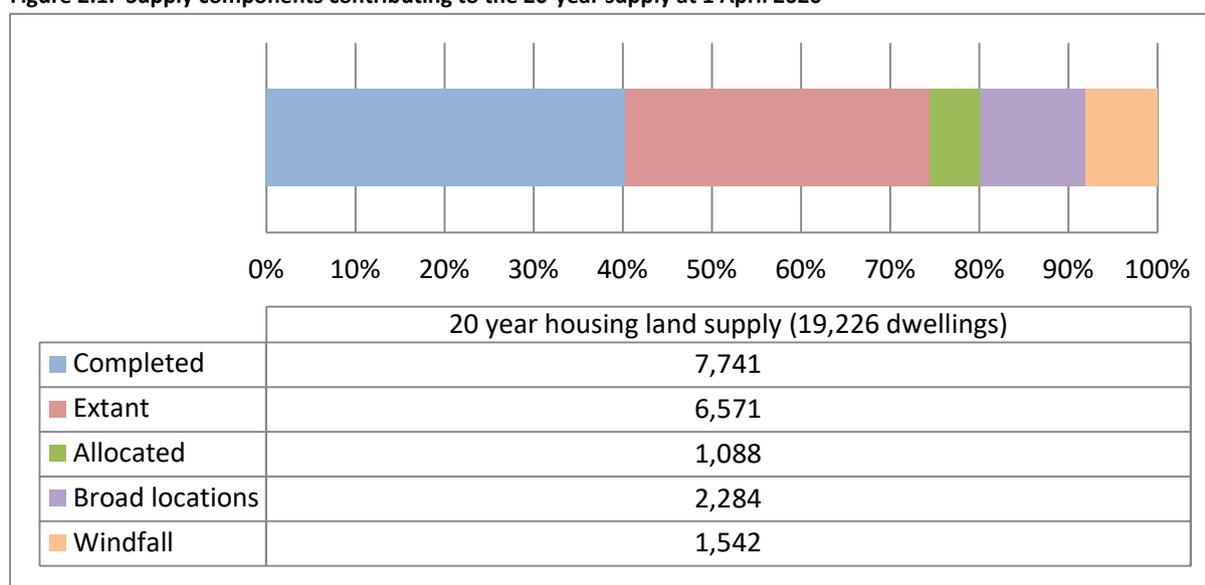
As at 1<sup>st</sup> April 2020 the Council has a 20-year housing land supply of 19,226 dwellings, which exceeds the Local Plan housing target of 17,660 by 1,566 dwellings. This is a considerable improvement on the position published after the Local Plan inspector issued his 'Interim Findings from the Examination of the Maidstone Borough Local Plan' on 22 December 2016 (examination document reference ED110) of -85 dwellings. The improvement can be attributed to intensification of dwellings on sites allocated within the Local Plan, sustained levels of windfall planning permissions, and a revised windfall allowance that takes account of changes to national policy to include all sites not identified through the Local Plan, rather than just brownfield sites.

Good progress has been made by the Council towards meeting the 20-year housing delivery target, with 7,741 dwellings (44%) complete against the Local Plan housing target. Table 2.1 and Figure 2.1 demonstrate the components that contribute towards the 20-year housing supply. Appendix 1 provides a list of the itemised sites that contribute to the 20-year supply, including their estimated phasing and delivery.

**Table 2.1: 20-year housing land supply 1 April 2011 to 31 March 2031**

		<b>Dwellings (net)</b>	<b>Dwellings (net)</b>
1	Local Plan housing target		17,660
2	Completed dwellings 1 April 2011 to 31 March 2020	7,741	
3	Extant planning permissions as at 1 April 2020 (including a 5% non-implementation discount)	6,571	
4	Local Plan allocated sites (balance of Local Plan allocations not included in line 3 above)	1,088	
5	Local Plan broad locations for future housing development	2,284	
6	Windfall sites contribution	1,542	
7	Total housing land supply		19,226
8	<b>Housing land supply surplus 2011-2031</b>		<b>1,566</b>

**Figure 2.1: Supply components contributing to the 20-year supply at 1 April 2020**



### 3.0 Completed dwellings

There were 1,304 dwellings (net) completed during the monitoring year 2019/20, bringing the total completed dwellings to 7,741 for the plan period. The sustained high delivery rate has helped the Council make excellent progress towards meeting its under supply from earlier years of the plan (Figure 3.1). Through the use of the 'Maidstone Hybrid' approach endorsed through the Local Plan 2017 examination, the remaining under supply of 206 dwellings will be split over the next 6 monitoring years.

Delivery of sites allocated within the Local Plan 2017 has led to an increase in the number of dwellings built on greenfield land, and 2019/20 saw completions on greenfield sites exceed those completed on brownfield sites (Figure 3.2).

New build dwellings made the most significant contribution to completions within Maidstone during 2019/20. Dwellings from conversions of existing buildings contributed to 12% of all completions (Figure 3.3).

Small sites (1 to 4 dwellings) continue to make a positive contribution to the Housing Land Supply and the local economy. There were 111 small sites that contributed 141 completed dwellings during the monitoring year 2019/20. During the Local Plan period small sites have contributed to 14% of all completions (Table 3.1). Appendix 2 lists the itemised sites that have contributed to the completed dwellings during the monitoring year 2019/20.

Figure 3.1: Completed dwellings 1 April 2011 to 31 March 2020

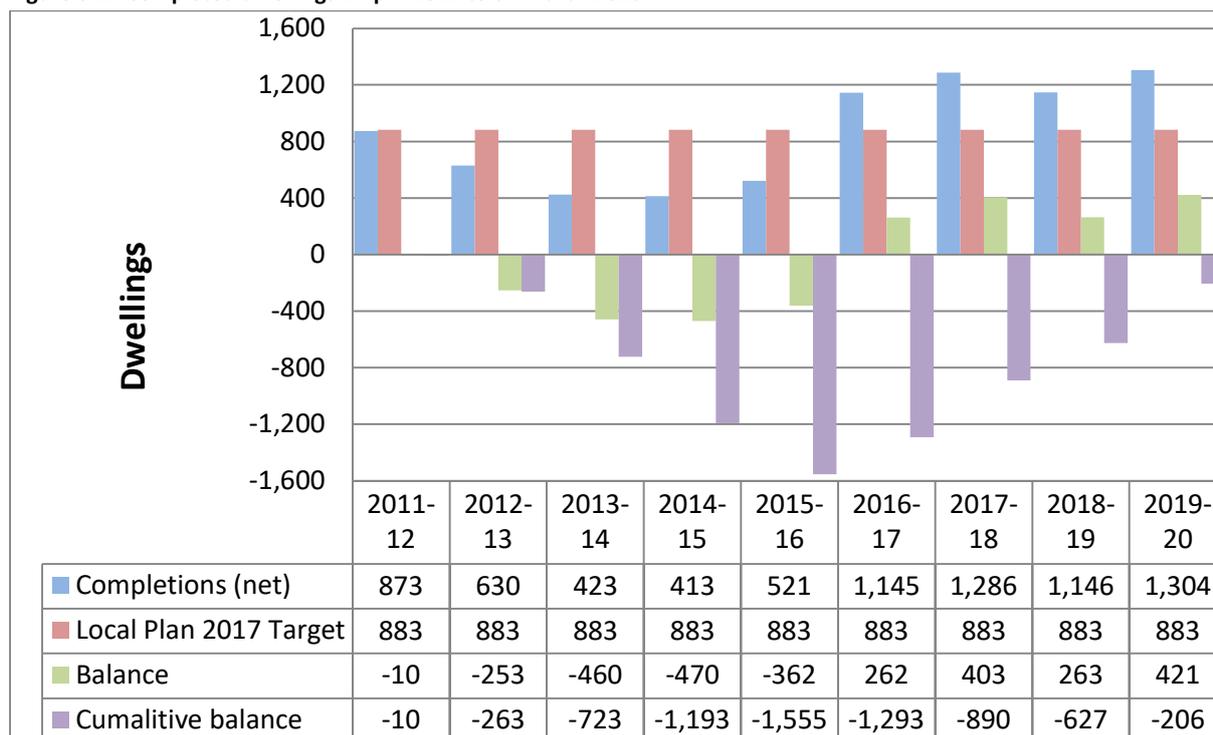
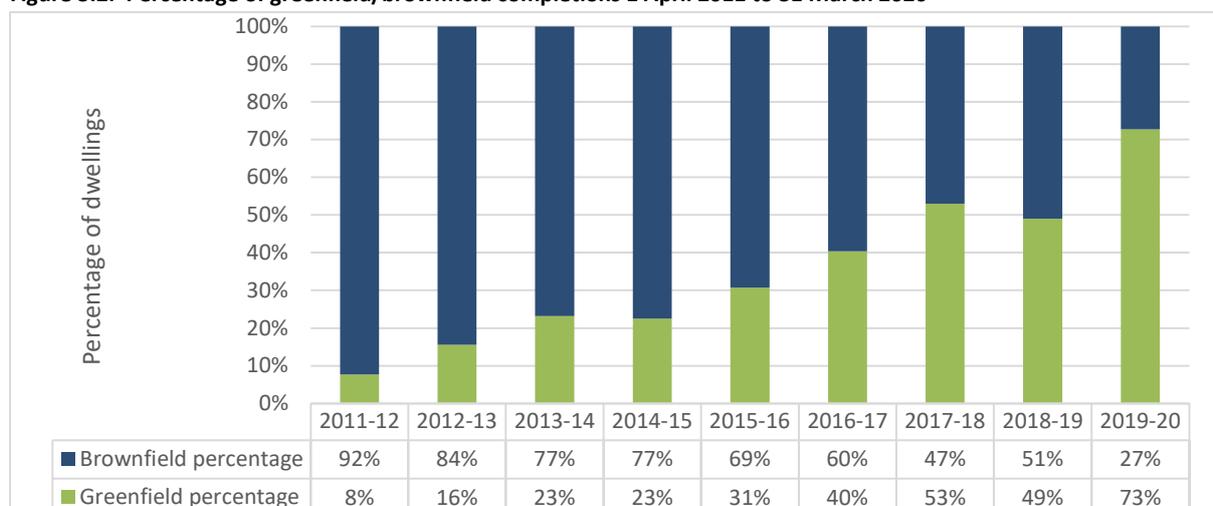
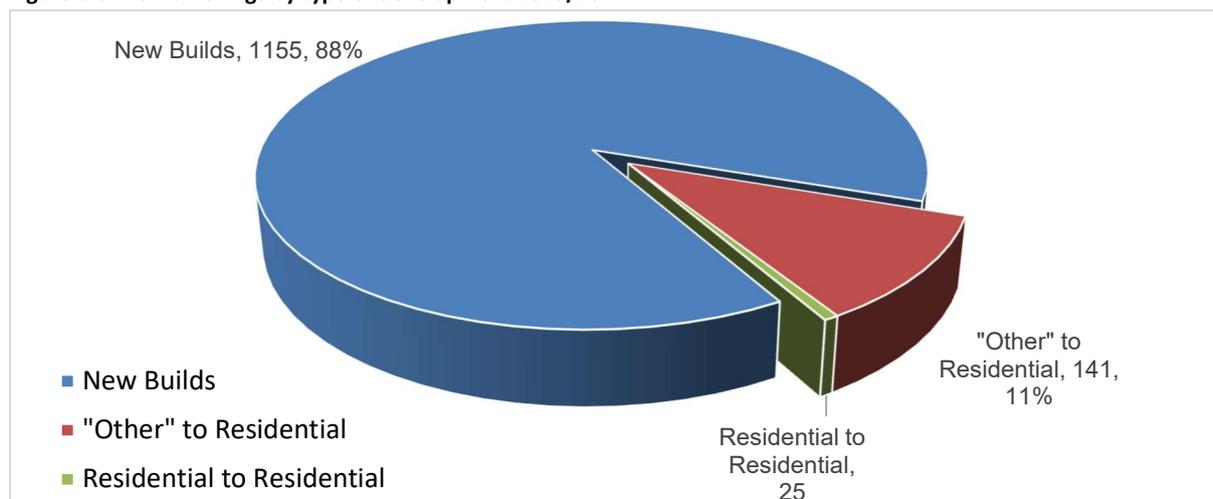


Figure 3.2: Percentage of greenfield/brownfield completions 1 April 2011 to 31 March 2020



**Figure 3.3: New dwellings by type of development 2019/20**



**Table 3.1: Small sites contribution to completed dwellings**

	Small sites	Large sites	Total	% Small sites
2011/12	96	777	873	11%
2012/13	104	526	630	17%
2013/14	103	320	423	24%
2014/15	58	355	413	14%
2015/16	126	395	521	24%
2016/17	130	1,015	1,145	11%
2017/18	153	1,133	1,286	12%
2018/19	178	968	1,146	16%
2019/20	141	1163	1,304	11%
<b>Average</b>	<b>121</b>	<b>739</b>	<b>860</b>	<b>14%</b>

#### 4.0 Housing Delivery Test

The Council continues to perform extremely well against the Housing Delivery Test. The Council's completion performance over the last three years measured against the test is 141%, and this results in the application of a 5% buffer to our 5-year housing land supply calculation; a position that will be confirmed by MHCLG in November 2020 (Table 4.1). Figure 4.1 illustrates the significantly strong position of the Council's performance against the various consequences contained within the Housing delivery Test. Further, projected completions as set out in the Itemised Housing Land Supply (Appendix 1) demonstrate that the Council anticipates continued strong performance against the Housing Delivery Test in forthcoming years (Figure 4.2).

Table 4.1: Maidstone’s performance against the HDT November 2020

	Completed dwellings	Local Plan 2017	Difference	Percentage of target
2017/18	1,286	883	403	
2018/19	1,146	883	263	
2019/20	1,304	883	411	
<b>Total</b>	<b>3,736</b>	<b>2,649</b>	<b>1,087</b>	<b>141%</b>

Figure 4.1: Maidstone’s completed dwellings measured against HDT

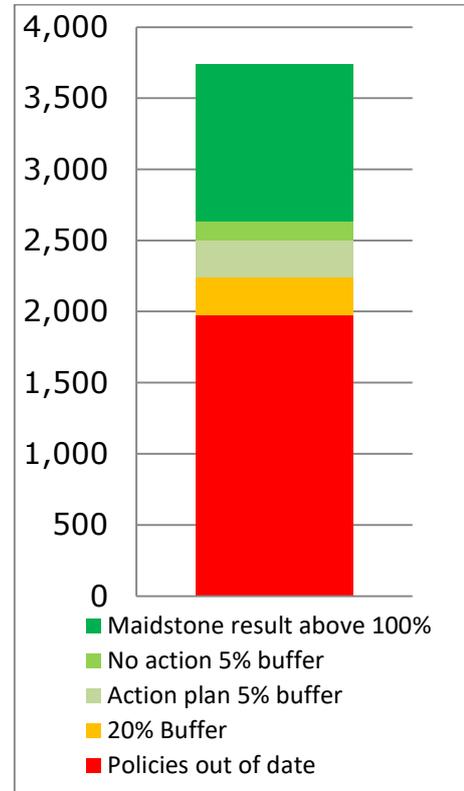
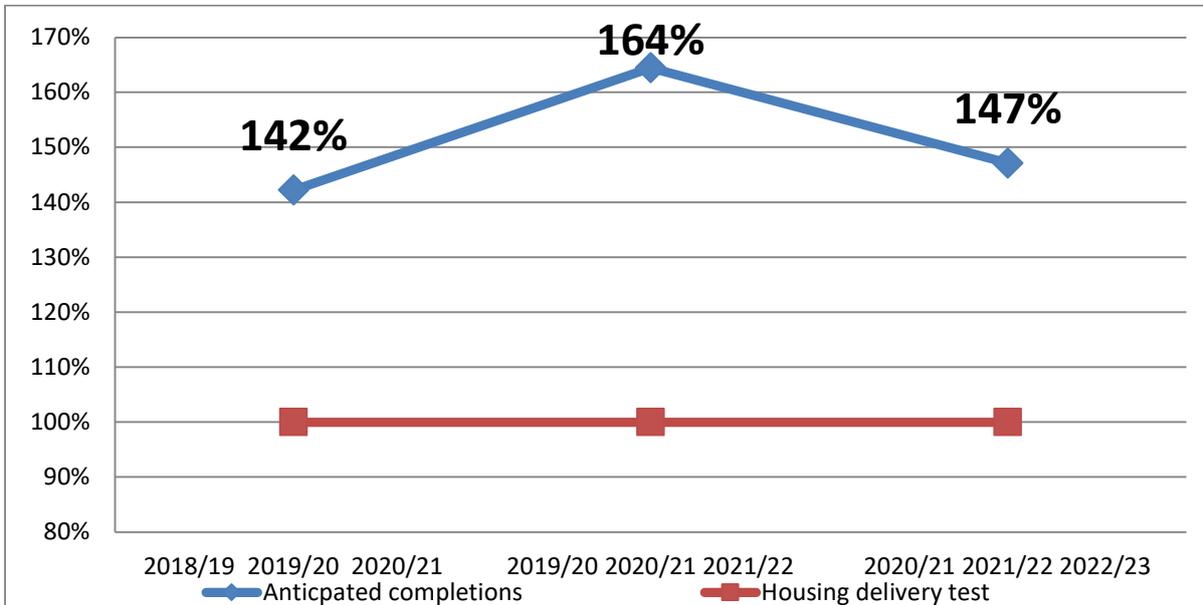


Figure 4.2: Maidstone anticipated future performance against the Housing Delivery Test

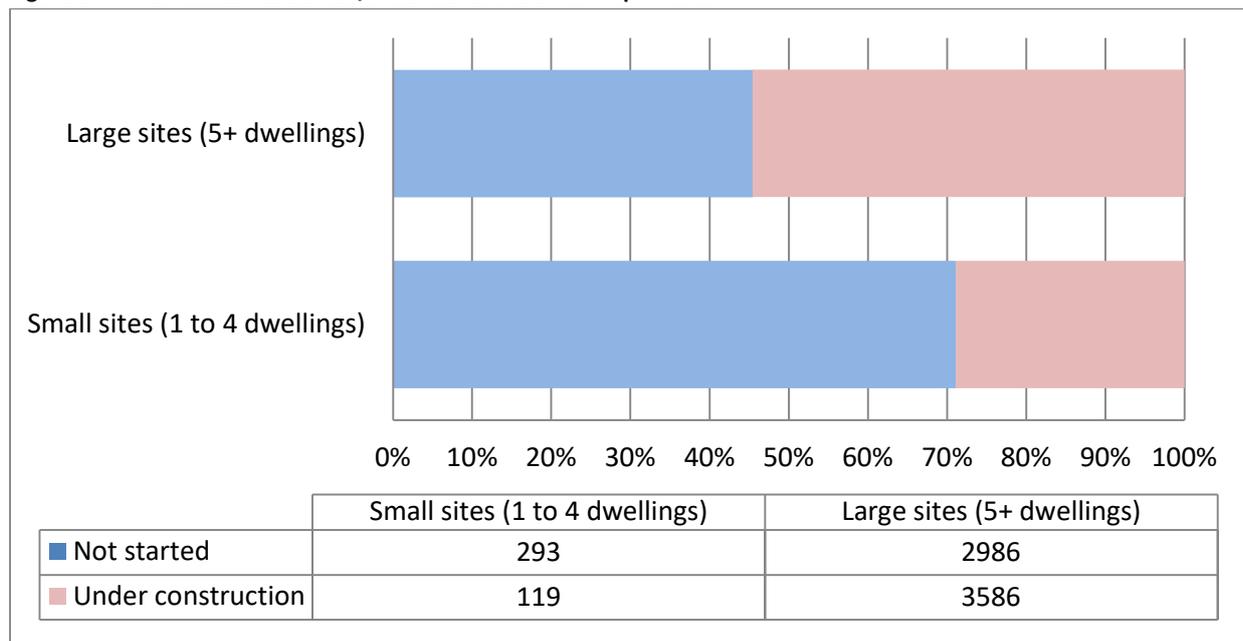


## 5.0 Extant supply

The extant supply includes all current planning permissions that contribute towards the 20-year Housing Land Supply (Figure 5.1). The extant supply position is inclusive of a 5% non-implementation discount (Section 6.0).

As at 1 April 2020, work had commenced on sites with a total permission for 3,705 dwellings. This indicates that good progression will be expected towards dwelling completions during 2020/21.

**Figure 5.1: Extant sites not started/under construction at 1 April 2020**



## 6.0 Non-implementation

The trend of a low expiry rate of planning permissions for new dwellings within Maidstone continues. The average rate over the last 12 years stands at 2.1%. The Council will continue to maintain its approach as endorsed through the Local Plan 2017 examination, of applying a 5% discount to the extant supply for the potential non-implementation over the next monitoring year. The 5% discount to extant planning permissions within the Council's housing land supply has proven to be a robust approach, and over the last three monitoring years has been well in excess of actual expired permissions (Table 6.1).

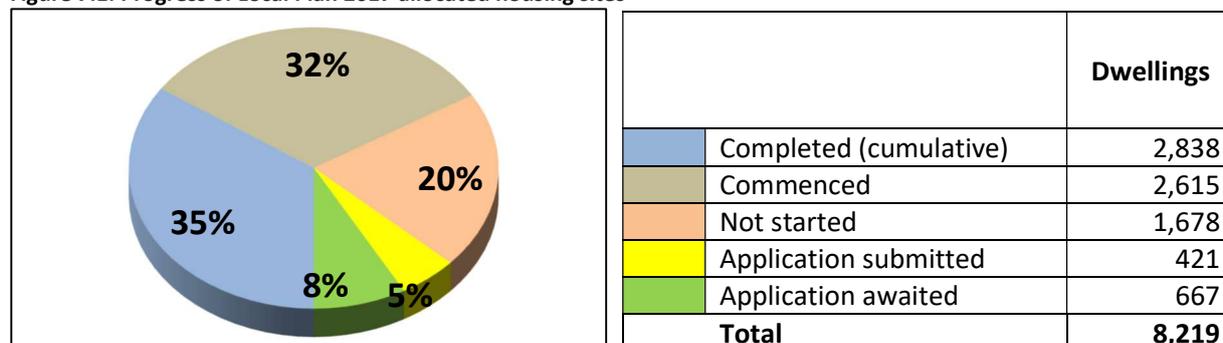
Table 6.1: Expired planning permissions/non-implementation allowance

Year	Dwellings (net)	Expired Dwellings (net)	% Expired Dwellings	Allowance Applied	Surplus / Deficit
2008-09	3,150	20	0.6%		
2009-10	3,514	127	3.6%		
2010-11	3,452	76	2.2%		
2011-12	2,987	53	1.8%		
2012-13	2,007	64	3.2%		
2013-14	2,116	66	3.1%		
2014-15	3,742	66	1.8%		
2015-16	5,605	89	1.6%		
2016-17	6,378	254	4.0%	288	34
2017-18	7,012	76	1.1%	307	231
2018-19	7,904	167	2.1%	347	180
2019-20	8,090	46	0.6%	402	356
<b>Average</b>	<b>4,663</b>	<b>92</b>	<b>2.1%</b>	<b>336</b>	<b>200</b>

## 7.0 Progress of Local Plan Housing Allocations

Sites allocated within the Local Plan 2017 have continued to make excellent progress in gaining planning permissions. 35% of all dwellings on allocated sites have now been completed with a further 32% having commenced. There now remains just 13% of the allocated dwellings to gain planning consent (Figure 7.1).

Figure 7.1: Progress of Local Plan 2017 allocated housing sites

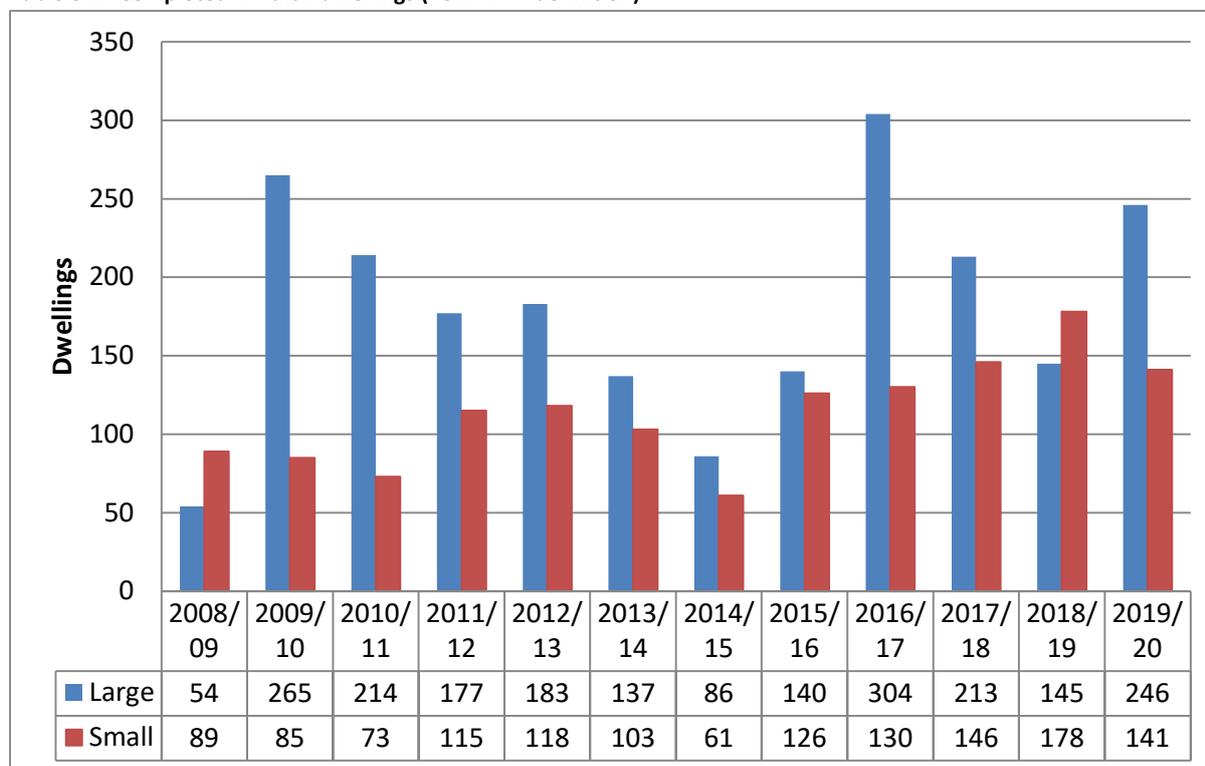


## 8.0 Windfall sites contribution

The increase in completed dwellings since 2016/17, and national policy redefinition of a windfall site from a previously developed site not identified through the local plan, to any site not identified has had a significant impact on the sites that contribute towards the windfall allowance. Table 8.1 illustrates that small sites now make a significant contribution to the windfall gains.

The resultant increase in completed windfall dwellings, has led to an increase in the small sites windfall contribution to 114 dwellings per annum. The contribution from the large sites windfall allowance has remained the same as the previous monitoring year, and is 90 dwellings per annum between the years 2024/25 to 2028/29 and 180 dwellings per annum between the years 2029/30 to 2030/31 (Appendix 1).

**Table 8.1: Completed windfall dwellings (new NPPF definition)**



## 9.0 Housing Land Supply Forum

Following on from the previous three years, the 2020 forum was held in July to help inform the housing land supply by reviewing our assumptions on site phasing and delivery/build out rates, as well as providing more general industry-wide insight into the immediate and possible future effects of Brexit and Covid-19.

The Forum consisted of officers from the Council, planning consultants and representatives from developers based in the local area. In advance of the Forum, participants were supplied with the Council's methodology for projecting expected site phasing and delivery rates, as endorsed by the Inspector at our Local Plan examination.

### Potential implications of Brexit and Covid-19

The general consensus from the Forum is that market demand is still good. This can be attributed to a combination of pent-up demand from over the lockdown period, plus the government's current stamp duty holiday incentive. There was also anecdotal evidence that the impact of Covid-19 has resulted in a shift in demand from people looking to move out of London, into the South East, as changing work and travel patterns allowed for greater freedom of location.

It was agreed by Forum members that sites where development had commenced would in all likelihood continue to be built out, albeit at a slower than previous rate given potential supply chain and workforce resource issues, as well as allowances for operating Covid-19 safe construction sites. Our average trend-based build out rate for large sites is 49 units per annum. The Forum agreed that 40 units per annum would be more realistic in the current climate. This 20% reduction has therefore been applied to delivery rates for site of 50+ units, across years 1 to 5. This is a cautious approach but is considered to be robust in light of the uncertainties surrounding the 'new normal'. Similarly, this 20% reduction has been applied to sites delivering 25-49 units, taking the annual delivery rate on these sites down from 18 to 14 per annum, again across years 1 to 5. From year 6 onwards, the delivery/build out rates revert back to the trend-based averages as shown in table 11.2. On sites supplying fewer than 25 units, no reduction has been applied on the basis that these smaller sites are less likely to be affected to the same extent as the larger sites.

A recent appeal<sup>1</sup> from April 2020 references the potential impact of Covid-19 on an authority's five-year housing land supply position. Within this appeal, the Inspector accepts that it is reasonable for the effects to be felt for a 3 to 6 month period. On that basis, she reduced the Council's land supply figure by 50% over 4.5 months (the midway point between 3 to 6 months). The Inspector acknowledged that this might be an optimistic assessment, however it might equally be that a bounce back will occur once the crisis ends. Indeed, she considered it reasonable to surmise that housebuilders and their suppliers will be keen to rectify losses if it is possible to do so.

This appeal decision was given at the start of the lockdown phase in England, where there was no indication of when construction sites would reopen. Even in the few months since this decision was published, much has changed, with construction sites back up and running. Given that our approach has been to reduce the overall delivery rates across all sites above 25 units, it is not considered necessary to also apply a further reduction on sites for the immediate 3-6 months.

In addition to general feedback from the Forum members, a number of individual site promoters were contacted to ascertain their latest position with regards to phasing and delivery of their specific sites within the five-year supply. From the feedback received, the phasing and delivery of a few sites has been altered from the standard methodology. Where this is the case, it is clearly stated within the housing land supply officer conclusions column in the table at Appendix 1.

## **10.0 5 Years Housing Land Supply**

The Council at 1 April 2020 can demonstrate 6.1 years' worth of deliverable housing sites against the Local Plan housing target of 17,660 dwellings for the Plan period (Table 10.1).

Progress of sites allocated within the Local Plan 2017 and windfall planning permissions with detailed consent contribute to 89% of the 5-year supply. Outline planning permissions on major sites (10+ dwellings) that have been evidenced through: engagement with the site developers and

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<sup>1</sup> Appeal Decision APP/X0360/W/19/3238048

consultants; feedback obtained from Development Management and progress of detailed consents; reviewed by the housing land supply forum; and consistency checked with evidenced lead-in times and delivery rates, contribute to just under 5% of the supply. A small allowance (2%) has been made for sites allocated within the Local Plan which do not have planning consent as a result of developer and planning consultant engagement (Figure 10.1).

All of the minor sites and small sites (less than 10 dwellings) that contribute to the 5-year supply, have been calculated using the endorsed methodology by the Local Plan inspector policy (Chapter 11).

**Table 10.1: 5-year housing land supply 1 April 2020**

	<b>5 - year housing land supply - 'Maidstone Hybrid' method</b>	<b>Dwellings (net)</b>	<b>Dwellings (net)</b>
1	Objectively Assessed Need (OAN) 2011 - 2031	17,660	
2	Annual need 17,660/20 years	883	
3	Delivery target 01.04.11 to 31.03.20 (883 x 9 years)	7,947	
4	Minus completed dwellings 01.04.11 to 31.03.19	7,741	
5	Shortfall against target 01.04.11 to 31.03.19	206	
6	Annual delivery of shortfall 206/6 years (Maidstone Hybrid)	34	
7	Five-year delivery target 01.04.20 to 31.03.25 (883x5)	4,415	
8	Plus shortfall against OAN 34 x 5 years	170	
9	5% buffer (Housing Delivery Test @ November 2019 135%)	229	
10	Total five-year housing land target at 01.04.20		4,814
11	Five-year land supply at 01.04.20		5,873
12	Surplus		1,058
13	<b>No. years' worth of housing land supply (4,814/5 =963; 5,873/963 = 6.1)</b>		<b>6.1</b>

**Figure 10.1: Components of the 5-year housing land supply**

	<b>Dwellings (net)</b>	<b>Dwellings (net) as %</b>
Detailed consent and Prior notification supply (5% non-implementation applied)	5,234	<b>89.1%</b>
Outline consent (5% non-implementation applied)	266	<b>4.5%</b>
Allocation: planning permission submitted, decision pending	65	<b>1.1%</b>
Allocation: strong intention to develop	80	<b>1.4%</b>
Windfalls (small sites)	228	<b>3.9%</b>
<b>Total</b>	<b>5,873</b>	<b>100%</b>

## 11.0 5-year supply methodology (as amended by NPPF 2019)

Changes to delivery evidence for major sites (10+ dwellings) with outline planning consent, planning permission in principle or allocated within a plan without consent came into effect through the NPPF 2019. Annex 2 of the NPPF 2019 states the evidence requirement for these sites.

“For sites [*MAJOR DEVELOPMENTS 10 OR MORE DWELLINGS*] with outline planning permission, permission in principle, allocated in a development plan or identified on a brownfield register, where clear evidence is required to demonstrate that housing completions will begin on site within 5 years, this evidence may include:

- any progress being made towards the submission of an application;
- any progress with site assessment work; and,
- any relevant information about site viability, ownership constraints or infrastructure”

The Council presented a base line phasing methodology for its housing land supply as part of its Local Plan examination (Figure 11.1), The phasing of Large (5+ dwellings) sites was amended from the base line where appropriate based on feedback from developers/site promoters and development management and then delivery rates were set, informed where possible by site developers and promoters.

The requirement to provide delivery evidence on major sites with outline consent, planning permission in principle and allocated within a plan without planning consent has required this methodology to be amended for sites that fall into those categories. Further, to provide consistency on the setting of delivery rates for sites, historical evidence has been produced. At present the Council does not have any sites with planning permission in principle. For major sites with outline permission evidence was gathered by:

- Engagement with site developers/consultants;
- Progress towards gaining detailed planning consent reviewed;
- Feedback obtained from the Councils Development Management team;
- Review by Housing Land Supply Forum;
- Consistency check with Local Plan endorsed phasing methodology, and evidenced lead-in times and delivery rates.

Two allocated sites without planning permission were included within the 5 years supply, in years 4 and 5, as a result of engagement with the site promoters and assessment of current planning status. In Appendix 1 there is a column titled housing land supply officer conclusion which states how these sites have been phased and their delivery rates set.

Lead-in times have been identified on the large sites (5+ dwelling sites) that have reported completions from building control completion reports. The lead-in time is taken from the date that the planning permission was granted to the date of the first completion certificate issued. It should be noted that some sites use approved inspectors to carryout building control and some of those inspectors have failed to notify the Council of site completions. This failure to carry out a statute

duty, results in an incomplete picture for lead-in times. However, from the results that could be gathered, the lead-in time evidence indicates that the assumptions presented as part of the Local Plan examination were robust and accurate (Table 11.1). An action arising from the Housing Land Supply Forum for next year is to expand on the lead-in evidence for sites above 50 dwellings to evidence: 50 to 99 dwellings; 100 to 249 dwellings; and 250+ dwellings.

Delivery rates for large site have also been analysed since the Local Plan was submitted for examination, and this analysis now provides the base line methodology for estimating delivery rates on large sites (Table 11.2). A further action arising from the Housing Land Supply Forum for next year is to expand on the delivery evidence for sites above 50 dwellings to evidence: 50 to 99 dwellings; 100 to 249 dwellings; and 250+ dwellings.

As additional years of housing land supply are monitored, both the lead-in time and delivery rate evidence bases will continue to be expanded upon. As the Local Plan review progresses, there may also be the need to develop other evidence bases and assumptions.

**Figure 11.1: Phasing methodology**

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Small sites (1 to 4 dwellings)</b>										
Under construction site	■									
Greenfield site		■								
Brownfield site			■							
Outline permission - granted				■						
<b>Large sites (5+ dwellings)</b>										
<b>Extant permissions</b>										
Prior notification - site commenced	■									
Prior notification - site not commenced		■								
Full Plans application - site commenced	■									
Full Plans application - site not commenced		■								
Full Plans application - awaiting S106			■							
Reserved matters - site commenced	■									
Reserved matters - site not commenced		■								
Outline permission - granted			■							
Outline permission - awaiting S106				■						
No immediate intent to develop										■
<b>Allocated site</b>										
Full Plans application - awaiting S106			■							
Full Plans application - pending decision				■						
Outline permission - awaiting S106				■						
Outline permission - pending decision					■					
Strong intention to develop					■					
Intention to develop						■				
No immediate intent to develop										■

**Table 11.1: Average lead-in time 5+ dwelling sites**

	<b>Outline</b>	<b>Full Plans</b>	<b>Prior Notification</b>
<b>2016/17</b>	730	695	494
<b>2017/18</b>	908	647	546
<b>2018/19</b>	1,260	601	673
<b>2019/20</b>	919	898	1128*
<b>Average days</b>	<b>966</b>	<b>647</b>	<b>571</b>
<b>Average years</b>	<b>2.6</b>	<b>1.8</b>	<b>1.6</b>

\* Two site records

**Table 11.2: Average delivery rates on large 5+ dwelling sites**

<b>Site size (units)</b>	<b>5 to 24</b>	<b>25 to 49</b>	<b>50+</b>
<b>2016/17</b>	8	10	61
<b>2017/18</b>	9	22	55
<b>2018/19</b>	6	20	44
<b>2019/20</b>	7	20	37
<b>Average</b>	<b>8</b>	<b>18</b>	<b>49</b>
<b>Covid-19 adjustment (20% reduction on sites 25+ units)</b>	<b>8</b>	<b>14</b>	<b>40</b>

## 12.0 Conclusion

Monitoring of the Council’s housing land supply continues to maintain the robust evidence gathering and analysis methodology that was established during the Maidstone Local Plan 2017 examination. Additional housing land supply evidence gathering has been carried out to test this methodology against new national policy requirements, and this work confirms the accuracy of the assumptions made within the methodology. The Council continues to engage with site developers/promoters to help inform its supply position and to obtain as true a picture as possible on-site delivery.

The Council maintains a strong five-year housing land supply position, with 6.1 years’ worth of supply at 1 April 2020. The five-year supply is vastly made up of extant planning permissions of which 89% has detailed consent. The large number of units under construction indicates that the next monitoring years completed dwellings will again surpass the Local Plan target of 883 dwellings and will further reduced the Councils under supply from the early years of the plan period.

The Council has performed exceptionally well against the government’s Housing Delivery Test and the results expected in November 2020 should be even stronger than last year’s, at 141%. The Council has evidenced the deliverability of sites with outline permissions through: engagement with site developers/planning consultants and development management officers; monitoring of the progress towards gaining detailed consents; reviewing phasing and delivery assumptions within a Housing Land Supply Forum; and bench-marking lead in times and delivery rates. This approach has allowed the Council to examine its housing land supply robustly and the procedures carried out exceed those set out within the NPPF 2019.

The 20-year housing land supply position has continued to strengthen during the last monitoring year to a surplus of 1,566 dwellings and the under supply of completed dwellings from the early years of the Local Plan has been significantly reduced. Housing sites allocated within the Local Plan continue to make good progress towards delivery. The sustained flow of windfall planning permissions and the transition of Maidstone Town Centre and Lenham Broad Locations to sites with planning consent should also enable the Council to continue meeting the objectives of the Local Plan.

To date, excellent progress has been made towards meeting the Council's housing requirements within the Local Plan 2017. The monitoring and analysis undertaken indicates that this progress will continue in subsequent years. The Council's housing land supply will continue to be monitored on a yearly basis and a further updated position to the 5 and 20 year supply will be provided at a base date of the 1 April 2021.