

STRATEGIC PLANNING AND INFRASTRUCTURE COMMITTEE

21 September 2021

Housing Land Supply Position 2021

Final Decision-Maker	Strategic Planning and Infrastructure Committee
Lead Head of Service	Rob Jarman, Head of Planning and Development
Lead Officer and Report Author	Helen Garnett – Senior Planning Officer, Strategic Planning
Classification	Public
Wards affected	All

Executive Summary

This report provides results from the monitoring of this year's housing development in the borough, with sections setting out our annual housing completions for 2020-21, our performance against the government's 3-year Housing Delivery Test, and our 5-year Housing Land Supply position.

In summary, there were 1,354 dwellings completed in the monitoring year 2020-2021, against our annual 883 requirement. Our performance against the 3-year Housing Delivery Test is at 144% (pending confirmation from central government in November 2021). This excellent performance means that the Council has now compensated for the shortfall in housing completions in the early years of the adopted Local Plan (2011-2013), results in no delivery test consequential actions and the application of the minimum 5% buffer to our 5-year housing land supply, as required by national planning guidance. The Council is able to demonstrate a strong 5.6 years' worth of housing land supply over the next five years – compellingly evidenced through historic trend analysis, development management feedback, expert developer forum consensus, and direct feedback from site promoters on specific sites.

This report is provided for Members' information and for the purposes of noting only.

Purpose of Report

For noting

This report makes the following recommendations to this Committee:

1. That the content of this report is noted.

Timetable

Meeting	Date
Strategic Planning and Infrastructure Committee	21 st September 2021

Housing Land Supply Position 2021

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	<p>The four Strategic Plan objectives are:</p> <ul style="list-style-type: none"> • Embracing Growth and Enabling Infrastructure • Safe, Clean and Green • Homes and Communities • A Thriving Place <p>This report is presented for information only. More widely, the delivery of homes in the borough contributes specifically to the objectives of Embracing growth and Homes and communities.</p>	Rob Jarman
Cross Cutting Objectives	<p>The four cross-cutting objectives are:</p> <ul style="list-style-type: none"> • Heritage is Respected • Health Inequalities are Addressed and Reduced • Deprivation and Social Mobility is Improved • Biodiversity and Environmental Sustainability is respected <p>This report is presented for information only. More widely, the delivery of homes in the borough may contribute to the reduction of health inequalities and the improvement of social mobility.</p>	Rob Jarman
Risk Management	<p>This report is presented for information only and has no risk management implications.</p>	Rob Jarman
Financial	<p>This report is presented for information only and has no direct financial implications.</p>	[Section 151 Officer & Finance Team]
Staffing	<p>This report is presented for information only and has no staffing implications.</p>	Rob Jarman
Legal	<p>This report is for noting and does not raise any specific legal implications. More widely, the reporting of housing data to central government is governed by The Town &</p>	Russell Fitzpatrick (MKLS (Planning))

	Country Planning (Local Planning) (England) Regulations 2021 and informed by national planning policy and guidance.	
Privacy and Data Protection	There are no privacy and data protection implications as a result of this report.	Policy and Information Team
Equalities	There are no equalities implications as a result of this report.	Equalities and Communities Officer
Public Health	There are no public health implications arising from this report.	[Public Health Officer]
Crime and Disorder	There are no crime and disorder implications arising from this report.	Rob Jarman
Procurement	There are no procurement implications arising from this report.	[Head of Service & Section 151 Officer]
Biodiversity and Climate Change	<p>The implications of this report on biodiversity and climate change have been considered and cross cutting issue are highlighted here;</p> <ul style="list-style-type: none"> • Biodiversity and Environmental Sustainability is respected and where possible enhanced as developments proceed (eg. Trees planted, carbon offset, nature corridors respected). • Sustainable materials and practices are sought and encouraged throughout development. • Energy efficiency technologies, insulation and materials are utilised and future proof pathways for energy needs are considered. • Climate projections are considered for development locations and buildings are made resilient to the likely impacts of Climate Change. 	Biodiversity and Climate Change Manager

2. INTRODUCTION AND BACKGROUND

2.1 The Maidstone Borough Local Plan 2017 sets out the number of homes the Council is required to deliver over the plan period 2011-2031. This includes compensating for under-delivery in the early years of the plan period. To ensure we remain on track to meet this requirement, the Council is required to monitor the delivery of new homes in the borough against what is set out in our Local Plan; publishing and reporting back to central government each

year on our annual housing completions, our rolling supply of land for housing for the next five years, and our performance against central government's three year Housing Delivery Test.

- 2.2 The results of this monitoring form the content of this report, with sections setting out our annual housing completions for 2020-21, our performance against the 3-year Housing Delivery Test, and our 5-year Housing Land Supply. This report is provided for Members' information and for the purposes of noting only.

Housing completions 2020-2021

- 2.3 Over the monitoring year 1 April 2020 to 31 March 2021, there were 1,354 dwellings completed across the borough, bringing the total number of completed dwellings to 9,095 over the plan period. This represents 51.5% of the 17,660-total plan requirement. It is important to note that the recent, sustained high delivery rate has helped us make excellent progress towards meeting our undersupply from earlier years of the plan. Consequently, 2020-21 saw the council meet its remaining undersupply of 206 dwellings in full.
- 2.4 New build dwellings made the most significant contribution to the overall number of completions, totalling 95%. The remaining new dwellings completed came in the form of conversions. Delivery of sites allocated within the Local Plan has led to an increase in the number of dwellings constructed on greenfield land. In 2020/21, the brownfield/greenfield split was 29% and 71% respectively. Appendix 1 of this report shows an itemised list of housing completions for 2020/21.
- 2.5 Projecting forwards, the Council expects completions to remain strong over the coming years, even with the wider market uncertainties surrounding Brexit and Covid-19. This is explained in more detail under the 5-year Housing Land Supply section, below.

Housing Delivery Test

- 2.6 Through revisions to the National Planning Policy Framework (NPPF), the government introduced a Housing Delivery Test (HDT) for all local planning authorities. The HDT looks back over the past three financial years at an authority's cumulative housing completions compared to their cumulative housing requirement. Depending on an authority's performance against this test, there are different actions required as a result. These actions are implemented from the day following publication of the HDT measurement by central government, in November each year. Depending on the level of delivery, the actions are:
- Delivery below 95%: the authority should publish an Action Plan
 - Delivery below 85%: the authority should apply a 20% buffer on the 5-year Housing Land Supply
 - Delivery below 75%: the authority should apply the presumption in favour of sustainable development

- 2.7 These actions apply concurrently, for example if an authority falls below 85% it must both publish an Action Plan and apply a 20% buffer.
- 2.8 For Maidstone, with a Local Plan only adopted in 2017, our annual housing requirement is 883 units per annum, or 2,649 units over 3 years. Completions over the last three years have totalled 3,804, to help compensate for under-delivery early in the plan period, equating to a HDT performance of 144% for this reporting year (see table 1.1).
- 2.9 On 06 September 2021, the MHCLG issued a Written Ministerial Statement indicating that the 2021 Housing Delivery Test measurement will apply a four-month or 122 day adjustment to the housing requirement figures for 2020-21, in order to account for fluctuations arising from the COVID-19 pandemic. In 2020 such an adjustment was applied for a one-month period.
- 2.10 Note that this figure is provisional and subject to confirmation through central government publication in November 2021.

Table 1.1: Maidstone’s performance against the Housing Delivery Test, November 2021

	Completions	LP 2017	Difference	Percentage of target
2018/19	1,146	883	263	144%
2019/20	1,304	883	421	
2020/21	1,354	883	471	
Total	3,804	2,649	1,155	
2020/21 With HDT Adjustments	3,804	2,288	1,516	166%

- 2.11 This strong performance against the government’s HDT results in none of the under-delivery actions as set out in paragraph 2.6 being applied.

5-year housing land supply

- 2.12 Maidstone Borough Council is required to identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five years’ worth of housing against our housing requirement as set out in our adopted Local Plan. Other components, such as previous undersupply and additional buffers are also factored in.
- 2.13 To be considered ‘deliverable’, a site for housing should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within 5 years. In particular:
 - a) sites which do not involve major development and have planning permission, and all sites with detailed planning permission should be considered deliverable until permission expires, unless there is clear evidence that homes will not be delivered within 5 years (for example

because they are no longer viable, there is no longer a demand for the type of units or sites have long term phasing plans).

- b) where a site has outline planning permission for major development, has been allocated in a development plan, has a grant of permission in principle, or is identified on a brownfield register, it should only be considered deliverable where there is clear evidence that housing completions will begin on site within 5 years.

2.14 Such evidence, to demonstrate deliverability, may include:

- a) current planning status – for example, on larger scale sites with outline or hybrid permission how much progress has been made towards approving reserved matters, or whether these link to a planning performance agreement that sets out the timescale for approval of reserved matters applications and discharge of conditions;
- b) firm progress being made towards the submission of an application – for example, a written agreement between the local planning authority and the site developer(s) which confirms the developers’ delivery intentions and anticipated start and build-out rates;
- c) firm progress with site assessment work; or
- d) clear relevant information about site viability, ownership constraints or infrastructure provision, such as successful participation in bids for large-scale infrastructure funding or other similar projects.

2.15 Our evidence includes a combination of direct feedback from developers regarding their expected site delivery and build out rates, feedback from colleagues in Development Management regarding progress of sites within the planning system, as well as more generalised expert industry feedback from our annual Developer’s Forum. In addition, the Council continues to build upon evidenced lead-in times, delivery rates and non-implementation rates through our monitoring process. Having a good knowledge of the progress of site delivery in the borough; feedback from local industry experts; and a continued depth of evidence base gives us confidence in the projected supply of housing in the borough.

Potential impacts of Brexit and Covid-19

2.16 The general consensus from the aforementioned Developer’s Forum is that market demand has strengthened. This can be attributed to demand arising from those looking to relocate out of London to the wider South East. This has been highlighted in the press¹, which notes that people expressing the greatest desire to move sales are in London and the commuter belt, given the greatest changes to work and transport patterns in these areas. According to them, July 2020 was the busiest month for home buying since

¹ <https://www.propertyreporter.co.uk/finance/where-have-property-sales-seen-the-biggest-pandemic-bounce-backs-and-declines.html> (Accessed 30/08/21), <https://www.rightmove.co.uk/news/articles/property-news/housing-market-busiest-month-for-over-ten-years/> (last accessed 21/08/2020)

they began tracking the data over ten years ago, with sales up 38% compared to July 2019. This has translated volumes in the South East increasing by 42.5% between Q1 2020 and Q1 2021.

- 2.17 Whilst sales and delivery are high, forum attendees expressed concern surrounding materials and labour shortages. This issue is having a twofold impact, first in delaying desired build out rates, and second, by pushing the cost of construction up. Higher demand and the resulting increase in sales values, are so far covering the additional cost of materials and labour however, uncertainties over potential future demand mean that there it was not guaranteed that the costs of these shortages could continue to be absorbed. Major Infrastructure projects such as the Lower Thames Crossing were also considered to pose a further potential threat to materials and labour costs, particularly in the South East.
- 2.18 Therefore, whilst completions rates have been high which has resulted in 2020/21 delivery exceeding that of 2019/20, there remains some doubt in the market. Our average trend-based build out rate for large sites was 49 units per annum, however the 2020 Forum agreed that 40 units per annum would be more realistic in the then climate. Given the uncertainty in the market and the potential for materials and labour shortages, it was suggested that a cautious approach should be taken this year. This is a cautious approach but is considered to be appropriate and robust in light of the uncertainties surrounding the 'new normal'. Accordingly, this 20% reduction has remained for delivery rates for site of 50+ units, across years 1 to 5. 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. 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.

5-year housing land supply buffer requirement

- 2.19 To ensure that there is a realistic prospect of achieving the planned level of housing supply, the Council should always add an appropriate buffer, applied to the requirement in the first 5 years (including any shortfall), bringing forward sites from later in the plan period. This results in a requirement over and above the level indicated in the Local Plan.²
- 2.20 For Maidstone Borough Council, the minimum 5% buffer has been applied to the 5-year housing land supply, thereby ensuring choice and competition in the market.

5-year housing land supply position – 2021

- 2.21 Given the above, as at 1 April 2021 Maidstone Borough Council is able to demonstrate 5.6 years' worth of deliverable sites against the Local Plan housing target of 17,660 dwellings over the plan period (see Table 1.2 below). It is important to note that this is a snapshot in time of our position as at 1 April 2021. Changes will have occurred since that date in terms of

² NPPG Paragraph: 022 Reference ID: 68-022-20190722

additional planning permissions and completions, as well as the evolving position regarding materials and labour, and the wider implications on delivery and the construction industry more generally.

2.22 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 consultants; feedback obtained from Development Management and progress of detailed consents; reviewed by the 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 and current planning status. A full itemised list of sites contributing to our 5-year housing land supply is appended to this report (Appendix 2).

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

Table 1.2: 5-year housing land supply 1 April 2021

	5 - year housing land supply - 'Maidstone Hybrid' method	Dwellings (net)	Dwellings (net)
1	Objectively Assessed Need (OAN) 2011 - 2031	17,660	
2	Annual need 17,660/20 years	883	
3	Delivery target 01.04.11 to 31.03.21 (883 x 10 years)	8,830	
4	Minus completed dwellings 01.04.11 to 31.03.21	9,095	
5	Shortfall against target 01.04.11 to 31.03.20	-265	
6	Annual delivery of shortfall 206/6 years (Maidstone Hybrid)	-44	
7	Five-year delivery target 01.04.21 to 31.03.26 (883x5)	4,415	
8	Plus shortfall against OAN 34x5 years³	0	
9	5% buffer (Housing Delivery Test @ November 2020 146%)	221	
10	Total five year housing land target at 01.04.20		4,636
11	Five-year land supply at 01.04.20		5,147
12	Surplus		512
13	No. years' worth of housing land supply (4,636/5 = 963 ; 5,147/963. = 5.6)		5.6

2.24 Further detail on the methodology as approved by the Local Plan inspector, as well as more information on our land supply and overall progress against the Local Plan requirements is contained in the 'Housing land supply update analysis paper, 1 April 2021' (Appendix 3 of this report).

³ Shortfall met in the year 2020/21

2.25 The Local Plan is currently undergoing a review, and it is expected that this review will be adopted in 2022/23. From adoption sites allocated in the Local Plan Review will count towards the Council's 5-year housing land supply.

2.26 Subsequent to this SPI meeting, the 2021 update analysis paper, plus itemised lists of completions and housing land supply (all as appended to this report) will be published on the Council's website.

3. AVAILABLE OPTIONS

3.1 This report is for noting only.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

4.1 This report is for noting only.

5. RISK

5.1 This report is presented for information only and has no risk management implications.

6. REPORT APPENDICES

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

- Appendix 1: Itemised completions 2020/21
 - Appendix 2: Itemised 5-year housing land supply
 - Appendix 3: Housing Land Supply Update Analysis Paper, 1 April 2021
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