

Home Builders Federation

Matter 8

MAIDSTONE LOCAL PLAN EXAMINATION

Matter 8 – Housing Delivery

Q8.1 Paragraph 5.8 of the Plan sets out the components of supply, but it does not set out how the housing requirement will be delivered. In terms of the following:

(i) How will a five-year deliverable supply be measured in Maidstone to guide future decision-making, including an appropriate 5% or 20% buffer as per NPPF paragraph 74 and confirmed by the latest Housing Delivery Test results?

Planning Practice Guidance (PPG) states that Council's should use the Sedgefield method when it comes to assessing their five-year housing land supply. This approach sees any shortfall in meeting housing needs delivered in the following five years. At present the Council uses a hybrid approach that addresses any shortfall across the first ten years of the plan but whether the Council's intends to continue with this approach is unclear.

Paragraph 3.12 of ED31 suggest that they still consider the approach to be sound, but the Council does not appear to state whether this is the approach that they will apply in future. If the Council intends to continue with its current hybrid approach to assessing their five-year land supply, it will need to provide the necessary justification. Whilst the Council state that this approach was endorsed by the planning inspector at the last examination this does not necessarily mean that it is a sound approach for this local plan. PPG states at paragraph 68-031 that Councils will need to make the case for such an approach, and it will be necessary for the Council to do so and not rely on the justification used for a plan that was adopted in under a previous policy framework.

Considering the Council do not consider there to be a shortfall in supply for the first five years of the plan and that they can show a five-year land supply there would appear to be little justification for the hybrid approach to be maintained. The Council should therefore state that it intends to use the Sedgefield approach with regard to any shortfalls in order to ensure consistency with the NPPF and avoid confusion with the approach set out in the previous local plan.

(ii) Is the housing trajectory evidenced in terms of the expected rate of delivery, including, where appropriate, the anticipated rate of development for specific sites (for example - the Garden Settlements, strategic development locations, Maidstone Town Centre) as well as supply from other sources (for example – permissions, non-strategic allocations, and windfall)?

The HBF does not generally comment on whether specific sites allocated in local plans are deliverable or developable. However, we are concerned that the Council has not



fully recognised the risks in delivery with regard to the garden settlements being proposed. The HBF is not objecting to the inclusion of the Garden Settlements, such allocations can provide a long-term supply of land for housing. However, it is important to recognise they do carry significant risks to meeting needs in full within the plan period if there is an over reliance on such allocations in a local plan. Delivering large scale strategic developments with their supporting infrastructure are complex and prone to significant delays and as such there are far fewer guarantees that such schemes will come forward in expected timescales compared to smaller, less complex sites.

The speed at which schemes come forward and the rate at which they deliver will vary considerably from site to site and area to area. However, the second edition of Start to Finish¹ (Lichfields, 2021) gives an indication as to the length of time it can take for large schemes to start delivering new homes and the rates at which they deliver. In terms of how long it takes from submission of an application to the first home being delivered, figure 4 in this report indicates that of the schemes examined delivering more than 2,000 homes the average planning approval period was 6.1 years with 2.3 years between approval and first delivery. Whilst these are average timescales and some sites can come forward more quickly, we consider the expectation that the Garden Settlement at Lidsing will start delivering homes less than 5 years after the plan is adopted is optimistic given the need to agree, consult and adopt an SPD prior to the application being submitted as well as the significant cross border and strategic working required with Medway, National Highways and KCC to ensure any negative impacts are minimised and the necessary strategic infrastructure improvements are delivered. As such we consider it does not appear appropriate for the Lidsing Garden Settlement to be included in the first five years post adoption in 2023/24 and first completions from this allocation be pushed back by at least one year.

In terms of delivery rates, we would question the expectation that Heathlands Garden Settlement will deliver 200 homes consistently from commencement. Page 3 of the project delivery plan (LPR1.92) outlines that it is expected that three sales outlets could operate concurrently during each phase of delivery. As such in order to meet the 200 dpa target would require each of these outlets to deliver between 60 and 70 dpa from the outset. Start to Finish sets out on page 15 that on average the sites with three outlets delivered on average 45dpa per outlet. Whilst the research does indicate that some sites can deliver circa 70 dpa we would consider this to be at the upper end of what is achievable. Given there is currently appears to be no developer partners on board to provide a clear indication as to what they can deliver we would suggest a more appropriate build out rate would be 50 dpa per outlet.

The evidence provided by the Council on past levels of windfall would suggest that it is justified to include a windfall allowance. With regard to small windfall allowance the Council have set their expectations at the average delivery since 2008/09 of 115 dpa. However, what is apparent is that the average has been bolstered by higher rates of delivery in recent years compared to relatively modest rates in the early part of the monitoring period. It cannot be certain on the evidence provided that this recent spike in windfalls will be repeated. Therefore, given the uncertainty in predicting expected rates of windfall delivery from small sites we would suggest that a discount of 25% is

¹ <https://lichfields.uk/content/insights/start-to-finish>

applied to the average to ensure the Council are not over estimating the level of delivery from small windfall sites.

With regard to larger windfalls, we would agree that the Council should not include these in the first six years and discount these for years 6 to 10 to avoid double counting with allocations and extant permissions. However, we would suggest that the increase from year 10 onwards to 181 dpa is not justified. It is reasonable to assume, as the Council have, that not all such sites will have been identified by the Council. However, there can be no guarantee that delivery will be much higher in the later part of the plan period. Over time this is more likely to be diminishing source of windfalls rather than a growing source of supply. As such we would recommend that the 91 dpa large site allowance for years 6 to 10 be continued for the remaining years of the plan period.

The suggested amendments to the trajectory are set out in Appendix A. This more realistic trajectory shows that there would be a shortfall in meeting housing needs of some 1,300 homes over the plan period based on a housing need of 1,157 dpa. Appendix B, which provides a rolling assessment of the five-year land supply, also shows that our suggested trajectory would mean the Council not having a five-year housing land supply aside from the year in which it is likely to be adopted.

(iii) Should the trajectory meet need on a constant annual housing requirement over the plan period or should it be specifically profiled (stepped) to reflect circumstances in Maidstone? The submitted trajectory indicates a 'step-down' following a significant early over-provision (in 2022/23), is that justified? Is there any evidence (justification) in Maidstone that would support an alternative trajectory (for example stepped, because of the significance of strategic sites (with appreciable lead-in times) to deliver an appropriate strategy)?

The Council state at paragraph 4.7 of ED31 that the proposed stepped trajectory was a misapplication of paragraph 74 of the NPPF and that they are now proposing a consistent trajectory across the plan period. The HBF would agree that such an approach is consistent with national policy though as set out in our statements to matter 2 we consider the annual requirement should be higher.

Q8.2 As of 1 April 2021 (or 1 April 2022) what is the five-year housing land supply requirement in Maidstone?

On the basis of the Council latest trajectory in ED31 the Council set out in table 4.6 that they expect to have a 5.3-year land supply on adoption. This includes a 5% non-implementation discount on extant permissions (paragraph 4.59 of ED31). Whilst we agree that a discount rate is necessary it is not clear how the Council has arrived at the reduction of 104 homes set out in table 4.6. On the basis of extant supply in Appendix 1 of ED31 a 5% discount for non-implementation over the five-year period 2022/23 to 2026/27 would be a reduction of 218 units. Whilst the impact on five-year land supply would be a slight reduction to 5.25 years it would be helpful for the Council to provide clarification as to how the discount has been applied.

Q8.3 What assumptions have been applied in the SLAA or other site specific evidence terms of (i) the density/capacity of site allocations; (ii) the lead-in times for sites with permission but not started (including any differentiation between full and outline permissions or where there is resolution to grant subject to a legal agreement); (iii) lead in times for the proposed site allocations; (iv) lead in times for the Garden

Settlements and strategic development locations; and (v) annual rates of delivery (including any differentiation by scale of site).

For Council

Q8.4 In respect of Heathlands are anticipated annual housing delivery rates reasonable in the context of market appetite in combination with the Lenham Broad Location development and other allocations in Lenham and Harrietsham etc?

See above. The HBF are concerned that the delivery rates at Heathlands are optimistic given evidence from other similar sites, the number of expected outlets and the unknowns with regard to housebuilder involvement and the market at the point of delivery. The HBF would therefore suggest an annual delivery rate of 150 dpa.

Q8.5 Do any of the proposed site allocations now have planning permission as of 1 April 2021 (or 1 April 2022)?

For Council

Q8.6 Would at least 10% of the housing requirement be met on sites no larger than one hectare (NPPF paragraph 69)?

Paragraph 4.50 outlines that 12% will be identified on sites of less than 1ha. The Council also refer to the delivery of small sites through windfalls. Whilst we acknowledge that the Council has is not seeking to use this potential supply to meet its 10% requirement it should be noted that their inclusion would not be sound as they are not identified sites. It is important to recognise that the reason for this policy is to provide more certainty on those types of sites that are generally brought forward by smaller housebuilding companies reducing the risks and the costs to this sector that comes from having to rely on speculative applications.

It is therefore important to note that many of the sites that make up the Council's supply on sites of less than one hectare are extant permissions that have not been allocated through this or other local plans. Whilst they may broadly be considered to have been identified in this local plan it is not from any specific efforts of the Council to identify such sites but from the efforts the development industry. In terms of smaller sites that have been identified by the Council for allocation table 4.4 of ED31 indicates they would deliver 694 homes - just 4% of the minimum housing requirement in the submitted plan.

Given the heavy reliance on the Garden Settlements to meet needs later on in the plan period we consider it necessary that more smaller sites be allocated to offset some of the risks in maintaining its housing supply that are inherent in the Council's spatial strategy.

Q8.7 In determining deliverable supply has any allowance been made for non-implementation and if so, is it justified?

Paragraph 4.55 of ED31 indicates a non-implementation rate is necessary to take account of those sites with permission that do not come forward. The Council state that the average rate over the last 12 years is just 2% but that they apply a cautious figure of 5% for the purposes of assessing their five-year housing land supply. The HBF welcomes the approach taken by the Council.

Q8.8 Is there compelling evidence to make an allowance for windfall housing in the plan period as per NPPF paragraph 71? Is the windfall figure at paragraph 5.8 of the Plan (2,738 dwellings over the plan period) soundly based?

See above. Whilst there is evidence to support the inclusion of windfall in supply estimates the HBF disagree with the amount of homes that is expected to come forward from windfalls.

Q8.9 Does the approach to windfall avoid double counting with other sources of supply? Does the housing trajectory reflect the profile of windfall presented on p37 of the SLAA (which excludes windfall in years 1-3)?

See above.

Q8.10 Overall, would the submitted plan provide for a robust five-year supply of deliverable housing land on plan adoption?

On the basis of the Council's supply estimates and a housing requirement of 1,157 dpa and spreading any surplus across the remaining plan period we calculate that the Council would have a housing land supply on adoption in 2023/24 of 5.25 years. However, as set out above we consider some of the Council's supply expectations to be overly optimistic. If our suggested amendments to supply are made, then the housing land supply falls to 5.10 years² on adoption. Either way land supply of the submitted plan on adoption will be marginal and leave the Council prone to challenge unless it allocates additional sites that will come forward early in the plan period.

If the annual housing requirement is considered to be unsound and increased to 1,194 dpa as we suggest is necessary, the land supply on adoption reduces to 5.10 years on the basis of the Council's supply estimates and 4.93 years on our adjusted trajectory.

Q8.11 Overall, would the submitted plan identify a developable supply in years 6-10 that would likely maintain continuity of a deliverable supply (i.e., in years 6 & 7) as part of ensuring a plan-led system?

On the basis of our proposed adjustments to supply we would expect the delivery of 12,148 new homes against the requirement to deliver 11,570 homes over the same period. At the higher minimum housing requirement of 1,194 dpa this buffer in supply would be significantly reduced.

Q8.12 Would the policies and proposals of Plan provide sufficient flexibility (contingency) to ensure the delivery of a sufficient supply of homes so that the spatial strategy and housing policies of the plan remain up-to-date, particularly in the short to medium term?

Overall, the Council's estimates of supply as set out in ED31 show that they expect delivery through the submitted plan to fall short of meeting identified needs by 77 homes. On the basis of our adjusted supply this shortfall increases to over 1,300 homes. However, what is concerning is that, on the basis of our estimates, adoption the Council will not have a five-year housing land supply apart from the year it is adopted. Even on the basis of the Council's own supply estimates the five-year land supply is marginal and lacks sufficient contingency in the early years of the plan should

² This does not include the 5% non-implementation rate and will be adjusted on clarification of the Council's approach. If it supplied to all extant permission as indicated in paragraph 4.59 of ED31 then the Housing Land Supply on adoption would be 4.95 years.

housing delivery not come forward as expected. As such there is no contingency across the whole plan period to ensure needs are met and very little flexibility early in the plan should development not come forward in the short to medium term as expected.

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Appendix A: Housing supply trajectory with HBF adjustments

	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35	35/36	36/37	Total
Extant permissions 10+	1,322	1,106	679	431	260	244	112	45	98	85	22					4,404
Extant permission <10	239	219	92	9												559
LP17 Allocations					77	160	83									320
Lenham NP				40	40	40	16		240	190	115	80	80	54		895
Broad Location				41	101	101	131	131	142							647
TC700											43	43	43	43	43	215
Garden Settlement - Lidsing							130	130	130	130	130	130	130	130	130	1,170
Garden Settlement Heathlands									150	150	150	150	150	150	150	1,050
Strategic Development Location						50	100	150	200	200	200	200	200			1,300
Broad location - Villages											73	73	73	73	73	365
Windfall large						90	91	90	91	91	91	91	91	91	91	908
Windfall Small				86	86	86	86	86	86	86	86	86	86	86	86	1,032
New LPR Allocations	33	192	346	633	505	319	383	285	274	129	36					3,135
Annual supply	1,594	1,517	1,117	1,240	1,069	1,090	1,132	917	1,411	1,061	946	853	853	627	573	16,000



Appendix B Rolling Five-year Land Supply Assessment – HBF supply estimates

	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35	35/36	36/37
Requirement	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157
Cumulative	1,157	2,314	3,471	4,628	5,785	6,942	8,099	9,256	10,413	11,570	12,727	13,884	15,041	16,198	17,355
Delivery	1,594	1,517	1,117	1,240	1,069	1,090	1,132	917	1,411	1,061	946	853	853	627	573
Cumulative	1,594	3,111	4,228	5,468	6,537	7,627	8,759	9,676	11,087	12,148	13,094	13,947	14,800	15,427	16,000
Surplus/deficit	437	797	757	840	752	685	660	420	674	578	367	63	-241	-771	-1,355
5-year requirement	5,785	5,785	5,785	5,785	5,785	5,785	5,785	5,785	5,785	5,785	5,785				
5-yr req with deficit/ surplus applied	5,785	5,629	5,478	5,470	5,403	5,516	5,522	5,510	5,594	5,448	5,464				
Buffer	289	281	274	273	270	276	276	276	280	272	273				
Total req	6,074	5,910	5,752	5,743	5,673	5,792	5,798	5,786	5,874	5,720	5,737				
5-year supply	6,537	6,033	5,648	5,448	5,619	5,611	5,467	5,188	5,124	4,340	3,852				
Surplus/deficit	463	123	-104	-295	-54	-181	-331	-598	-750	-1,380	-1,885				
5YHLS	5.38	5.10	4.91	4.74	4.95	4.84	4.71	4.48	4.36	3.79	3.36				

Appendix C – Rolling Five-year Land Supply based on Trajectory in ED31.

	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35	35/36	36/37
Requirement	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157
Cumulative	1,157	2,314	3,471	4,628	5,785	6,942	8,099	9,256	10,413	11,570	12,727	13,884	15,041	16,198	17,355
Delivery	1,594	1,517	1,117	1,269	1,098	1,249	1,161	946	1,490	1,140	1,115	1,022	1,022	796	742
Cumulative	1,594	3,111	4,228	5,497	6,595	7,844	9,005	9,951	11,441	12,581	13,696	14,718	15,740	16,536	17,278
Surplus/deficit	437	797	757	869	810	902	906	695	1,028	1,011	969	834	699	338	-77
5-year requirement	5,785	5,785	5,785	5,785	5,785	5,785	5,785	5,785	5,785	5,785	5,785				
5-yr req with deficit/ surplus applied	5,785	5,629	5,478	5,470	5,390	5,496	5,438	5,408	5,469	5,271	5,223				
Buffer	289	281	274	273	270	275	272	270	273	264	261				
Total req	6,074	5,910	5,752	5,743	5,660	5,771	5,710	5,678	5,743	5,535	5,485				
5-year supply	6,595	6,250	5,894	5,723	5,944	5,986	5,852	5,713	5,789	5,095	4,697				
Surplus/deficit	521	340	142	-20	285	216	142	35	46	-440	-788				
5YHLS	5.43	5.29	5.12	4.98	5.25	5.19	5.12	5.03	5.04	4.60	4.28				