

Sent by email to: planning.policy@medway.gov.uk

06/09/2024

Dear Sir/ Madam

Medway Local Plan

1. Thank you for consulting the Home Builders Federation (HBF) on the Medway Local Plan. The HBF is the principal representative body of the housebuilding industry in England and Wales and our representations reflect the views of discussions with our membership of national and multinational corporations through to regional developers and small local housebuilders. Our members account for over 80% of all new housing built in England and Wales in any one year.
2. Before providing detailed comments on the proposed plan the HBF welcomes the positive approach the Council have taken in seeking to meet housing needs in full. We recognise that the preparation of a plan that seeks to deliver a significant number of new homes and their supporting infrastructure has been challenging and encourage the Council to move quickly to regulation 19 and submission of the local plan for examination.
3. However, before moving forward with the local plan there are, as the Council will no doubt be aware, still significant gaps in the evidence base that will need to be addressed. The Council are still to publish a Transport Assessment, Infrastructure Delivery Plan, up to date viability assessment or a cumulative ecological assessment to support the HRA. Alongside this the evidence on housing land supply was limited and provided limited evidence as to the deliverability of the council's chosen spatial strategy over the plan period. Therefore, whilst HBF urges the Council to move forward quickly it must still have the requisite evidence to support the plan if it is to ensure the plan is sound.

Consultation on the NPPF

4. At the end of July, the Government commenced a consultation on a number of amendments to the NPPF. The proposed revisions will make significant changes to the current document and there is a strong possibility that Medway and many of its neighbours will be required to prepare plans that are consistent with the changes being proposed, should they be adopted. In particular, the Council will need to consider how the proposed policy changes to Green Belt will need to be taken into account and any decision that is made with regard to reviewing the Green Belt in Medway. Alongside the changes to the NPPF the Government have consulted on a new standard method. This will see Medway's local housing needs assessment stay broadly similar at 1,644 dwellings per annum (dpa). However, in the neighbouring authorities of Gravesham and Tonbridge and Malling would see their LHNA increases by 32 dpa and 237 dpa and the Council will need to work with these authorities to ensure housing needs across the sub-regional housing market are met in full.

Plan period

5. HBF considers a plan period ending in 2041 will not be consistent with paragraph 22 of the NPPF which requires local plans to look forward for at least 15 years from the point of adoption. The Council's Local Development Scheme (LDS) states that the Council expect the plan to be adopted in Autumn of 2026 will mean that the plan looks forward for slightly less than 15 years and as such the plan period should be extended to 2042 to ensure consistency with national policy.

Housing needs and requirement

6. The Council state that using the standard method the housing need for Medway is 1,658 dwellings per annum (dpa). This results in a housing need across the plan period of 26,528 homes. While HBF support the Council's decision to meet this level of housing need, which is consistent with current standard set out planning practice guidance, the Council will need to:
 - a) Increase overall all supply by a year to reflect the longer plan period required by national policy. This would increase overall need to 28,186; and
 - b) Consider, as required by paragraph 11 and 60 of the NPPF, whether there are unmet needs arising in other neighbouring areas and if additional land can be identified in order to meet some of these housing needs.
7. The issue of unmet housing needs is not one considered in the local plan but is mentioned in the Sustainability Assessment (SA) with one of the growth options considered including

an uplift to minimum, needs of 2,000 homes to meet some of Gravesham Borough Council's (GBC) unmet housing needs. It is not clear whether this is the most up to date figure supplied by GBC, as no statement on the duty to co-operate or Statement of Common Ground with Gravesham has been published as part of this consultation. However, given the constrained nature of GBC and scale of their housing needs the Council will need to give full consideration as to whether additional land could be allocated to accommodate some of Gravesham need.

8. However, alongside considering GBC's unmet needs the Council will also need to work with other neighbouring authorities where unmet housing needs may arise. For example, Tonbridge and Malling Borough Council (TMBC) is currently preparing a new local plan and is constrained by the Green Belt and the Kent Downs National Landscape. Given that TMBC are midway through the preparation of their new plan with a housing need that will increase by over 400 dpa if the new standard method is adopted, the Council will need to have discussions with TMBC to ascertain their position with regard to housing delivery and consider whether some of these unmet needs could be addressed in Medway.
9. In her letter to Local Planning Authorities the Deputy Prime Minister has stated that the Government want to ensure that that the right engagement is occurring to address any unmet housing needs that may arise. It is therefore vital that the Councils co-operate and work proactively to consider all options for meeting housing needs in full. This work will need to include considerations as to the potential for Green Belt boundaries to be amended in the most sustainable locations in order meet housing needs – a point we will return to later on in this response.

Housing supply and spatial growth options

10. The Council state that SGO3 is their preferred option at this stage. This is a blended strategy and could deliver, according to the Sustainability Appraisal (SA), an additional 23,733 homes over the plan period. When this is added to the roughly 4,000 homes from windfall and sites with existing planning permission¹ it is expected that supply over the plan period would be circa 27,700 homes – roughly 4% more than the 26,528 homes needed across the proposed plan period but nearly 500 homes short of housing need across a policy compliant plan period.

¹ Based on data in paragraph 3.1.2 of the Sustainability Appraisal.

11. Firstly, the Council will need to ensure that it has sufficient land and flexibility in supply to ensure that housing needs to 2042 are met in full. This will require the council to ensure that there is not only sufficient land to meet needs over this amended plan period but also that there is a buffer of between 10% and 20% to ensure that any delays in the delivery of strategic sites or under delivery on those sites does not compromise the soundness and deliverability of the local plan. As the Council will be aware strategic developments, that will form a significant part of the council's land supply, are rarely built out as expected. Therefore, in order to ensure the plan is effective and deliverable across its plan period there must be sufficient flexibility in land supply to take account of the uncertainties arising from such sites.
12. Secondly, the Council have stated in the SA that the proposed growth option will deliver up to 23,733 new homes. However, HBF could not find any evidence as to when delivery on these sites is expected to start and the number of homes these sites are expected to deliver each year. Without this information it is impossible to say whether the Council's expectations are realistic. The Council must provide a trajectory for each of the sites that are expected to deliver homes over the plan period showing when they will start and how many homes, they will deliver each year. These estimates must be realistic and that the Council does not seek to overstate start times and delivery rates in order to reduce the number of sites that are required to meet needs.
13. In particular the Council will need to provide detailed justification as to the potential for urban regeneration to deliver over 7,000 new homes across the plan period. HBF is supportive of such schemes and local plans proactively promoting regeneration, but such schemes are difficult to deliver with multiple land owners, high development costs and challenging viability that can delay the delivery of new homes in complex urban environments. HBF would therefore suggest that the Council is cautious as to how many homes will be delivered through urban regeneration as it moves forward with this local plan.
14. Thirdly, when considering the number of homes that can be delivered on each site the Council will also need to ensure that it has fully considered the implications of sites delivering a 10% net gain in biodiversity. HBF understand that that Natural England would like to see more robust assessments as to how BNG will be delivered on allocated sites and while our concerns are different, we would agree with this position. Delivery of this statutory requirement on site can impact on the number of homes that can be built and it will be

important that this is properly assessed in order to justify the capacities of each site and their overall deliverability.

15. Finally, the chosen spatial strategy should seek deliver homes consistently across the plan period and not push back housing delivery to the back end of the plan; in order to meet acute levels of housing need that exist in Medway now. While HBF recognise that PPG permits the use of stepped trajectories, this is only in very specific circumstances. The aim of any spatial strategy should be to avoid pushing back delivery until later in the plan period reducing the impact of any uplift in supply required by the standard method. Even if a step is required this should be minimised with the Council seeking to allocate small and medium sized sites that deliver early in the plan period.
16. To conclude, HBF are concerned that the Council have not provided sufficient evidence to conclude that the chosen spatial strategy will deliver the number of homes required to meet Medway's housing needs. While HBF would not disagree with the blended strategy being proposed by the Council it will be necessary for further sites to be allocated in order to ensure Medway's housing needs are met in full across a policy compliant plan period. In preparing the next iteration of the local plan it will therefore be essential that:
 - There is full transparency on the site selection process that informs the spatial strategy adopted.
 - That the site selection process is linked to back to the SA and the assessment of sites and any evidence that support their availability and whether they are developable or deliverable.
 - That the approach consistent and based on the application of specified criteria to ensure that all interested parties understand why particular sites have been selected. This will in turn ensure that the chosen spatial strategy comprises the most sustainable sites, which in turn ensure vision put forward in the local plan is deliverable.
 - The Council considers how the chosen strategy could address any unmet needs that arise in neighbouring areas - including amendments to Green Belt boundaries.

Green Belt boundaries amendments

17. Question 8 in the consultation document asks whether consultees consider exceptional circumstances exist to justify a review of the Green Belt. This question is asked in relation to policy S7, however HBF consider it more appropriate to respond to this question in

relation to chosen spatial strategy. In considering this question it is necessary to consider two issues:

- Can Medway realistically meet its own needs without amending Green Belt boundaries
- Whether exceptional circumstances exist within a wider sub regional to support boundary amendments given the green belt washes across the boundary between GBC, TMBC and Medway.

18. As set out above HBF are concerned that Medway will, on the basis of the proposed spatial strategy, have insufficient land to meet its own housing needs in full. There is a lack of evidence to support ambitious delivery expectations on key brownfield sites and limited understanding as to how biodiversity net gain for example will impact on the developable area of allocated sites. As such there is a strong likelihood that the Council will not meet its housing needs in full and should, as a matter of course, undertake a Green Belt boundary Review to identify additional sites that could be allocated in the local plan. While HBF consider a shortfall in housing needs should be considered sufficient justification for amending Green Belt boundaries it is also important to note that such sites are likely to deliver greater benefits to Medway such as affordable housing.

19. The Council note in paragraph 6.3.8 of the regulation 18 local plan that the LHNA identified affordable housing need to be around 55% of total housing needs in Medway. While the HBF does not expect the council to meet this level of need it is important for the council to recognise that more could be done to meet those needs if more land were allocated on green field sites. The Council acknowledges in policy T3 that brownfield urban sites, a focus for much development in Medway, will at best deliver 10% of those homes as affordable units. Given the difficulties faced by the council in securing sufficient affordable homes to meet needs HBF argue that the ability of green field sites to deliver more affordable homes is additional justification to undertake a Green Belt review and amend Greenbelt boundaries.

20. With regard to unmet housing needs it appears that both GBC and TMBC will struggle to meet their own needs. Medway have considered, and rejected, an option to increase supply to meet some of Gravesham's unmet housing needs. This suggests that on the basis of the chosen strategy it would not be possible to address the unmet needs of neighbouring areas solely from sites in Medway which are outside the Green Belt and, in accordance with

paragraph 146 of the NPPF consideration can be given as to whether exceptional circumstance exist to amend Green belt boundaries.

21. Both these areas face issue of affordability and struggle to meet the need for more affordable homes. For example, in GBC median house prices are 9 times the median income with this increasing to 12 in TMBC. A failure to increase housing supply will inevitably see this worsening as well as placing additional pressure on housing markets in adjacent areas such as Medway where the median affordability ratio has risen from 6 in 2013 to 8.5 in 2023. HBF therefore consider that exceptional circumstances arise justifying amendments to the Green Belt boundaries in all three LPAs to ensure housing needs are met in full. As such it will be incumbent not only on GBC and TMBC but also Medway to consider where the Green Belt can be amended to deliver sustainable development that will ensure housing needs are met in full.
22. While it will be important for Medway to co-operate with GBC and TMBC on these matters, the Council must ensure that this does not slow plan preparation. Amending Green Belt boundaries does not necessarily need a joint evidence base as long as there is consistency between the approaches taken between neighbouring authorities. It is possible for Medway to progress its local plan with amendments to the Green Belt boundary without undertaking a joint Green Belt Review.

Supply on sites of less than one hectare.

23. As the Council will be aware paragraph 70a) of the NPPF states that local planning authorities should: *"identify through the development plan and brownfield registers land to accommodate at least 10% of their housing requirement on sites of less than 1ha"*. However, it is not clear from the plan or supporting evidence whether this requirement will be met.
24. In meeting this requirement, the Council will need to ensure that these are identified with as an allocation in the local plan or in the Brownfield Register and does not consider small site windfalls as contributing to the 10% requirement. Whilst it will be important to promote more small sites to come forward over the plan period as windfall, as mentioned in part d of paragraph 70 of the NPPF, this is distinct from the 10% requirement set out in part a of paragraph 70 of the NPPF. Further clarification that the 10% should not include windfall

development is in the glossary where windfall is defined as “*Sites not specifically identified in the development plan*”. (our emphasis)

25. It is important to recognise that the allocation of small sites is a priority for the Government and stems from the Government’s desire to support small house builders by ensuring that they benefit from having their sites identified for development either through the local plan or brownfield register. The effect of an allocation is to take some of the risk out of that development and provide greater certainty that those sites come forward. This in turn will allow the SME sector to grow, deliver homes that will increase the diversity of the new homes that are available as well as bring those homes forward earlier in the plan period.
26. The Council should also recognise that allocating small sites and supporting SME house builders not only ensures a stronger supply in the short term but also improves the diversity of choice within local housing markets, support local and regional supply chains and are often pivotal in bring forward innovation and supporting jobs growth locally, with 1 in 5 of the SME work force comprising of apprentices. A failure to allocate small sites will contribute to the continued decline in small and medium sized house builders. Recent research by the HBF has found that there are 85% fewer small house builders today than there was 20 years ago and that of a survey of SME house builders 93% said that planning was a major barrier to SME growth. Whilst this decline is due to a range of factors more allocations of small sites would ease the burden on many SME developers and provide more certainty that their scheme will be permitted, allowing them to secure the necessary finance that is often unavailable to SMEs until permission is granted.
27. Therefore, in order for the plan to be consistent with national policy the Council should not just seek to maximise delivery from the small sites that do come forward but to actively promote these through allocations in the local plan.

Development Management Policies

S2: Conservation and enhancement of the natural environment

28. In response to Q2 HBF do not consider it justified or necessary for the Council to go beyond the 10% minimum Biodiversity Net Gain (BNG). There is still significant uncertainty as to how the 10% minimum will impact on viability both in terms of direct costs and, as mentioned above, the developable area of a site and in many areas where offsite credits will be

delivered and how much these will cost. For example, many viability assessments for local plans base their costs on the Government's Impact Assessment undertaken in 2019. This included costs for offsite delivery at around £11,000 per biodiversity credit. However, our members are experiencing much higher costs with units selling between £30,000 and £50,000. The expectation is that these costs will reduce but if Council's require a higher level of BNG demand for credits will increase limiting, or negating, any expected reduction in price. Rather than seek to push beyond what will for some development be a challenging target we would suggest that the council seeks to support the delivery of 10% BNG before seeking to go beyond this statutory minimum.

Policy T1: Promoting High Quality Design

29. HBF are concerned that the Council are proposing to require development to fully embrace the National Model Design Code. Whilst this may be a reasonable starting point for more urban forms of development it champions higher densities that are often not appropriate for a development on greenfield, suburban and rural sites and can impact on the housing mix of some sites. As such the HBF would suggest that development should have regard to the aims of the NMDC rather than fully embrace its contents.
30. The final bullet point of this policy is suggesting that development demonstrates its "sustainability criteria" by meet a range of different requirements including BREEAM very good for energy and water efficiency and Building with Nature Standards. HBF consider this to be unnecessary given that development coming forward under this plan will already achieve a high level of energy efficiency by being built to the Future Homes Standard, meet the higher water efficiency target of 110 l/p/d as defined in building regulations and deliver a 10% net gain in biodiversity. As such it is not clear what additional benefit will be achieved from meeting the criteria in this bullet point. It is therefore considered to be ineffective and unjustified and should be deleted.

Policy DM6: Sustainable design and construction

31. The third bullet point will require developers to use design principles founded on locally sourced and or recycled material. HBF understand the council's desire to support these principles but there must be flexibility where it is not possible to deliver this approach and result in a significant increase in costs and/or delays. HBF would suggest that the bullet

point is amended to read “*Where possible design principles should be founded on local sourced and/or recycled materials*”.

32. The final bullet requires all residential development to detail in their application how they are seeking facilitate working from home including access to high-speed broadband/internet. The Council are no doubt aware that Part R of the Building Regulations: Physical Infrastructure and network connections to new dwellings (2022 edition) require all new build dwellings to be installed with the gigabit-ready physical infrastructure connections subject to a cost cap of £2,000 per dwelling. These requirements mean that it is unnecessary for the Council to include policies in the local plan relating to new broadband or telecommunications infrastructure. As for the provision of high-speed internet connections to the development itself this is for the infrastructure providers to deliver and for the council to facilitate through the local plan as it is beyond the developers control to delivery these improvements.

Policy T3: Affordable housing

33. In response to Q11, HBF supports the Council’s general approach to include a differential affordable housing rate between greenfield sites and brownfield sites. However, we are concerned that this is based on a viability assessment from 2021 that does not reflect the costs facing development coming forward under this local plan. Most significantly the plan viability assessment was undertaken prior to the removal of the £170m that was expected from the Housing Infrastructure Fund to deliver key infrastructure improvements in Medway. Without this funding these costs are likely to fall on development across the Borough, significantly altering the viability of development and potentially its ability to delivery affordable housing at the rate set out in policy T3. The Council must update the viability evidence and the IDP to reflect this position, as well as reconsidering its costs relating to BNG and the Future Homes Standard, and where necessary reduce contributions for affordable housing in order to ensure that the plan as a whole remains deliverable.

T9 – Self build and custom housebuilding

34. HBF welcome the decision to allocate sites for self-build development. However, in addition the Council are proposing to require sites for 100 or more unit to provide 4% of plots as self-build units. However, there appears to be limited evidence to support such an approach in future. On the basis of the self-build register demand for self-build in Medway is not strong

with on average 16 new requests to join the register each year since 2016. In addition, the Council do not appear to have reviewed this list to understand whether anyone on the register is still looking to build their own home or indeed actually has the financial resources to build their own home. In order to justify the proposed approach, the Council will need to provide further evidence as to the demand for self-build in Medway alongside the number of self-build plots that it would expect to be delivered from this policy to ensure that there is no oversupply with plots being left unnecessarily empty. With this in mind HBF would also suggest that the marketing period is reduced to 6 months. If the Council are confident that there is demand for self-build plots, then the 12-month marketing period can be reduced.

Future engagement

35. I trust that the Council will find these comments useful. I would be happy to discuss these issues in greater detail or assist in facilitating discussions with the wider house building industry if that would be helpful. The HBF would like to be kept informed of the progress and adoption of the Local Plan. Please use the contact details provided below for future correspondence.

Yours faithfully



Mark Behrendt MRTPI
Planning Manager – Local Plans
Home Builders Federation
Email: mark.behrendt@hbf.co.uk
Tel: 07867415547