

AGENDA

EXTRAORDINARY CABINET MEETING

Date: Wednesday, 7 August 2019

Time: 7.00 pm

Venue: Council Chamber , Swale House, East Street, Sittingbourne, Kent, ME10 3HT

Membership:

Councillors Mike Baldock (Vice-Chairman), Monique Bonney, Angela Harrison, Ben J Martin, Richard Palmer, Roger Truelove (Chairman) and Tim Valentine.

Quorum = 3

RECORDING NOTICE

Please note: this meeting may be recorded.

At the start of the meeting the Chairman will confirm if all or part of the meeting is being audio recorded. The whole of the meeting will be recorded, except where there are confidential or exempt items.

You should be aware that the Council is a Data Controller under the Data Protection Act. Data collected during this recording will be retained in accordance with the Council's data retention policy.

Therefore by entering the Chamber and speaking at Committee you are consenting to being recorded and to the possible use of those sound recordings for training purposes.

If you have any queries regarding this please contact Democratic Services.

1. Emergency Evacuation Procedure

Pages

The Chairman will advise the meeting of the evacuation procedures to follow in the event of an emergency. This is particularly important for visitors and members of the public who will be unfamiliar with the building and procedures.

The Chairman will inform the meeting whether there is a planned evacuation drill due to take place, what the alarm sounds like (i.e. ringing bells), where the closest emergency exit route is, and where the second closest emergency exit route is, in the event that the closest exit or route is blocked.

The Chairman will inform the meeting that:

(a) in the event of the alarm sounding, everybody must leave the building via the nearest safe available exit and gather at the Assembly points at the far side of the Car Park. Nobody must leave the assembly point until everybody can be accounted for and nobody must return to the building until the Chairman has informed them that it is safe to do so; and

(b) the lifts must not be used in the event of an evacuation.

Any officers present at the meeting will aid with the evacuation.

It is important that the Chairman is informed of any person attending who is disabled or unable to use the stairs, so that suitable arrangements may be made in the event of an emergency.

2. Apologies for Absence

3. Declarations of Interest

Councillors should not act or take decisions in order to gain financial or other material benefits for themselves or their spouse, civil partner or person with whom they are living with as a spouse or civil partner. They must declare and resolve any interests and relationships.

The Chairman will ask Members if they have any interests to declare in respect of items on this agenda, under the following headings:

(a) Disclosable Pecuniary Interests (DPI) under the Localism Act 2011. The nature as well as the existence of any such interest must be declared. After declaring a DPI, the Member must leave the meeting and not take part in the discussion or vote. This applies even if there is provision for public speaking.

(b) Disclosable Non Pecuniary (DNPI) under the Code of Conduct adopted by the Council in May 2012. The nature as well as the existence of any such interest must be declared. After declaring a DNPI interest, the Member may stay, speak and vote on the matter.

(c) Where it is possible that a fair-minded and informed observer, having considered the facts would conclude that there was a real possibility that the Member might be predetermined or biased the Member should declare their predetermination or bias and then leave the room while that item is considered.

Advice to Members: If any Councillor has any doubt about the existence or nature of any DPI or DNPI which he/she may have in any item on this agenda, he/she should seek advice from the Monitoring Officer, the Head of Legal or from other Solicitors in Legal Services as early as possible, and in advance of the Meeting.

Part B Report for Decision by Cabinet

4. Housing Delivery Test Action Plan

5 - 24

The Cabinet is asked to agree the Housing Delivery Test Action Plan, which has been updated following consideration by the Local Plan Panel at its meeting on 25 July 2019.

(Report added 31 July 2019).

Issued on Tuesday, 30 July 2019

The reports included in Part I of this agenda can be made available in **alternative formats**. For further information about this service, or to arrange for special facilities to be provided at the meeting, **please contact DEMOCRATIC SERVICES on 01795 417330**. To find out more about the work of the Cabinet, please visit www.swale.gov.uk

**Chief Executive, Swale Borough Council,
Swale House, East Street, Sittingbourne, Kent, ME10 3HT**

This page is intentionally left blank

Cabinet Meeting	
Meeting Date	7 August 2019
Report Title	Housing Delivery Test Action Plan
Cabinet Member	Cllr Mike Baldock, Cabinet Member for Planning
SMT Lead	Emma Wiggins
Head of Service	James Freeman
Lead Officer	Gill Harris
Key Decision	No
Classification	Open
Recommendations	1. Cabinet agree the content of the Action Plan (appended to this report, incorporating amendments suggested by the Local Plan Panel) and agree to submit to the Secretary of State by the deadline of 19 August 2019.

1 Purpose of Report and Executive Summary

- 1.1 The Housing Delivery Test Action Plan is a document the Council is required to prepare in light of scoring below 95% in the government’s Housing Delivery Test. It is a non-statutory document that should set out the reasons why the Council has failed to deliver its annual housing target over the last three year monitoring period and identify actions that will increase housing delivery in the area.
- 1.2 A draft of the Action Plan was presented to members of the Local Plan Panel on 25 July 2019. The report recommended that the Local Plan Panel recommend to Cabinet that the Action Plan is agreed and submitted to the Secretary of State by the deadline of 19 August 2019, hence the need for this Cabinet meeting.

2 Background

- 2.1 The government published its Housing White Paper “Fixing our broken housing market” in February 2017. It set out a number of measures that would be introduced to speed up and increase housing delivery, to help the government achieve its target of delivering an additional 300,000 new homes a year.
- 2.2 One of the measures introduced is the Housing Delivery Test (HDT), which was formalised through the National Planning Policy Framework. This measures net additional dwellings provided against the target homes required with results on performance for each local planning authority in England issued annually in November, (the publication of the 2018 results being published late on 19 February 2019).

- 2.3 Swale Borough Council scored 74% in the HDT meaning that an Action Plan is to be submitted and that the Council must apply a 20% buffer to its 5 year Housing Land Supply figures instead of 5%.

3 Proposals

- 3.1 The recommendation is that Cabinet agree the content of the Action Plan (appended to this report, incorporating amendments suggested by the Local Plan Panel) and agree to submit to the Secretary of State by the deadline of 19 August 2019.

4 Alternative Options

- 4.1 The Council could choose not to submit a HDT Action Plan. There are no sanctions if such an action plan is not submitted but it would be prudent to do so as it explains the reasons behind the Council's position in this regard.

5 Consultation Undertaken or Proposed

- 5.1 There is no formal requirement to consult on the Action Plan although engagement with relevant stakeholders is recommended. The Council sought views from developers in producing the Housing Land Supply Statement (February 2019) and this forms much of the evidence for the Action Plan.

6 Implications

Issue	Implications
Corporate Plan	Supports the Council's corporate priorities for delivering regeneration and delivering improved quality of life.
Financial, Resource and Property	The Assessment has been carried out within the existing Local Plan resources.
Legal, Statutory and Procurement	None anticipated at this time.
Crime and Disorder	None anticipated at this time
Environment and Sustainability	None anticipated at this time
Health and Wellbeing	None anticipated at this time
Risk Management and Health and Safety	None anticipated at this time
Equality and	None anticipated at this time

Diversity	
Privacy and Data Protection	None anticipated at this time

7 Appendices

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

- Appendix I: Swale Borough Council Housing Delivery Test Action Plan
- Appendix II: Minutes of the Local Plan Panel 25 July 2019

8 Background Papers

Statement of Housing Land Supply 2017/18 February 2019
<https://archive.swale.gov.uk/assets/Planning-General/Planning-Policy/HousingLandSupply/Statement-of-2017-18-housing-land-supplypostHDTV2.pdf>

This page is intentionally left blank

Swale Borough Council: Housing Delivery Test Action Plan July 2019

1. Introduction

1.1 Swale Borough Council achieved 74% in the Housing Delivery Test. Failure to deliver 776 dwellings per year was predicted for the reasons set out in the Housing Land Supply Statement (February 2019) and although delivery is expected to exceed annual targets in the next few years, the Council must identify actions that can be put in place now to increase delivery rates. To do this, a root cause analysis for the failure to deliver is required. This requires the Council to gather a broad range of evidence and views from key stakeholders involved in the planning and housing supply process in order to better understand the key factors influencing and driving low delivery rates. This is considered alongside direct knowledge of local sites, land and development activity.

National Policy Background

1.2 The government published its Housing White Paper “Fixing our broken housing market” in February 2017. It set out a number of measures that would be introduced to speed up and increase housing delivery, to help the government achieve its target of delivering an additional 300,000 new homes a year.

1.3 One of the measures introduced as a result is the Housing Delivery Test, which is now embedded in the National Planning Policy Framework (2019) and supporting Planning Practice Guidance. The test is an assessment of the number of new dwellings delivered in the local planning authority area against their housing target over the preceding three year monitoring period. If a local planning authority achieves a delivery record of below 95% an action plan must be prepared; if it is below 85% a buffer of 20% (rather than 5%) must be applied to the 5 year Housing Land Supply (HLS) calculations as well as the preparation of an Action Plan.

1.4 The role of the Action Plan is to identify the reasons for under-delivery, explore ways to reduce the risk of further under-delivery and set out the measures the authority intends to undertake to improve levels of delivery. An action plan is intended to be a practical document, focussed on effective measures aimed at improving delivery within an area underpinned by local evidence and research of key issues. It is required to be submitted to MHCLG within six months of publication of the MHCLG Housing Delivery Test Results (by 19 August 2019 in this case).

2. Influences on Swale Housing Delivery

Swale Geography and Location

- 2.1 The Borough of Swale is a complex area with regards to housing delivery. Development viability in the east of the Borough, in and around Faversham and rural areas is good, but viability is weaker in the west of the Borough around Sittingbourne and even more challenging on the Isle of Sheppey. There is a limited number of volume housebuilders that will develop in Swale due to marginal profit/viability issues.
- 2.2 Swale is the one of the closest local planning authorities to London without Metropolitan Green Belt. However, it is constrained by landscape and biodiversity designations at national and international level and by land at high risk of flooding and coastal change. Other landscape designations at the local level have further focussed development allocations in and around the main settlements of Sittingbourne and Faversham and identified opportunities on the Isle of Sheppey at Minster and at Queenborough & Rushenden. Sustainability considerations have also influenced the allocation of development in these locations. These settlements have a good range of shops, services and transport links, and are surrounded by land that has the least environmental or amenity value when compared with other parts of the Borough.
- 2.3 Swale has strong transportation links east/west along the M2 and A2 and for rail services between London and Canterbury/the coast but weaker north/south links. Traffic and transport capacity issues within Swale are significant, with key points on both the strategic and the local road network at or approaching capacity and necessitating the use of Grampian conditions on development which is coming forward. The Council and its partners are currently seeking HIF bid funding to make improvements that will support development that is already committed in the adopted Local Plan, Bearing Fruits (adopted 2017). Highways England has committed funding as part of their Route Investment Strategy to upgrade the Stockbury roundabout/M2 junction 5 to provide a north – south flyover on the A249. These improvements are essential to deliver already committed development and are assumed as a starting point for the increases in development targets expected through the emerging local plan review.
- 2.4 Social infrastructure, particularly for health and education is inadequate to serve existing communities in many parts of the Borough. Whilst additional housing development has the potential to facilitate the delivery of additional facilities, the inadequacies are more

complex. GP to patient ratios in Swale are the worst in the UK (1 GP for every 3,342 in Sittingbourne and Sheppey parliamentary constituency) but this is largely due to problems in recruiting that the CCG is already trying to address. The need for a new secondary school for Sittingbourne has already been identified.

3. Housing Delivery Analysis

Planning Context and Housing Need; Adopted Local Plan

- 3.1 Bearing Fruits was submitted for examination and identified a target of 10,800 dwellings for the Plan period 2011-2031 (540 dwellings per annum, which reflected consistent past market delivery rates). On the Local Plan Inspector's advice, a renewed Strategic Housing Market Assessment (SHMA) (2015) was prepared to take account of revised national planning policy and publication of relevant data. Additionally, on the Inspector's advice, the plan period was rebased at 2014. The 2015 SHMA concluded that the full Objectively Assessed Need (OAN) is 776 dwellings per annum. This was tested through the Examination in Public and confirmed through the inspector's interim reporting, despite serious reservations on the Council's part that the market in Swale could consistently deliver this figure on an annual basis. This reservation was based on evidence of past delivery rates that consistently fell short of housing targets, despite having appropriate and up to date local planning documents in place.
- 3.2 The Strategic Housing Market Assessment (SHMA) of September 2015 indicated a total housing requirement of 13,192 dwellings for the Borough for the period 2014/15 to 2031, or 776 dwellings per annum as identified above. The uplift in the housing target caused the Examination to be paused to allow the identification of additional sites and for these sites to be consulted upon to meet the new target. The additional sites were then considered as proposed Main Modifications when the examination resumed.
- 3.3 The Inspector's Final Report was issued confirming the Main Modifications in June 2017 and Bearing Fruits was adopted in July 2017. **Policy ST4 Meeting the Local Plan development targets** sets out the allocated sites that will deliver approximately 14,124 dwellings. This is a surplus of 932 dwellings against the requirement. A windfall allowance expected to deliver a further 1,800 dwellings was included for the latter ten years of the plan period. The figures set out in Policy ST4 are also minimum numbers except in identified cases as set out in Chapter 6 of Bearing Fruits, the likelihood being that the housing allocations (sites

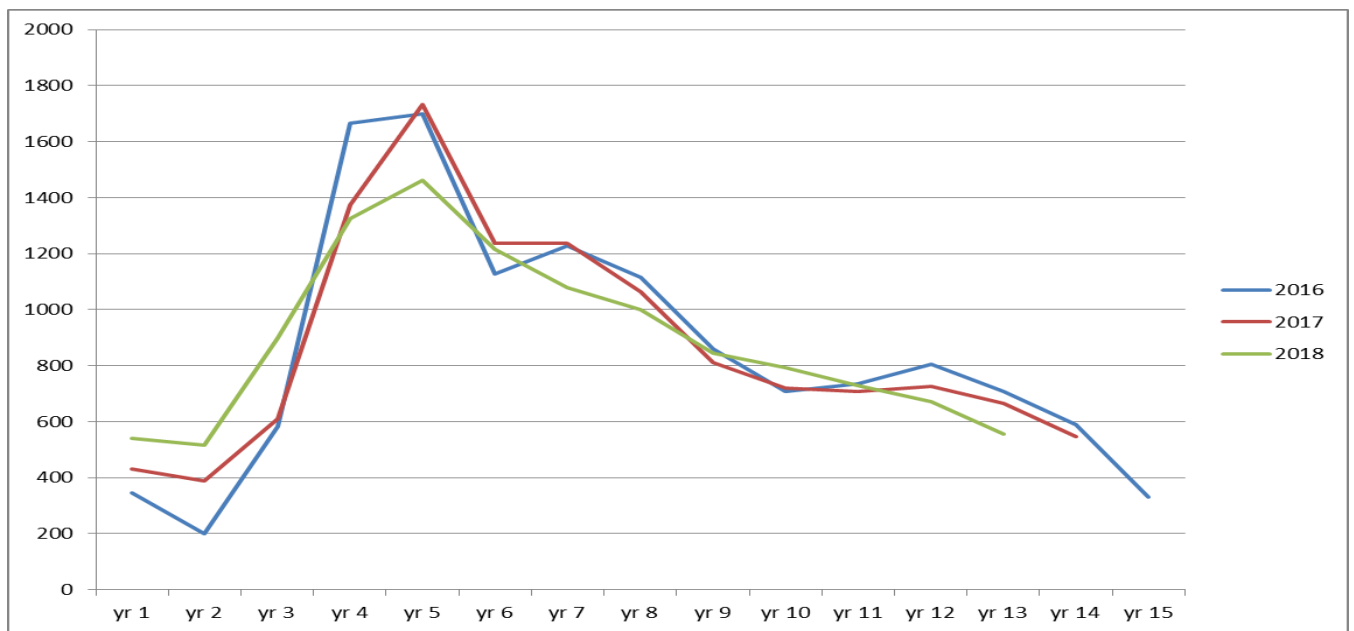
identified under Policies A8 to A19) will deliver more as detailed development proposals come forward. Minimum figures were identified in order to allow flexibility on design and layout which could increase overall yield.

- 3.4 The Council's Statement of Housing Land Supply 2017/18 published in February 2019, contains real-time commentary on progress of the housing allocations and details of the planning permissions. This can be viewed at <https://archive.swale.gov.uk/assets/Planning-General/Planning-Policy/HousingLandSupply/Statement-of-2017-18-housing-land-supplypostHDTv2.pdf>. Other sites that are not identified in Policy ST4 are acceptable in planning policy terms where they fall within the built up boundaries defined by Policy ST3 and the proposals comply with Policy CP3: Delivering a wide choice of high quality homes, and other relevant local plan policies.

Expected Housing Delivery Rates - the 5 Year Housing Land Supply Trajectory

- 3.5 The challenge facing the Council in terms of housing delivery is that the housing trajectories relating to the Bearing Fruits Local Plan have always demonstrated delivery below the annual local plan target for years 1 to 5, with years 6 to 11 delivering in excess of the target with years 12 onwards tailing off towards the end of the local plan period.
- 3.6 Looking at the expected delivery figures published in November 2016, 2017 and 2018 (published in February 2019 in the Council's Five Year Housing Land Supply Report) it is interesting to note that they are all of a similar shape with delivery being slower in the first five years of the plan period due to the significant lead in times for the larger strategic sites. In addition to this, several of the allocated sites in Bearing Fruits were identified later in the plan making process as a result of the uplift in targets and need for additional site allocation at Main Modification stage. It is accepted that lead in times from inception to preparation of planning application to the first completions on the site can be lengthy. The process requires time to take into account the determining of an outline or detailed application, the completion of a S106 agreement, the preparation (including, if necessary, the sale to a developer) and determination, as appropriate, of any reserved matter applications, to the time taken to open up the site (such as access roads, site clearance, removal of brickearth) to achieve the first completions.

Figure 1: Swale Housing Trajectories for 2016, 2017 and 2018



3.7 Delivery of the first four years of the Bearing Fruits Local Plan is set out in the Statement of Housing Land Supply published in February 2019 following the publication of the Housing Delivery Test. The Council delivered 74% of its housing requirement over the previous three years and overall, in the four years of the Bearing Fruits plan period. To a degree, this was expected. There are a number of strategic sites in Bearing Fruits and it was anticipated that their delivery rates would be slow during the early years of the plan, so much so, that the Inspector accepted the Council’s use of the ‘Liverpool’ method in addressing shortfall in delivery through the Local Plan examination. This means that making good the shortfall can be spread over the remaining years of the plan period.

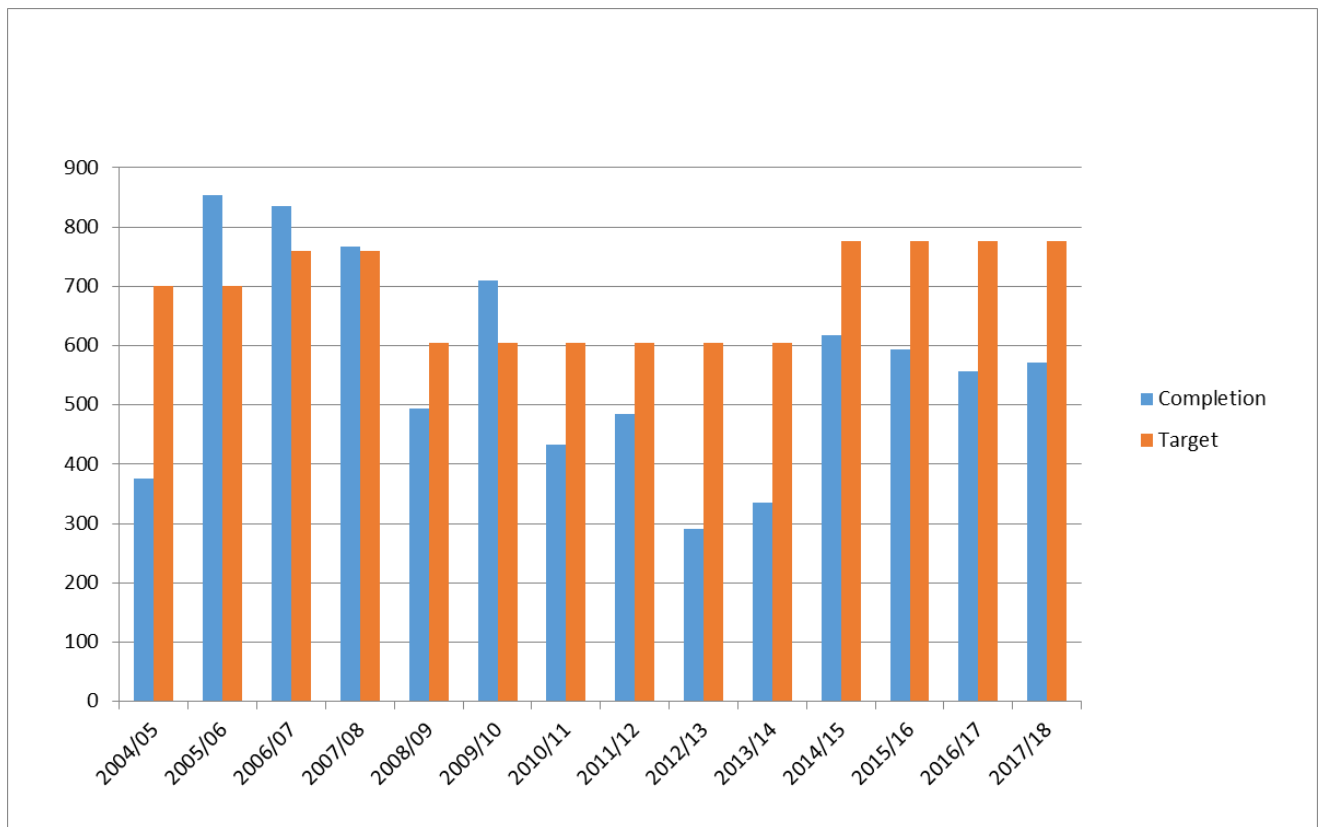
3.8 Historically, Swale does not have a strong record of housing delivery although some years have delivered above target. The graph below in Figure 2 shows the number of completed units against the annual requirement for delivery (as set out in the relevant plans at the time) since 2004/05.

3.9 It is useful to consider housing delivery (against the requirement) over a longer period of time to include a couple of economic cycles, to establish any patterns and identify the challenges that are particular to Swale. These records do indicate that historically the market in Swale has delivered an average of some 550 dwellings per annum; delivery being significantly affected by the recession of 2008 -12, and has been very slow to re-emerge

from that recession. From the graph it can be seen that only in four out of 14 years has the number of completions met or exceeded the target figure.

3.10 Nevertheless, the Council acknowledges the view expressed by the Bearing Fruits Local Plan Inspector that historic modest levels of delivery do not justify a pessimistic approach to future housing delivery requirements. It is important to understand why achieving identified housing needs have been so challenging. The market does not appear to be responding to an increased development target and correspondingly increased set of land allocations.

Figure 2: Total completions v. annualised target prevailing at the date



3.11 It was recognised in Bearing Fruits that the target of 776 dwellings per annum would be difficult to achieve in the early years of the plan. Actual and forecast low levels of housing completions in the early years of the plan period, alongside pressures on the viability of development, stretch the ability of the local housing market to consistently achieve the levels of development needed in the short to medium term. Despite these challenges, the Council acknowledges that meeting the objectively assessed need in full is a necessary objective that has been pursued in the interests of meeting the future housing and economic needs of the Borough through the allocation of sufficient sites to deliver the development

target identified. As the strategic sites complete site preparation work, including the contribution they are expected to make to road infrastructure in particular, the Council is confident that the levels of housing delivery will catch up as identified in the housing trajectories in Figure 1. This will need to be supported however, by public funding of key pieces of transport infrastructure which the Council has been actively pursuing in partnership with the highway authorities.

Swale related deliverability issues

- 3.12 Since 2014/15, the government has introduced a vast swathe of measures to increase housing delivery. This includes fiscal incentives and changes to the planning system designed to speed up the local plans process and the delivery of planning permissions. For Swale, a significant new challenge is to deliver an annual housing figure in excess of any delivered in the recent past. Having failed the HDT, achieving 74%, the Borough is now required to apply a 20% buffer increasing the annual requirement by 187 dwellings. Had the Council been able to apply a 5% buffer, it would have a healthy 5 year Housing Land Supply at 5.6 years. The Council is of the view that this is a counterproductive policy; not in accordance with plan led planning; artificially increases the amount of land to be found; and renders appropriate planning for supporting infrastructure, particularly difficult and; creates further uncertainty for investors.

Masterplan/development briefs

- 3.13 In a limited number of cases, masterplans/ development briefs are required by local plan policy but there is no requirement to adopt these as SPD; rather they can proceed in tandem with planning applications, limiting potential planning delays. These are therefore not seen as any impediment to housing delivery, but rather are seen as essential for good planning and place making.

Minerals safeguarding

- 3.14 The adopted Kent Minerals and Waste Local Plan (KMWLP) 2016 require the prior extraction of minerals from sites. This affects the area covered by a safeguarding policy for brickearth for sites on mainland Swale. If there is no current market for the resource, there is an exemption from the safeguarding policy. Policy DM7 (criterion 7) of the KMWLP 2016 also provides an exemption of the requirement on sites allocated by an adopted Local Plan.
- 3.15 The Council will, however, duly consider the development against the material planning considerations, including a consultation response from KCC as the minerals authority. This

may require the Council to explore with the developer the means to which extraction of mineral reserves can take place.

- 3.16 The Kent policy has been in place for some while and developers will be aware that they need to undertake the necessary assessment at an early stage, much in the same way as other studies necessary for planning applications. The degree to which removal of brickearth itself (if required) impacts upon lead in times, particularly on smaller sites, is uncertain because there are only limited periods of the year that brickearth can be removed. However, if properly planned for, the requirement should not protract development timescales to the point that sites will not be able to contribute to the five year supply. Approaches to limiting timing impacts could include the removal of resources between the approval of outline planning permission and the approval of reserved matters, removal as part of site preparation, or for larger sites, its removal in tandem with discrete phases of development.
- 3.17 The KMWLP is currently under review and is seeking to tighten control over sterilising mineral safeguarding areas through non minerals development. If the resource cannot be economically extracted to allow for timely delivery of non-minerals development, this is a significant issue going forwards.

Transport infrastructure

- 3.18 The relationship between the delivery of housing allocations and adequate transport capacity is particularly significant in the Borough of Swale. This is particularly so for allocations to the west of Sittingbourne, given their relationship with junctions on the A249 at Grovehurst, Bobbing, Key Street and, notably junction 5 of the M2. To the east, junction 7 of the M2 at Faversham is also approaching capacity, with minor improvements being implemented to support committed development in Swale and the neighbouring local planning authority (Canterbury). Beyond this major improvements to the junction are required which are not yet in any Highways England programme.
- 3.19 It was established through the Local Plan Examination in Public that the first five years of the Bearing Fruits Local Plan were deliverable in transport terms and that appropriate solutions could be found to support the period beyond this, although these were not yet finalised in detail. An early Local Plan Review, with adoption by 2022 was also recommended to address this.

- 3.20 At the Local Plan Examination, Kent County Council Highways expressed concerns as to the implications of local plan growth for the local highway network, principally the A2 corridor between Teynham and Newington and at the Key Street and Grovehurst junction on the A249. Highways England and Kent Highways confirmed that the growth identified in Bearing Fruits could be accepted in the short to medium terms to ensure that the five year housing supply was maintained, with appropriate interim mitigation, but with the suggestion that an early review should take place to deal with the post five year situation. This early review is already underway with new modelling being undertaken.
- 3.21 In terms of the phasing of sites relative to A249 infrastructure improvements, it was accepted that it would be necessary for some development to proceed ahead of improvements, both so that sites could make contributions to the five year supply as appropriate and the funding towards the mitigation schemes themselves. Nevertheless, the lead in time for some sites means that their phasing has, in reality, minimised the load on certain junctions ahead of their improvements. This will provide the opportunity to ensure transport plans promoting sustainable modes of meeting transport needs are also able to gain traction.
- 3.22 Discussions with Highways England and Kent Highways are ongoing in the context of a number of planning allocations and applications with live HIF bids submitted to help fund the A249 junction improvements with the local highway network needed.

Viability

- 3.23 Viability cuts across a number of other issues in Swale including the ability to provide adequate supporting infrastructure and to address policy for affordable housing provision.
- 3.24 The housing allocations in Bearing Fruits were assessed via strategic level assessments and site typologies undertaken as part of the Local Plan evidence base. In broad terms, Local Plan viability advice showed that development viability was generally poorer on Sheppey, marginal at Sittingbourne and good to very good at Faversham and the rural areas. Allocations were found to be viable, with appropriate adjustments made to planning policies to create the most favourable viability climate for development.
- 3.25 There is nothing to suggest however, that viability is affecting delivery of houses - negotiation is taking place for example on affordable housing provision although this is at best a compromise on those policy objectives. The Council has been successful in securing HIF funding for road improvements on Sheppey, where, combined with development

contributions, essential road improvements have been provided (A2500 Lower Road) and further improvement is also possible.

- 3.26 Additionally, strategic brownfield sites (Queenborough and Rushenden) on Sheppey have been the target of extensive Homes England investment in site remediation and infrastructure provision, but the market has been very slow to pick up and invest in building out this site. Homes England have recently been successful in working with Moat Housing to complete Phase I (101 units) on land at Rushenden Road but the allocation identified in Policy ST4 is for a minimum of 1,245 dwellings with the other phases still to come forward. Whilst the prospect for further development phases to come forward is looking more favourable, this is later than originally planned.

Local Housing Market and Key Stakeholders

- 3.27 The ratio of median house prices to median gross annual workplace-based earnings is 9.14 in 2018 (up from 6.28 in 2013) in Swale and compared with 10.38 for the South East. (Source: https://lginform.local.gov.uk/reports/lgastandard?mod-metric=9147&mod-area=E92000001&mod-group=AllRegions_England&mod-type=namedComparisonGroup). The housing market in Swale itself has been relatively stable over the same period, property prices rising 2.5% in the past year. There appears to be no issues in respect of the local demand side of the equation, with council tax voids in Swale one of the lowest in Kent at 0.5%. Council tax voids have reduced over the same period from 565 in 2013/14 to 394 in 2017/18.
- 3.28 Variations in house price date also illustrate a more localised housing market variation, reflecting specific consumer demands. For example, values were noted as improving from west to east on Sheppey with distinct retirement/holiday home demands also present in places. At Sittingbourne, it was indicated that there were purchaser preferences towards the south of the town, with higher property prices reflecting perceptions of a wider choice of housing, a more attractive environment and good schools. Values at Iwade were also again confirmed as being generally higher than some parts of Sittingbourne. Policy has been adjusted to reflect different viability considerations in different parts of the borough
- 3.29 Swale is generally one of the more affordable areas of Kent and housebuilders will seek to control their own market through how and when they release their own products. There is no incentive for them to build at higher rates and release more housing as it could potentially cause a reduction in unit retail price. This situation is compounded as adjacent

housing market areas in Kent (notably Maidstone, Canterbury and Ashford) are significantly higher value and therefore more attractive investment prospects for housebuilders.

- 3.30 The house building industry in Swale is also dominated by four or five of the large 'volume builders', with very few smaller builders occupying market niches active in the Borough. Consequently the control of key sites is concentrated in few hands and there are fewer outlets – typically releasing 50- 100 dwellings per annum. The HLS (February 2019) has been prepared with the benefit of house builder advice and input in this respect, as well as local knowledge and planning progress.
- 3.31 The self and custom build register was instigated after the Bearing Fruits plan was submitted, so was not able to be reflected in local plan policy. The Self Build Register currently has some 58 entrants which is a low number compared with expressions of interest amounting to 200- 300+ in neighbouring districts. This will be an area for policy action in the emerging Swale Local Plan Review, but currently there is limited expressed demand for self-build to make a significant contribution to housing delivery.

4. Housing Delivery Test and Key Actions arising

- 4.1 To further investigate the reasons for failing the HDT, the Council has considered the specific requirements of the NPPF in relation to housing delivery (particularly in relation to Chapter 5: Delivering a sufficient supply of homes). Paragraph 11b) states that strategic policies should, as a minimum, provide for the objectively assessed needs for housing. Local plans should identify enough land to meet their housing requirements.
- 4.2 **Does Bearing Fruits allocate enough land to meet the Borough's OAN?** Bearing Fruits was adopted in July 2017. It is a plan that is both up-to-date and sound. The OAN is accepted as 13,192 and local plan allocations amount to a minimum of 14,124 dwellings.
- 4.3 Policy ST4 Meeting the Local Plan development targets, sets out the allocations for housing for the local plan. There is enough land allocated to deliver around 14,124 dwellings for the plan period (including 50 dwelling phased beyond the plan period). This provides a surplus of 932 dwellings against the planned requirement and has been done to allow for choice, flexibility and contingency. There are a total of 13 allocated sites in Sittingbourne ranging in size from 10 units to 1,450 units. Faversham has 11 allocations ranging in size from 12 units to 370 units. Minster and Halfway have nine allocations ranging from 10 units to 620 units.

Other allocations include sites at Queenborough & Rushenden, Boughton, Eastchurch, Iwade, Leysdown, Newington and Teynham. Within the central regeneration area of Sittingbourne, there is an identified capacity of 567, all sites of 1 hectare or less. The Council therefore considers that a sufficient supply has been allocated in a wide variety of locations, which reflects the adopted settlement strategy. The Council therefore considers that this requirement is met.

- 4.4 Does Bearing Fruits identify a sufficient supply and mix of sites, taking into account their availability, suitability and likely economic viability** (as required by paragraph 67). In broad terms, viability advice prepared for the Local Plan EIP showed that development viability was generally poorer on Sheppey, marginal at Sittingbourne and good to very good at Faversham and the rural areas. More site-specific advice revealed variations on Sheppey and at Sittingbourne. For example, on Sheppey, outside Sheerness and Queenborough and Rushenden, viability could be achieved on greenfield sites at Minster and Halfway and on sites further to the east, particularly with policy adjustments made. At Sittingbourne, viability advice revealed greenfield sites as more generally viable than brownfield, while sites to the south of the town were likely to be more viable than those to the north. Nearby Iwade was also shown to be generally more viable than parts of Sittingbourne. Policy adjustments were made at the Local Planning stage to reflect these findings.
- 4.5 No issues with the availability of allocated sites are identified. The housing market's ability to deliver new homes is mostly beyond the control of the Council. Annual build out rates will vary from builder to builder and site to site and will be influenced by considerations such as availability of materials and construction skills and indeed the general state of the wider economy and attitude by both housebuilders and buyers to risk.
- 4.6 Does Bearing Fruit identify a supply of specific, deliverable sites for years one to five of the plan period; and for years 6 to 10; and where possible, for years 11 to 15 of the plan?** At the local plan examination, the Council submitted a position statement setting out a trajectory for housing delivery across the whole plan period. It was evident that there would not be an adequate supply of housing delivery in years 1 to 5 and this was explained and accepted by the Inspector at the time. This under delivery is also caused by slippages in the phasing of the allocation at Crown Quay Lane due to issues with land ownership. The fact that the OAN increased significantly (as identified in the SHMA 2015) required the Council to identify further sites for housing during the paused Examination. The owners/promoters of the additional sites would not necessarily have progressed their planning application

preparation work to the same degree as the sites identified earlier in the process due to them not being included (initially) as potential housing allocations, their potential for development being wholly uncertain. The annual delivery rates are expected to increase as the local plan matures, expecting to pass the HDT in the monitoring year 2021/22 at approximately 118%. The Council therefore considers that a reasonably phased supply of sites has been identified.

4.7 Does the Council, through the development plan and brownfield register, identify land to accommodate at least 10% of the housing need on sites no larger than one hectare (or can it be demonstrated that there are strong reasons why this 10% target cannot be achieved)?

Although there wasn't a requirement to accommodate at least 10% of the housing requirement on sites no larger than one hectare when Bearing Fruits was prepared, examined and adopted, the Council is satisfied that there is a reasonable number of smaller sites. In light of the need to seek opportunities to deliver new road and other infrastructure, it was necessary for strategic scale sites to be identified through the Local Plan. The Brownfield Register is up to date and all suitable, available and deliverable sites were allocated through the Local Plan. The Council's brownfield register contains 14 sites totalling 43.42 ha. Combined, these sites would deliver approximately 1754 dwellings. However, 12 of the 14 sites are already allocations in Bearing Fruits. A significant number of small brownfield sites (below the register size threshold) continue to come forward as windfalls, and are supported by local plan policy. They enhance housing delivery, although no formal allowance is made for them during the first five years of the plan period. In the emerging local plan review, small site allocation is a requirement that will be fully considered within the context of suitable and available and deliverable sites identified through the SHLAA. Due consideration will also be given to the possibility of sub-dividing larger sites where appropriate.

4.8 Are planning processes adequate to ensure planning applications are determined with agreed timeframes? Increasingly, the Council is using Planning Performance Agreements (PPAs) for the processing of major planning applications. As Local Plan allocations move into the planning application process, this should help support speedier decision making.

4.9 The timescale for the completion of complex S106 agreements can be a significant determinant of lead in times. However, there can be significant variances; for example, a S106 Agreement for some 300 dwellings took a year to resolve at Perry Court Farm, Faversham, whilst at the same time a similar sized scheme at Rushenden, Queenborough,

took around a month. The Council has now put in place a Planning/Legal S106 Agreement Protocol that will set out the expectations for delivery by both planners and legal professionals. This should, over time, shorten the overall planning process.

- 4.10 Nationally, the number of pre-commencement conditions is cited as a significant factor that delays lead-in times. Clearly, such conditions will normally be important to ensuring the acceptability of development and its detail, however the Council minimises their use as far as possible and will be reviewing if and how they may be further rationalised. The Council therefore considers that it is doing everything possible to expedite processing of planning applications.

5. Key Actions Arising

- 5.1 Local Plan Review: The adopted local plan, Bearing Fruits is up-to-date having been adopted two years ago. That said, the Council is already progressing with a review and expects to undertake a second Regulation 18 consultation in early 2020. The local plan review will specifically look at increasing the quantum of sites that are one hectare and below to meet 10% of the OAN as required by paragraph 68a) of the NPPF. **The Council will continue to progress with the Local Plan Review in line with the approved LDS.**
- 5.2 SHLA Update: As part of the evidence gathering for the local plan review, a SHLA is underway, informed by two “Call for Sites” consultations, the Council is also accepting late submission for consideration prior to the end of July 2019. **The Council will publish a new SHLA in the autumn of 2019.**
- 5.3 Public Funding for Key Infrastructure: Having identified significant infrastructure limitation at the Lower Road on Sheppey, the junctions on the A249 at Key Street, Bobbing and Grovehurst and with junction 5 of the M2, the Council has been working with Kent Highways and Highways England to secure funding from the Housing Infrastructure Fund to deliver the road improvements necessary. **The Council will continue to work with partners to secure funding for road improvements.**
- 5.4 Five Year Housing Land Supply: The Council publishes an annual statement of housing land supply in accordance with national planning policy and practice guidance. This information provides an annual picture of delivery, identifying issues that affect supply. **The Council will continue to monitor housing land supply and publish data in the annual Housing Land Supply statement.**

- 5.5 Planning Process: In terms of development management, the Council had a good track record of determining planning applications within the statutory periods and makes use of PPAs for major development. **The Council will continue to make use of PPAs and other tools to ensure the continuation of timely decision making in the development management process.**
- 5.6 Applying the 'Tilted Balance': As the Council does not have a 5 year Housing Land Supply, paragraph 11d of the NPPF, sometimes referred to as the 'tilted balance' applies. The Council is assessing applications for housing on sites not identified in the local plan or within the confines of a settlement on their own merits but is generally seeking to support proposals that support sustainable development and respect the development strategy in Bearing Fruits, but in the short term this is unlikely to make a significant contribution to the 5 year HLS and is an activity the Council does not wish to encourage.

6. Summary and Conclusions

- 6.1 The Council is satisfied that it is doing everything it can to deliver its housing targets within its particular set of circumstances. It has considered what actions should be taken to increase delivery and these are already being done as set out above.
- 6.2 The issues around delivery are not the result of planning failures as everything has been and is being done to maintain an up to date local plan; streamline the planning process; and proactively pursue complementary public funding for key enabling infrastructure.
- 6.3 The reasons for under delivery are considered to be the result of centrally imposed targets which do not reflect market activity or ability of the market to deliver in Swale or the timely provision of enabling public funding for key pieces of infrastructure and therefore lack of certainty for investors. In these circumstances, imposition of a 20% buffer on the five year housing land supply is neither helpful nor constructive and is unlikely to resolve the situation.

This page is intentionally left blank