

Agenda

Extraordinary Planning and Transportation Policy Working Group Meeting

Date: Wednesday, 13 November 2024
Time 7.00 pm
Venue: Council Chamber, Swale House, East Street, Sittingbourne, ME10 3HT

Membership:

Councillors Mike Baldock, Monique Bonney (Vice-Chair), Charles Gibson, Kieran Golding, Alastair Gould (Chair), James Hunt, Elliott Jayes, Julien Speed, Karen Watson, Mike Whiting and Tony Winckless.

Quorum = 3

Pages

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4. Local Plan Review - Housing Targets Exceptional Circumstances Study

Issued on Monday, 28 October 2024

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

Planning and Transportation Policy Working Group	
Meeting Date	13th November 2024
Report Title	Local Plan Review – Housing Targets Exceptional Circumstances Study
EMT Lead	Emma Wiggins, Director of Regeneration and Neighbourhoods
Head of Service	Joanne Johnson, Head of Place
Lead Officers	Stuart Watson, Project Manager (Policy)
Classification	Open
Recommendations	1. That members are asked to note the findings and recommendations of the Housing Targets Exceptional Circumstances Study.

1. Introduction

- 1.1 To inform the Local Plan Review, consultants AECOM were commissioned in May of this year to determine whether there may be an exceptional circumstance for a lower housing target for plan making than that set through the government's imposed Standard Method of calculation. This followed changes to the National Planning Policy Framework (NPPF) in December 2023 which stated nationally-set housing targets were advisory, rather than mandatory and could be departed from where 'exceptional circumstances' could be evidenced.
- 1.2 The Housing Targets Exceptional Circumstances Study (Appendix 1) addresses two distinct elements to help inform whether there is a case for a lower housing figure for plan making in Swale. The elements are:
- **Housing need¹** – whether exceptional circumstances exist to justify calculating need using a methodology other than the standard method, in accordance with National Planning Policy Framework (NPPF) paragraph 61.
 - **Housing requirement²** – whether wider factors (essentially constraints / opportunities, unmet need issues and supply options) exist to justify adopting a housing requirement below need, in accordance with NPPF paragraphs 11, 60, 61 and 67.

¹ **Local housing need** - The number of homes identified as being needed through the application of the standard method set out in national planning guidance,

²**Housing requirement** - a figure for a whole local authority area, which shows the extent to which their identified housing need (and any needs that cannot be met within neighbouring areas) can be met over the plan period.

1.3 The study also incorporates the implications of the proposed changes to the NPPF as set out in the government's July 2024 consultation. The consultation proposes to reverse the housing target changes set out in the December 2023 NPPF and the Standard Method for calculating a housing need. At time of writing this report those changes have not been adopted into national policy. The main changes proposed to the NPPF are:

- Revision to NPPF paragraph 62 that removes 'exceptional circumstances' from the approach to calculating housing need and as such, the use of alternative methods for calculating need on the basis of exceptional circumstance.
- Two important data changes are proposed to the Standard Method of calculation: Firstly, instead of the use of household projections, the new method proposes 0.8% of existing housing stock in each local planning authority as the baseline starting point. Secondly a change to adjustment for affordability using a similar approach to the existing calculation but increases the multiplier to 0.6% compared to the current 0.25%.

2. Findings of the Study

Housing Need

2.1 The findings of whether there is an exceptional circumstance for an alternative to the government imposed Standard Method of calculation to determine the Local Housing Need are:

- The demographic inputs into standard method are reasonable for Swale. There are no errors or anomalies in Swale's demographic data.
- The Census 2021 reveals a discrepancy with the 2014 based projections but this is common across the country and also reflects household suppression and under delivery of new homes in the past.
- The standard method affordability uplift for Swale appears to be reasonable – there are no obvious errors or anomalies in either the house price or earnings data that would affect the ratio and therefore the uplift.
- The affordability uplift produces a 35% uplift on household growth in Swale...The uplift is essentially a mechanism for addressing historic undersupply nationally.
- The Standard Method's demographic projections are dated and the affordability uplift appears somewhat arbitrary, but the calculation is no more or less appropriate to Swale as it is to any other LPA in England.
- The main alternative approach to assessing the need for housing is to consider the number of homes needed to support anticipated job growth. This approach is generally only used when LPAs need or want to deliver more housing than the Standard Method implies.

- On the basis of the evidence reviewed there are no clear exceptional circumstances that would justify the use of an alternative method to the Standard Method to calculate local housing need in Swale.
- Whilst the proposed NPPF text out for consultation would remove ‘exceptional circumstances’ in the calculation of housing need, there appear to be some data discrepancies relating to Swale’s dwelling stock data which would merit further examination.

Housing requirement

2.2 The findings of the study on whether wider factors and constraints exist that may justify adopting a housing requirement below the Local Housing Need (LHN) are:

- Based on a review of the critical growth strategies locally, there is not a strong argument for setting a housing requirement below the LHN on this basis.
- The land availability position in Swale (in and around) the established settlements suggest that there is not a strong argument for planning below LHN.
- There could be a case for setting a housing requirement below LHN on the basis of the transport issues, principally highways capacity, acting as a break on growth in the Borough if satisfactory reinforcements cannot be delivered in a timely fashion.
- Based upon the viability and deliverability evidence reviewed, there is not a strong argument for exceptional circumstances. Most Local Planning Authorities experience different viability and deliverability challenges. However, it is the role of the viability evidence and subsequent plan making and policy contained with the Local Plan that must react to these challenges.
- Based on a high-level review of land capacity and the location of possible future supply of housing there does not appear to be a case to justify a housing requirement below LHN.

3.0 Recommendations of the study

3.1 The recommendations of the study are:

- Local Plan-making should be undertaken with a focus on setting the housing requirement according to the Standard Method of Local Housing Need, but the Council can/should remain open to setting the housing requirement at a lower/higher figure.
- Options will need to be refined, and a final decision ultimately made, in light of detailed evidence of strategy and supply options, including being informed by the appraisal of “reasonable alternatives” through the Sustainability Appraisal (SA) process.

- Ongoing consideration should be given to the possibility of an upward stepped housing requirement, given the number of strategic growth options locally, i.e. site options that would deliver late in the plan period.

4.0 Discrepancies - net additions and the Census 2021 housing stock

4.1 The study at paragraph 4.2.12 identified a significant discrepancy between the net additional homes recorded by the Council's monitoring process between 2011 and 2021 and the dwelling stock growth according to the Census 2021. The discrepancy is in the region of an additional 3,000 dwellings to the borough housing stock across the 10 years period than that monitored by the Council. These additional 3,000 dwellings when applied to the proposed government Standard Method for setting a Local Housing Need, over a 16 year Plan period would increase the Council's housing target by between 500 to 600 dwellings.

4.2 Since the study has been completed independent research carried out by Richard Fitzgerald (Appendix 2) working with Kent Housing Group has taken a close look at the housing stock discrepancies and especially Swale's due to its large size. The paper identified that 2,697 dwellings of the Swale discrepancy comes from the addition of Caravan or other mobile or temporary structures that had been omitted from previous Census data. Effectively this means the discrepancy is not against the current Census but an adjustment to previous Census data that had omitted those types of dwellings.

4.3 The Fitzgerald paper goes on to set out that 2,605 dwellings of the 2,697 dwellings discrepancy are from unoccupied Caravan or other mobile or temporary structures that may not be subject to Council tax and subsequently not meet definition of a dwelling for the purpose of the Census count.

4.4 It is for the Government to set out its position on the discrepancy issue as part of its response to the NPPF July 2024 consultation. Based on the outcomes of the response the Council could choose to investigate the discrepancy further. This would involve verifying the removal of the 2,605 unoccupied dwellings by ascertaining whether the counts are correct and those dwellings that are subject to council tax or not and therefore from part of dwelling stock.

5.0 Conclusion

5.1 The study has concluded that there is not an exceptional circumstance to deviate from or use an alternative to the government's imposed Standard Method for calculating a lower housing need figure (LHN).

5.2 However, the study does acknowledge that there could be a case for setting a housing requirement below the LHN or the use of a stepped trajectory, mainly on the basis of the transport issues, principally highways capacity and strategic growth options. Either of these approaches would need to be tested through the

evidence base and consultation stages of the Local Plan, i.e. a lower LHN would not be justified pre-Regulation 18, or prior to.

- 5.3 There appears to be a discrepancy in the Swale housing stock position as set out in the Census 2021. It will be for the government in its response to the NPPF July 2024 consultation to set out its position on the discrepancy. Based on the outcomes of the government’s response the Council could choose to investigate whether the 2,605 vacant caravans or other mobile or temporary structures were subject to Council Tax or not and reduce down the Council’s housing stock position accordingly.

6. Proposals

- 6.1 Members of the PTPWG are asked to note the findings and recommendations of the Housing Targets Exceptional Circumstances Study.

7.0 Alternative Options Considered and Rejected

- 7.1 There are no alternative options as the Housing Targets Exceptional Circumstances Study is an evidence base report for members’ information.

8.0 Consultation Undertaken or Proposed

- 8.1 The Housing Targets Exceptional Circumstances Study has been discussed informally with members during stages of its drafting, but as a fact-based piece of work, has not been consulted upon.

9.0. Implications

Issue	Implications
Corporate Plan	The LPR is responsible for delivering the spatial elements of the Corporate Plan.
Financial, Resource and Property	None identified at this stage.
Legal, Statutory and Procurement	Preparation of a Local Plan is carried out under a national legislative and regulatory framework. This piece of work responded to a change to national planning legislation, whereby housing targets would have become ‘advisory’ rather than ‘mandatory’. This change is proposed for reversal under the new government.
Crime and Disorder	None identified at this stage.

<p>Environment and Climate/Ecological Emergency</p>	<p>None specific to this piece of work. The Local Plan will be supported by its own Sustainability Appraisal and Habitats Regulation Assessment at each key stage in decision making.</p> <p>The sustainability appraisal process appraises the social, environmental and economic effects of a plan from the outset. In doing so it helps ensure that Plan making decisions are made that contribute to achieving sustainable development.</p> <p>Habitats regulations assessments test if a Plan and the site allocations and policies within it could significantly harm the designated features of a site or sites protected by the Conservation of Habitats and Species Regulations 2017.</p> <p>Drafting of the Plan and its Policies will also take in to account the Council's Climate and Ecological Emergency Action Plan.</p>
<p>Health and Wellbeing</p>	<p>None identified at this stage</p>
<p>Safeguarding of Children, Young People and Vulnerable Adults</p>	<p>None identified at this stage.</p>
<p>Risk Management and Health and Safety</p>	<p>None identified at this stage.</p>
<p>Equality and Diversity</p>	<p>None identified at this stage.</p>
<p>Privacy and Data Protection</p>	<p>None identified at this stage.</p>

10. Appendices

10.1 Appendix I Housing Targets Exceptional Circumstances Study

10.2 Appendix II Richard Fitzgerald paper Inclusion of Caravans in Dwelling Stock

Housing Targets Exceptional Circumstances Study

Swale Borough Council

September 2024

Quality information

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Revision History

Revision	Revision date	Details	Authorized	Name	Position
1.0	1 st July 2024	Draft Report	KP	Kerry Parr	Associate Director
2.0	29 th July 2024	Revised Draft	KP	Kerry Parr	Associate Director
3.0	2 nd September 2024	Final Report	KP	Kerry Parr	Associate Director

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1. Introduction

- 1.1.1. AECOM was commissioned in April 2024 to undertake a ‘Housing Targets Exceptional Circumstances Study’ in support of the emerging Swale Local Plan Review (LPR).
- 1.1.2. During the course of the study the General Election in July led to a change of Government, followed by draft proposals for an amended National Planning Policy Framework¹. The proposed changes, including to the Standard Method for calculating housing need at the local authority level, have not yet been finalised. As such, these proposed changes are signalled in this report but the analysis and commentary remains based on existing planning policy and guidance.

1.2. Objectives

- 1.2.1. The Council requires an exceptional circumstances study to examine whether its housing requirement can be set at a level below the need identified by the Government’s standard method. At the time of writing, the standard method figure for Swale is 1,040 dwellings per annum².
- 1.2.2. This study addresses two distinct elements, housing need and the housing requirement:
- **Housing need** – whether exceptional circumstances exist to justify calculating need using a methodology other than the standard method, in accordance with National Planning Policy Framework (NPPF) para 61. Secondly, if exceptional circumstances are found to exist, determine housing need in a way that aligns with NPPF para 61, namely with a view to reflecting current and future demographic trends and market signals.
 - **Housing requirement** – explore wider factors – essentially constraints / opportunities, unmet need issues and supply options – to examine whether there are factors which justify adopting a housing requirement below need, in accordance with NPPF paragraphs 11, 60, 61 and 67.

Figure 1-1: Relevant National Planning Policy Framework Policies

11. Plans and decisions should apply a presumption in favour of sustainable development.

For plan-making this means that:

a) all plans should promote a sustainable pattern of development that seeks to: meet the development needs of their area; align growth and infrastructure; improve the

¹

² See Section 4 Housing Need for summary calculation undertaken in June 2024

environment; mitigate climate change (including by making effective use of land in urban areas) and adapt to its effects;

b) strategic policies should, as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring areas, unless:

i. the application of policies in this Framework that protect areas or assets of particular importance provides a strong reason for restricting the overall scale, type or distribution of development in the plan area⁷; or

ii. any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole.

Footnote 7 The policies referred to are those in this Framework (rather than those in development plans) relating to: habitats sites (and those sites listed in paragraph 187) and/or designated as Sites of Special Scientific Interest; land designated as Green Belt, Local Green Space, an Area of Outstanding Natural Beauty, a National Park (or within the Broads Authority) or defined as Heritage Coast; irreplaceable habitats; designated heritage assets (and other heritage assets of archaeological interest referred to in footnote 72); and areas at risk of flooding or coastal change.

60. To support the Government's objective of significantly boosting the supply of homes, it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay. The overall aim should be to meet as much of an area's identified housing need as possible, including with an appropriate mix of housing types for the local community.

61. To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance. The outcome of the standard method is an advisory starting-point for establishing a housing requirement for the area (see paragraph 67 below). There may be exceptional circumstances, including relating to the particular demographic characteristics of an area²⁵ which justify an alternative approach to assessing housing need; in which case the alternative approach should also reflect current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for.

Footnote 25 Such particular demographic characteristics could, for example, include areas that are islands with no land bridge that have a significant proportion of elderly residents.

67. Strategic policy-making authorities should establish a housing requirement figure for their whole area, which shows the extent to which their identified housing need (and any needs that cannot be met within neighbouring areas) can be met over the plan period. The requirement may be higher than the identified housing need if, for

example, it includes provision for neighbouring areas, or reflects growth ambitions linked to economic development or infrastructure investment. Within this overall requirement, strategic policies should also set out a housing requirement for designated neighbourhood areas which reflects the overall strategy for the pattern and scale of development and any relevant allocations³³. Once the strategic policies have been adopted, these figures should not need re-testing at the neighbourhood plan examination, unless there has been a significant change in circumstances that affects the requirement.

- 1.2.3. For local plan-making, paragraph 11 in the NPPF sets out the aim to meet housing needs only in so far as is consistent with wider sustainable development objectives. For example, in relation to the Worthing Local Plan, the PINS report into the soundness of the plan, published on 14th October 2022, established that: LHN is the standard-method derived figure, namely 885 homes per year; and the housing requirement should be set at 230 homes per year, due to a lack of suitable supply options, given the constraints to growth locally.
- 1.2.4. As such, this report makes a clear distinction between ‘need’ as identified by the standard method (or an appropriate alternative method) and ‘requirement’ which is the figure or ‘target’ identified through the plan making process based on the consideration of wider factors.
- 1.2.5. During the course of this study, the new Government set out proposals to the NPPF and guidance for calculating the Standard Method. The revised paragraph 62 removes ‘exceptional circumstances’ from the approach to calculating housing need and as such, the use of alternative methods for calculating need on the basis of exceptional circumstances.

Figure 1-2: Proposed Amendments to NPPF July 2024 Consultation

The revised NPPF text, paragraph 62 (formerly 61) states:

62. To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for.

- 1.2.6. In the consultation document accompanying the proposed NPPF text, the Government sets out a new Standard Method for assessing housing need.

Figure 1-3: Proposed New Standard Method

At paragraph 7 of the 'Proposed Reforms to the National Planning Policy Framework and other changes to the planning System' consultation document, new Standard Method is set out as follows:

- a. uses a baseline set at a percentage of existing housing stock levels, designed to provide a stable baseline that drives a level of delivery proportionate to the existing size of settlements, rebalancing the national distribution to better reflect the growth ambitions across the Midlands and North;
- b. tops up this baseline by focusing on those areas that are facing the greatest affordability pressures, using a stronger affordability multiplier to increase this baseline in proportion to price pressures; and
- c. removes arbitrary caps and additions so that the approach is driven by an objective assessment of need.

Two important data changes are proposed to the calculation:

Instead of the use of household projections, the new method proposes 0.8% of existing housing stock in each local planning authority as the baseline starting point. The most robust data source of stock levels is the annually published Dwelling stock estimates by local authority district and the most recent data published at the time should be used.

Step 2 adjusts for affordability using a similar approach to the existing calculation but increases the multiplier to 0.6% compared to the current 0.25%.

- 1.2.7. Under the proposed new Standard Method the resulting housing need figure for Swale would be 1,061³. This compares to 1,040 under the current method. It is outside the scope of this study to compare the inputs and assumptions of the two methods (current and proposed) but, where appropriate, this report references the implications of the proposed approach.

1.3. Outline of this report

- 1.3.1. This report has 11 sections, covering housing needs and the principal factors that may inform the housing requirement:

- Section 2 Context
- Section 3 Methodology
- Section 4 Housing Need
- Section 5 Housing Requirement
- Section 6 Growth opportunities

³ Data provided in the 'Outcome of the proposed revised method' spreadsheet accompanying the consultation document.

- Section 7 Environmental constraints
- Section 8 Infrastructure constraints
- Section 9 Viability and deliverability challenges
- Section 10 Sources of land supply
- Section 11 Conclusions

2. Context

2.1. Swale Local Plan Review

2.1.1. The Local Plan Review (LPR) will establish a spatial strategy for growth and change - in response to key issues and opportunities - over the period 2022 to 2038. The LPR will build on the adopted Local Plan ('Bearing Fruits'), which covers the period 2014 to 2031. The LPR will allocate sites to deliver the strategy and establish the policies against which planning applications will be determined.

2.1.2. The adopted Local Plan (2017) includes a housing requirement set at local housing need, which was understood at the time to be 776 dwellings per annum (dpa), although the submitted version had originally proposed a housing requirement below need. The Inspector's Report presents limited information on arguments for a lower need figure, but important information on reasons for considering setting the housing requirement at the objectively assessed need, figure. See excerpt from the Inspector's Report⁴ below that remains pertinent to this report (our **emphasis**):

48. The Plan cites three broad reasons to justify not planning to deliver the OAN of 14,800 dwellings. The first is the issue of **viability and deliverability**, including past performance and the need to maximise housing delivery whilst maintaining the focus for growth on the Thames Gateway where viability is poorest. Other constraints relate to **environmental concerns, including impact on best and most versatile agricultural land (BMV)** and infrastructure, particularly the **impact of development on the strategic road network**.

49. In considering the housing market it is common ground that Swale is one of the weaker housing markets in Kent with particularly poor viability in the Thames Gateway area, where the settlement strategy seeks to direct housing growth. The Council recognises that short term viability issues should not lead to a viability-led strategy which could undermine the growth in the Thames Gateway. However poor housing delivery in the past does not justify taking a pessimistic approach to the future. This would be inconsistent with paragraph 47 of the NPPF which seeks to boost significantly the supply of housing. Setting a target that is too low could be self-fulfilling and act as a constraint to development, whilst with a revised plan period extending to 2031 short term viability concerns do not justify suppressing growth.

51. The latest information on highway infrastructure reveals uncertainties about the details of projects needed to support the housing to be delivered in the later part of the Plan period. However this can be addressed by an early review as

⁴ Swale Borough Council Swale Local Plan, Inspector's Report June 2017

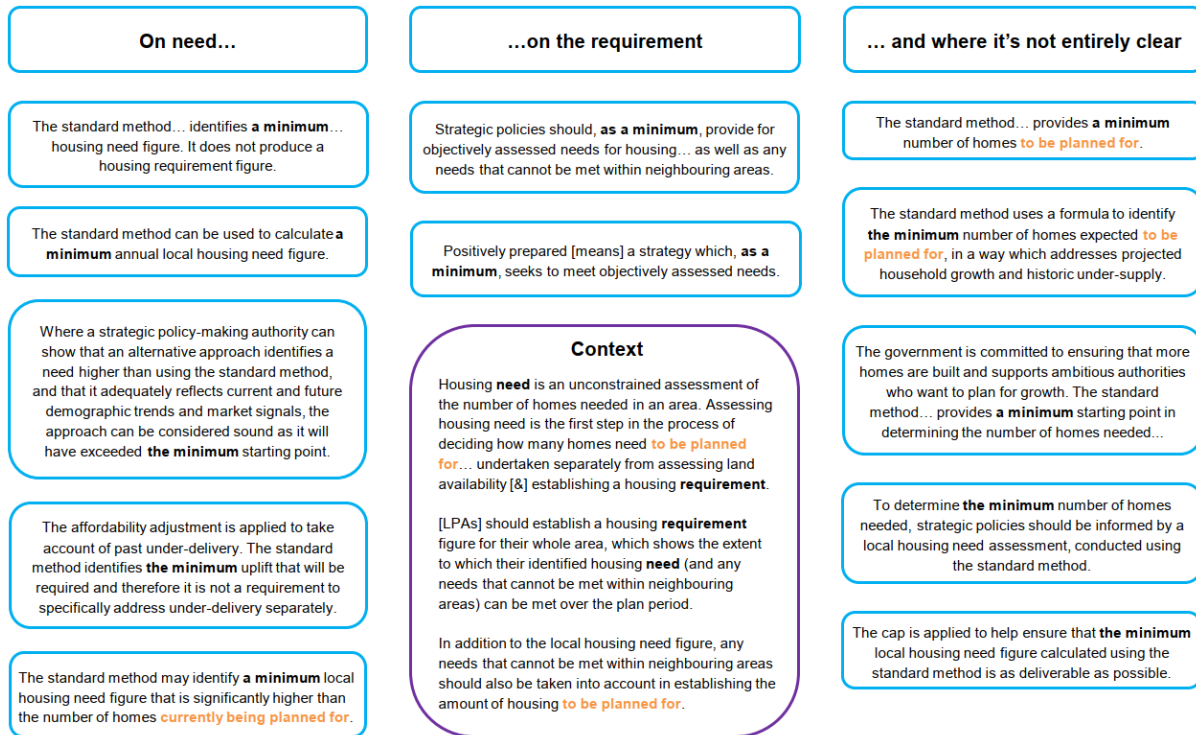
concluded in Issue 9 and it should not prevent the Council from planning to deliver the full OAN over the Plan period to 2031.

- 2.1.3. The Proposed Submission Local Plan Review (2021) proposed a housing requirement set at local housing need, which was understood at the time to be ~1,038 dpa on the basis of the Government's standard method. The view at the time was that there were no exceptional circumstances to use an alternative method for calculating need, and through the Sustainability Appraisal (SA) process the option of a requirement below need was judged 'unreasonable' (after having considered specific supply options). Regarding impacts to the transport network, the view was that need could be provided for subject to transport-led strategy / site selection achieving modal shift.
- 2.1.4. Following the Regulation 19 consultation the Council decided to take a step back and consult under Regulation 18 on "Issues and Preferred Options". Subsequently the Council decided to pause the local plan process pending clarity on changes to the NPPF, with the new NPPF then published in December 2023.

2.2. Definitions

- 2.2.1. There has been much debate nationally regarding the implications of the changes in respect what the Secretary of State recently referred to as 'target-setting', and which might more accurately be described as 'requirement-setting'.
- 2.2.2. Two headlines are: 1) there is now increased potential to argue a case for a housing requirement set at a level below need (however that is defined); and 2) it remains the case (unchanged since 2018) that housing need can be calculated using a method other than the standard method in 'exceptional circumstances'.
- 2.2.3. However, there is an absence of clarity, e.g. see Figure 1 (overleaf), which lists examples of the NPPF and PPG describing: A) the standard method as providing a "minimum" need figure; and B) housing requirements having to be set at need as a "minimum". Also, there is an ongoing absence of clarity on the distinction between "objective (NPPF paras 11 and 35) / 'policy off' consideration of need and 'policy on' plan-making, including in respect of accounting for employment growth and unmet need.

Figure 1 NPPF & PPG statements on “minimum” housing figures



2.2.4. Finally, following the outcome of the general election July 2024, at the time of writing, the new Government has set out its intention to reform planning policy with the following specific aims in relation to housing need:

- To make the standard method for assessing housing needs mandatory, requiring local authorities to plan for the resulting housing need figure, planning for a lower figure only when they can demonstrate hard constraints and that they have exhausted all other options;
- To reverse other changes to the NPPF made in December 2023 which were detrimental to housing supply;
- To implement a new standard method and calculation to ensure local plans are ambitious enough to support the Government’s manifesto commitment of 1.5 million new homes in this Parliament.

2.2.5. Whilst the proposed changes make the standard method mandatory, it remains possible for local planning authorities to plan for a lower figure if there are ‘hard constraints’. This maintains the distinction between ‘need’ and ‘requirement’ as described earlier in this section.

3. Approach

3.1.1. This section sets out our approach to examining whether there are exceptional circumstances relating to housing need and then, secondly, the task of exploring the wider factors with a bearing on the housing requirement.

3.1.2. The approach involves two components:

- **Housing Need:** this component reviews existing evidence to establish whether it is likely that exceptional circumstances exist to depart from the use of the standard method and how an alternative assessment could be undertaken if so. This includes:
 - Examining the demographic inputs to the standard method and setting them in the context of population, housing and dwelling growth over the longer term. The starting point for this work is a review of previous work undertaken for Swale by demographer John Hollis.
 - Examining the affordability uplift in the standard method and checking for anomalies and how Swale's figures compare to other Kent authorities.
 - Considering whether Swale's economic growth trends would justify an alternative approach to estimating housing needs.
 - Considering how other authorities have examined exceptional circumstances and alternative methods.
- **Housing requirement:** this component reviews existing evidence and maps available data across 5 themes to build an initial picture of the constraints and opportunities that may have a bearing on the housing requirement for Swale:
 - Growth opportunities
 - Environmental constraints
 - Infrastructure constraints
 - Viability and deliverability challenges
 - Sources of land supply

3.1.3. It is important to state that this presents an initial headline review of the factors which may impact on the housing requirement and the extent to which need can be met. It is not the role of this study to replace the SA or wider plan making process, including consideration of Swale in the wider region and its relationship with its neighbours (Figure 2). As such, caution is required in reading the conclusions of this report in isolation and in advance of Swale Borough Council's emerging spatial strategy and sites, i.e. ahead of detailed testing of options.

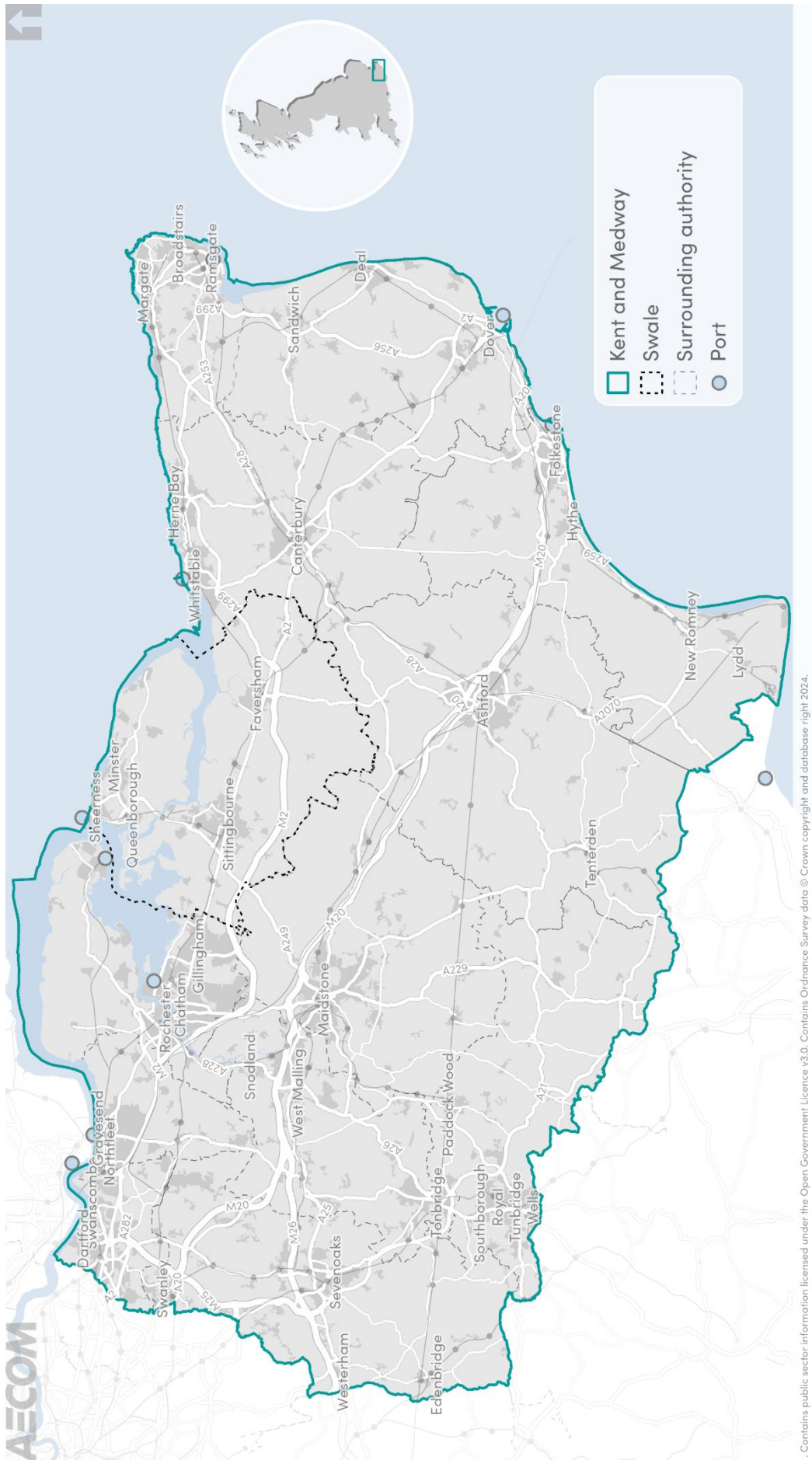


Figure 2 Swale in the wider Sub Region

4. Housing Need

4.1. Introduction

4.1.1. This section examines whether there are exceptional circumstances that would justify using an alternative method to Government's standard method to identify housing need within Swale under existing NPPF 2023 policy and guidance. This section:

- Examines long term patterns of household growth and housing delivery to understand how Swale compares to other Kent authorities and the wider region and England.
- Then considers the inputs to the standard method calculation and whether there are any exceptional circumstances relating to Swale's demographics of affordability patterns which would justify an alternative methodology.
- Considers economic trends and whether these justify the use of an alternative method.
- Reviews two different examples where Councils have considered or used alternative methods.

4.2. Household Growth & Housing Delivery

4.2.1. It is useful to examine long term trends in population, households and dwellings within Swale compared to the South East region and England to understand how patterns have changed and the extent to which Swale is different to wider areas.

4.2.2. Table 4-1 presents data on population, households and dwelling growth from 1991-2021 (30 year period) using Census data. Table 4-2 presents the percentage change over each decade and for the last 20 years.

4.2.3. Swale's population increased by 24% over the last 20 years (2001-2021) with a 23% increase in households. The dwelling stock increased by a greater proportion at 30% over the same period. On all of these measures, Swale's growth has been higher than both the South East and England as a whole.

4.2.4. Over the 20 year period 2001-2021, Swale's population increased by 1,444 per annum, households grew by 562 per annum, with dwelling stock growth of 756 per annum.

Table 4-1: Long Term Population, Household and Dwelling Change 1991-2021

	Swale	South East	England
Population			
1991	112,112	7,132,968	44,875,946
2001	122,801	8,000,645	49,138,831
2011	135,835	8,634,750	53,012,456
2021	151,676	9,278,065	56,490,048
Households			
1991	44,328	2,945,334	18,683,338
2001	49,257	3,287,489	20,451,427
2011	55,585	3,555,463	22,063,368
2021	60,495	3,807,967	23,436,086
Dwellings			
1991	44,136	2,923,837	18,545,529
2001	51,078	3,391,833	21,206,804
2011	57,989	3,694,388	22,976,066
2021	66,200	4,026,340	24,927,591

Source: Census

Table 4-2: Long Term Population, Household and Dwelling Change %

Population Change	Swale	South East	England
1991-2001	10%	12%	9%
2001-2011	11%	8%	8%
2011-2021	12%	7%	7%
20 years (2001-2021)	24%	16%	15%
Household Change			
1991-2001	11%	12%	9%
2001-2011	13%	8%	8%
2011-2021	9%	7%	6%
20 years (2001-2021)	23%	16%	15%
Dwelling Stock Change			
1991-2001	16%	16%	14%
2001-2011	14%	9%	8%
2011-2021	14%	9%	8%
20 years (2001-2021)	30%	19%	18%

Source: Census, AECOM calculations

Table 4-3: Dwellings ‘not usually occupied by households’ %

	Swale	South East	England
2001	3.6%	3.1%	3.6%
2011	4.1%	3.8%	4.0%
2021	8.6%	5.4%	6.0%

Source: Census, AECOM calculations

- 4.2.5. The difference between household growth and dwelling stock growth is reflected in the proportion of dwellings ‘not usually occupied’ (Table 4-3). At any one time, a proportion of dwellings will be empty and this reflects the normal functioning of the housing market so that households can move eg rented homes may be vacant for short periods, or as dwellings are repaired or renovated. Some dwellings will be owned as second homes or holiday lets and not occupied by households on a permanent basis.
- 4.2.6. In the two prior Censuses (2001 and 2011), the proportion of dwellings ‘not usually occupied’ in Swale was around 4% and this level was similar to the South East and England as a whole. However, in 2021, the proportion of unoccupied dwellings in Swale increased to 8.6%. Whilst there was growth in unoccupied dwellings across the region (to 5.4%) and England (6.0%), the increase in Swale has been greater.
- 4.2.7. There are a number of possible explanations for the increase in unoccupied dwellings in Swale:
- The most likely reason for this increase is growth in the number of second homes and holiday lets. Further analysis of the location of ‘dwellings not usually occupied by households’ suggests that the largest proportion are found in Sheppey East ward. Half (50.3%) of dwellings not usually occupied in Swale are found in Sheppey East. The absolute number is 2,699 within this ward, compared to 5,705 in Swale as a whole. The only other ward with a level of unoccupied dwellings that is substantially above the England average (6%) is Sheerness (at 8.8% of dwellings: 504 dwellings in total). Both wards are on the Isle of Sheppey.
 - It is also possible that some dwellings were vacated during the Covid lockdown (which was in operation during the Census survey period) as some single person households moved in with other households to avoid isolation. However, the latter does not explain the difference with the region and England as whole which would be expected to be similar.
- 4.2.8. Given the differences apparent in the growth of households and dwellings in Swale compared to the South East and England, it is useful to drill down further to understand how Swale compares to the other Kent and Medway authorities.
- 4.2.9. Table 4-4 presents long term population change across Kent and Medway. Swale’s population growth over the 20 year period 2001-2021 is amongst the

highest but there are four other authorities with higher population growth including neighbouring Maidstone (27%) and Ashford (29%). Swale's population growth is not exceptional within Kent and Medway.

Table 4-4: Long term Population Change, Kent and Medway 2001-2021

	2001	2011	2021	Change 10 years		Change 20 years	
Ashford	102,661	117,956	132,747	14,791	13%	30,086	29%
Canterbury	135,278	151,145	157,432	6,287	4%	22,154	16%
Dartford	85,911	97,365	116,753	19,388	20%	30,842	36%
Dover	104,566	111,674	116,410	4,736	4%	11,844	11%
Folkestone & Hythe	96,238	107,969	109,758	1,789	2%	13,520	14%
Gravesham	95,717	101,720	106,900	5,180	5%	11,183	12%
Maidstone	138,948	155,143	175,782	20,639	13%	36,834	27%
Medway	249,488	263,925	279,773	15,848	6%	30,285	12%
Sevenoaks	109,305	114,893	120,514	5,621	5%	11,209	10%
Swale	122,801	135,835	151,676	15,841	12%	28,875	24%
Thanet	126,702	134,186	140,587	6,401	5%	13,885	11%
Tonbridge & Malling	107,561	120,805	132,201	11,396	9%	24,640	23%
Tunbridge Wells	104,030	115,049	115,311	262	0%	11,281	11%
Kent & Medway	1,579,206	1,727,665	1,855,844	128,179	7%	276,638	18%

Source: Census, AECOM calculations

4.2.10. Table 4-5 presents similar data for households. The pattern is similar to population: Swale has experienced relatively high growth in households (23%) over 20 years, above the average rate for Kent and Medway (18%) but this growth rate is lower than some other Kent authorities including Ashford (29%) and Maidstone (26%).

Table 4-5: Long Term Household Growth, Kent and Medway, 2001-2021

	2001	2011	2021	Change 10 years		Change 20 years	
Ashford	41,450	47,787	53,586	5,799	12%	12,136	29%
Canterbury	55,584	60,771	63,794	3,023	5%	8,210	15%
Dartford	35,240	40,081	45,697	5,616	14%	10,457	30%
Dover	44,314	48,310	50,548	2,238	5%	6,234	14%
Folkestone and Hythe	41,155	47,379	48,336	957	2%	7,181	17%
Gravesham	38,266	40,431	41,722	1,291	3%	3,456	9%
Maidstone	56,454	63,447	71,207	7,760	12%	14,753	26%
Medway	99,566	106,209	111,459	5,250	5%	11,893	12%
Sevenoaks	44,364	47,020	49,014	1,994	4%	4,650	10%
Swale	49,257	55,585	60,495	4,910	9%	11,238	23%
Thanet	55,228	59,513	62,199	2,686	5%	6,971	13%
Tonbridge and Malling	42,736	48,140	53,573	5,433	11%	10,837	25%
Tunbridge Wells	42,695	47,174	48,223	1,049	2%	5,528	13%
Kent & Medway	646,309	711,847	759,853	48,006	7%	113,544	18%

Source: Census, AECOM calculations

Table 4-6: Long Term Dwelling Stock Change, Kent and Medway, 2001-2021

	2001	2011	2021	Change 10 years		Change 20 years	
Ashford	42,923	49,747	56,653	6,906	14%	13,730	32%
Canterbury	57,827	63,859	67,946	4,087	6%	10,119	17%
Dartford	35,998	41,220	47,921	6,701	16%	11,923	33%
Dover	46,265	51,453	54,720	3,267	6%	8,455	18%
Folkestone and Hythe	44,322	49,568	53,108	3,540	7%	8,786	20%
Gravesham	39,110	41,699	44,071	2,372	6%	4,961	13%
Maidstone	58,019	65,526	75,558	10,032	15%	17,539	30%
Medway	102,578	110,107	117,443	7,336	7%	14,865	14%
Sevenoaks	45,585	48,376	51,605	3,229	7%	6,020	13%
Swale	51,078	57,989	66,200	8,211	14%	15,122	30%
Thanet	59,036	64,998	68,964	3,966	6%	9,928	17%
Tonbridge and Malling	43,856	49,972	55,487	5,515	11%	11,631	27%
Tunbridge Wells	43,786	48,922	50,935	2,013	4%	7,149	16%
Kent & Medway	670,383	743,436	810,611	67,175	9%	140,228	21%

Source: Census, AECOM calculations

4.2.11. Swale's dwelling stock grew by 30% between 2001-2021 compared to 21% across Kent and Medway. This includes changes within the existing dwelling

stock (eg conversions and subdivisions) as well as new dwelling completions. Growth was amongst the highest in Kent and Medway with Maidstone, Ashford and Dartford also experiencing dwelling stock growth of 30% or more.

- 4.2.12. It is relevant to note that the proposed new Standard Method consultation would use dwelling stock (0.8%) as the starting point for the calculation of housing need rather than household projections. In Swale, the dwelling stock according to Census 2021, which is taken forward into Table 125 (Dwelling stock (including vacants) – Gov.uk), was recorded as 66,200 in 2021. This compares to 57,989 in 2011, an increase of 8,211 dwellings according to the Census. However, net additions to the housing stock, including new builds, conversions etc, are recorded as substantially lower over the period in Swale with around 3,000 additional dwellings in Census 2021 unexplained by the completions data. In the Government’s ‘dwelling stock’ Table 125 (the starting point for the new Standard Method), the housing stock figures reflect the Census with the ‘net additions’ data Tables 122 and 123 amended to reflect the Census outturn. For Swale, this involves adding 282 dwellings per annum over the period 2011-2021 to the ‘net additions’ tables.
- 4.2.13. Whilst ‘exceptional circumstances’ are removed from the proposed new Standard Method calculation, further examination of the dwelling stock data and apparent discrepancies between net additions in Swale (2011-2021) and the housing stock recorded in the Census 2021 would be a valuable exercise. It is possible that, if errors are found in the data, it may be possible to use a revised dwelling stock figure. At this stage, it is unclear whether it is net additions data (made up of completions, conversions, permitted development etc) which is inaccurate or whether the Census count of dwellings has resulted in an overestimate for Swale.
- 4.2.14. As discussed above, the proportion of Swale’s dwelling stock that is not usually occupied by a household has increased to 8.6% in 2021. This is a higher rate than in Kent and Medway as a whole (6.3%) but similar to the level in some other authorities including Thanet (9.8%), Folkestone and Hythe (9.0%) and Dover (7.6%).
- 4.2.15. There may be different factors in operation in different authority areas including second/holiday homes, pockets of low demand or regeneration activities in some areas and potentially Covid lockdown effects with some households vacating dwellings at the time of the Census. These trends may merit further investigation but the key point to note for this study is that Swale has a higher rate of unoccupied dwellings than in the past, but is not out of step with other areas of Kent. Furthermore, most of these properties are located in the east of the Isle of Sheppey. It is not a pervasive issue across the borough.
- 4.2.16. A key point to note in this analysis is that Swale straddles two housing market and travel to work areas.⁵ The east of borough is part of the Canterbury TTWA

⁵ Swale Housing Market Assessment (2020) by HDH Planning and Development

(including Faversham). The north of borough including Sheppey and Sittingbourne is part of Medway TTWA. The highest numbers of people moving out of Swale also move to these LPAs with Maidstone also a significant destination. The same is true in the other direction (people moving in to Swale from these authority areas).

- 4.2.17. The growth in population, households and dwelling stock growth needs to be seen in this context. Growth in Swale’s population and housing stock is likely to have supported job growth in Medway which has experienced greater employment growth but limited growth in dwellings and households.

4.3. Review of Standard Method Demographic Inputs

- 4.3.1. This subsection briefly reviews the inputs to the standard method calculation for Swale. The core input and starting point for the calculation are the Government’s 2014 based household projections. It is useful therefore to consider whether these projections have been borne out in Swale.

Comparison of Projections and Outturn

- 4.3.2. Table 4-7 presents household and population data for 2021 comparing what was *expected* in the 2014 based projections to the actual figures recorded in Census 2021. By 2021, the projections expected 63,931 households in Swale. The Census recorded 60,495 households, 3,426 fewer households than projected. This pattern is replicated in many locations across the country.
- 4.3.3. There was also a difference in the scale of the population projected but the difference between the projection and Census record for 2021 was less marked. The 2014 based projected anticipated 2,384 more people than the Census 2021 recorded as living in Swale in that year.
- 4.3.4. Household size grew between Census 2011 and 2021. Household size in Swale in 2011 was 2.4 and this had increased to 2.5 in 2021. Household projections (2014 based) assumed average household size of 2.34 by 2021. Larger household size than in the past, or expected by projections, can indicate suppressed household formation. Potential households eg younger people may wish to form their own households but are unable to afford to buy or rent and so may remain in the family home or share with others.

Table 4-7: Households, Population and Household Size in 2021: Projection versus Actual

	Swale
Household projection (2014 based)	63,931
Actual (Census 2021)	60,495
Difference	3,436
Population projection (2014 based)	149,292

Actual (Census 2021)	151,676
Difference	2,384
Household size projected (2014 based)	2.34
Household size actual (Census 2021)	2.51

Source: Census 2021, DLUHC 2014 Based Household Projections, AECOM calculations

- 4.3.5. The number and proportion of households with grown up children living at home (known as households with non dependent children) is an indicator of the suppression of household formation. In 2021, 13.6% of Swale’s households contained non dependent children (Table 4-8). This has increased from 11.9% in 2011 and is likely to indicate, to some extent, the difficulty that younger people have in affording to buy or rent and establish independent households.
- 4.3.6. The number of households with non dependent children has increased in Swale to a greater extent than in the South East and England as a whole. This is likely to reflect relatively greater suppression of household formation. It indicates that, if housing was more affordable to rent or buy in Swale, more households may have been able to form over time and household growth would have been higher than recorded. It also explains to some extent why household size has increased in Swale over the last 10 years.

Table 4-8: Households with Non Dependent Children

	Swale	South East	England
Proportion of households with non dependent children (2021)	13.6%	12.8%	12.4%
Number (2021)	20,247	7,097,787	1,128,713
Proportion of households with non dependent children (2011)	11.9%	11.8%	11.2%
Number (2011)	15,865	6,154,114	945,903
Change (number) 2011-2021	4,382	943,673	182,810
Change (%) 2011-2021	28%	15%	19%

Source: Census, AECOM calculations

4.3.7. It is interesting to note that the number of dwellings recorded by the Census in 2021 in Swale is 66,200. This compares to 60,495 households in the same year ie there are more dwellings than households. The dwelling stock appears to be of sufficient size to accommodate the households that were anticipated for 2021 in the 2014 based household projections (63,931). However, the growth in the number of households in Swale has not been as high as projected.

4.3.8. However, it is apparent from the analysis of households and dwellings at the localised level that a large proportion of unoccupied dwellings are concentrated in East Sheppey and that this is not a general phenomenon across the district.

Inputs to Standard Method Calculation

4.3.9. The current housing need figure for Swale under the standard method calculation is 1,040 (as at June 2024):

- Step 1: projected household growth of 770 households each year (2024-2034)
- Step 2: an affordability uplift of 35% taking the figure to **1,040**.
- Step 3: the capped figure is higher than step 2 and so does not apply.

4.3.10. There are two core components in the standard method calculation: household projections for the 10 year period of the calculation and an affordability uplift. This subsection considers the inputs into these two components. It is important to emphasise that both of these components have been reviewed in detail by demographer John Hollis, working with STANTEC, on behalf of Swale Borough Council.⁶

4.3.11. AECOM has reviewed this work and considers it a very thorough analysis of the inputs into the standard method calculation and the implications of sensitivity

⁶ Estimating Swale’s Future Local Housing Need – A Technical Report Commissioned by Swale Borough Council from PBA – Undertaken by John Hollis Sept 2019 (revised June 2020)

analysis on these inputs. There is no value in repeating this analysis and it cannot be updated because the data (essentially inputs into the 2014 based projections) is historic and therefore does not change. However, it is worth drawing out key points from this study in terms of the demographic inputs into 2014 based household projections. It is also possible to review the affordability inputs (median house prices and earnings measures) as these were not specifically examined in the study.

Demographics

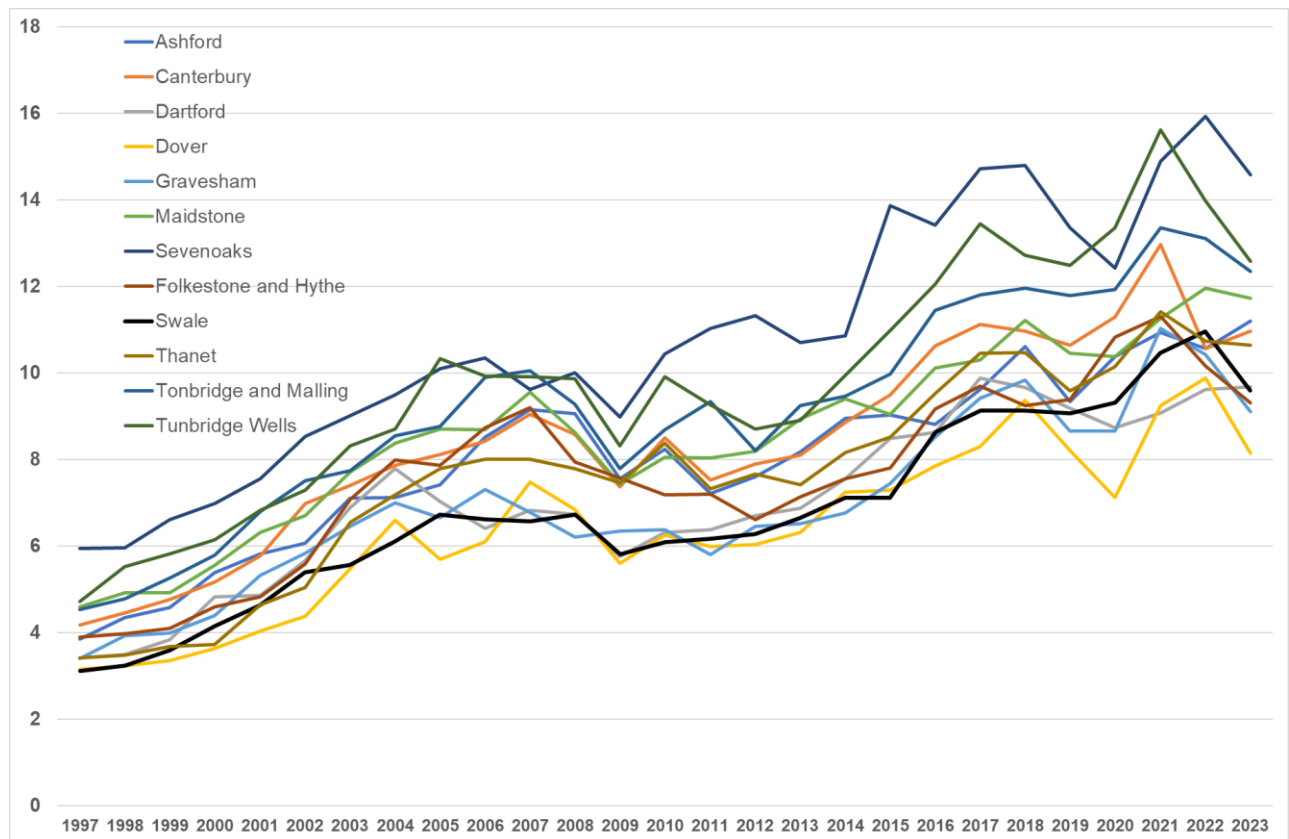
- 4.3.12. Estimating Swale's Future Local Housing Need – A Technical Report Commissioned by Swale Borough Council from Peter Brett Associates (now STANTEC) was undertaken by John Hollis in September 2019 (revised June 2020).
- 4.3.13. The report comments on the meaning of exceptional circumstances: 'If an alternative method for assessing housing need is used then this will be scrutinised closely at examination. The NPPG says at paragraph reference ID: 2a-003-20190220 that any other method will be used only in exceptional circumstances. This means there will need to be clear evidence to justify any departure. As part of demonstrating any exceptional circumstances the population and household projection data will need to be scrutinised to assess whether any of the components; births, death, migration, unattributable population change and household formation rates contain errors or anomalies that are sufficiently large to constitute exceptional circumstances for departing from the Standard Method.'
- 4.3.14. Having assessed historical data for births, deaths and migration flows, unattributable population change and household formation rates the report concludes that there are no errors in the data and no exceptional circumstances that would justify departing from the Standard Method formula.
- 4.3.15. The report first considers the 2014 based population projection. This consists of trends in births, deaths and migration flows. Some notable observations from the report are:
- The pattern of births and deaths in Swale during the trend period which feeds in to the 2014 appears normal with no obvious anomalies or errors apparent in the data.
 - Domestic migration patterns are assessed over the 5 years 2009/10-2013/14. Fluctuations can be seen in the data but the net flow has been relatively consistent albeit a rising trend over the sets of projections.
 - The report reaches a similar conclusion with international inflows of migrants – there was a substantial rise to 2007 then fluctuations. Outflows ie people moving out of the country have been subject to a revised method which results in a lower net figure but the report does not consider this will have caused problems with the projection.

- Swale's Unattributable Population Change for the period 2001-11 was - 1,313, the minus sign indicating that the combined effect of the ONS's estimates for births, deaths and migration flows *over-estimated* the population change suggested by the 2001 and 2011 censuses. That overestimate was 10% of the population change suggested by the censuses.
 - As natural change is very accurate, being based on the registration system, most of the discrepancy would be with estimates of migration and any other special changes. The report states that this 'error' is relatively small as there are 83 authorities for which the discrepancy is more than 50%.
- 4.3.16. The report goes on to test the impact of using later sets of Government household projections (2016, 2018 and 2020 based). It notes that the 2014 and 2016 based methodologies have substantial differences with the 2014 based projections the last set produced by DLUHC before the exercise was taken over by ONS.
- 4.3.17. Projections are sensitive to the trend period used – which partly explains why the 2016-based projections suggest somewhat lower population and household growth than the 2014-based set. A housing need figure for Swale based on the 2016 based household projections would have reflected the relatively low levels of house building in its trend period.
- 4.3.18. Testing of the 2018 and 2020 based projections produced a range of 980-1,153 homes per annum under the standard method calculation for Swale at the time that the study was undertaken.
- 4.3.19. The report noted that the standard method affordability uplift increases housing need by 32% above the demographic need implied by the household projections. The affordability trend at the time suggested this measure would continue to worsen and result in higher uplifts in the future. It also noted that Government may also change the methodology to make future uplifts higher as demographic need in future sets of projections falls. This would ensure the figures across the country align all LPA need to the 300k national target.
- 4.3.20. Overall, the report concluded that there is nothing in the historical data for births, death and migration flows to suggest there are errors or anomalies in the statistics. The overall conclusion is that there are no exceptional circumstances that would justify departing from the standard method formula based on the 2014-based household projections.
- 4.3.21. The report provides a useful reminder household projections are not forecasts. They show the number of households there would be if a set of assumptions about the size and structure of the population and the patterns of household formation were realised in practice. They do not predict the impact of future public policy, changing economic circumstances or other factors which may influence household growth.

Affordability Uplift

- 4.3.22. The 'Estimating Swale's Future Local Housing Need' report as reviewed above tested the impact of different affordability ratios but did not specifically examine the inputs into the affordability uplift. The uplift is calculated on the basis of the ratio between median average house prices and median average workplace earnings.
- 4.3.23. AECOM has reviewed these data sets and compared trends to the other Kent authorities to ensure that there are no anomalies or obvious errors in the data which might result in an erroneous uplift being applied. In summary, both median house prices and median earnings data for Swale appear to be robust and in line with the other Kent authorities. As such, the median affordability ratio appears to be correct. There do not appear to be any exceptional circumstances revealed in Swale's data that would justify using a different approach.
- 4.3.24. Figure 4-1 presents the median affordability ratio from 1997-2023 for Swale (black line) and the other Kent authorities. Swale's affordability ratio is amongst the lowest in Kent and this has remained consistent over the last 25 years ie Swale is relatively more affordable than most of the other Kent authorities, with the exception of Dover, Folkestone and Hythe and Gravesham in 2023. It is important to note that this is relative affordability and in fact median house prices in Swale are almost 10 times higher than median earnings. Nevertheless, the affordability ratio does not appear to be abnormally high and therefore is not resulting in an erroneous uplift in the standard method calculation.

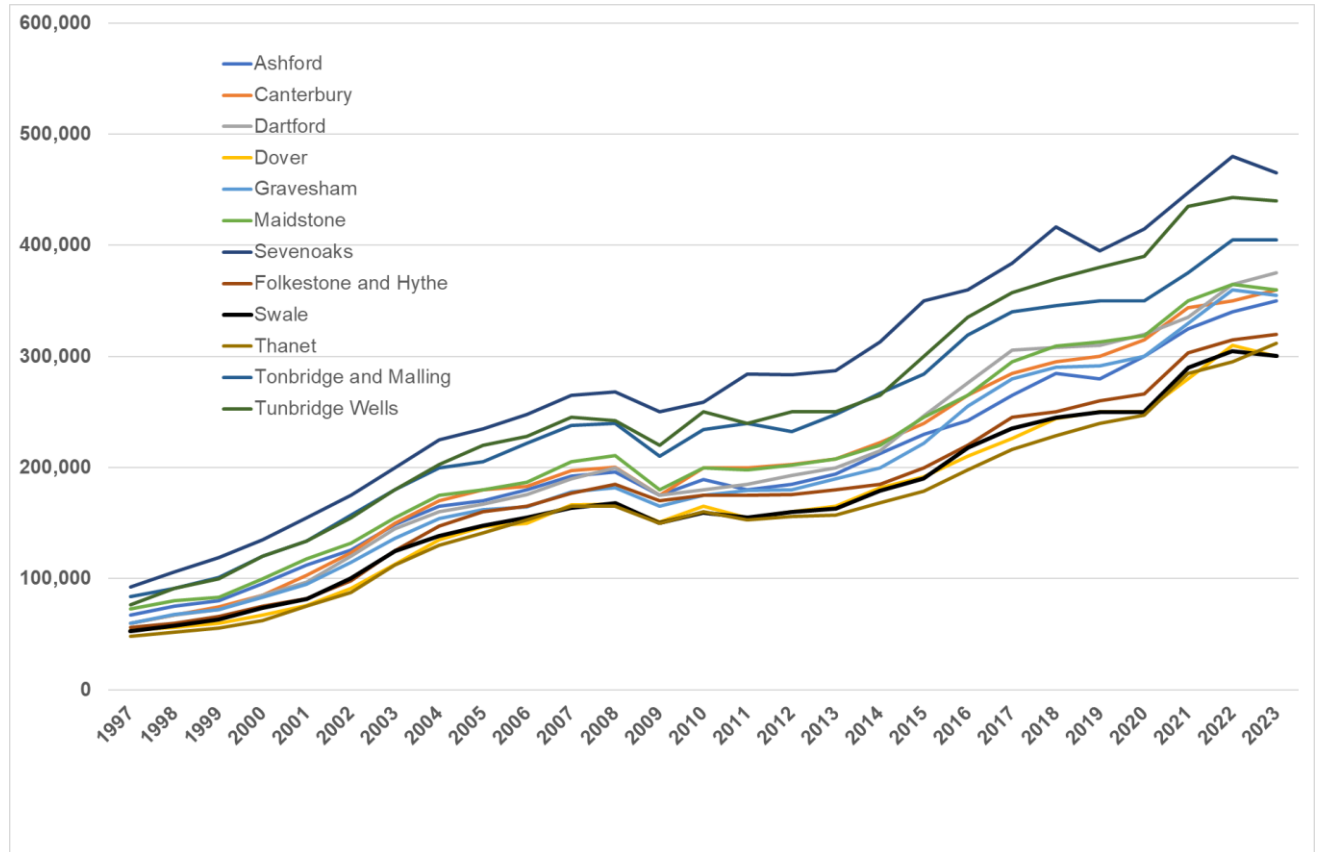
Figure 4-1: Median Affordability Ratio (median house price: median workplace earnings) in Swale and Kent authorities 1997-2023



Source: ONS

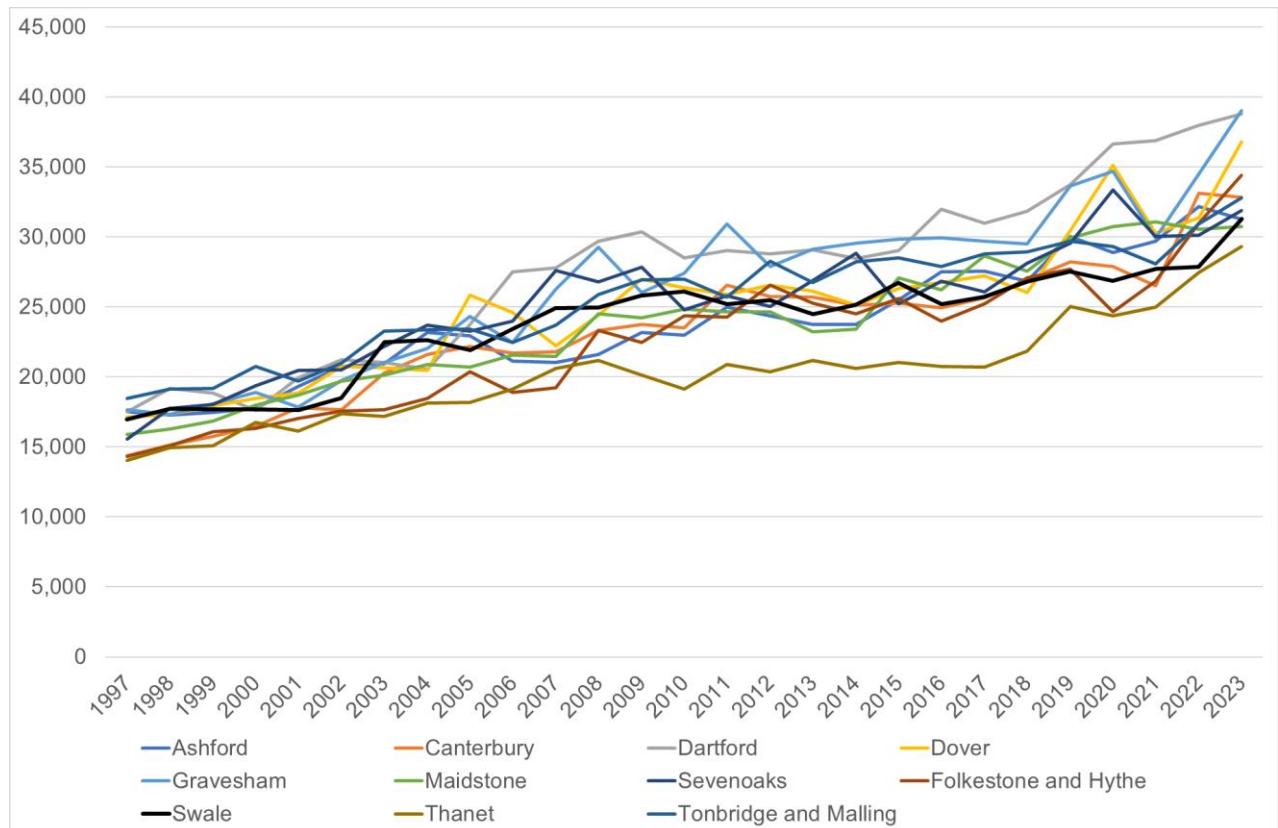
- 4.3.25. Figure 4-2 and 4-3 show the individual inputs into this ratio: median house prices and median earnings. Swale has amongst the lowest median house prices in Kent, along with Dover and Folkestone. This is consistent with the pattern of house prices identified in Swale’s Housing Market Assessment (2020) which also noted that prices in Swale were lower than the South East and England when adjusted for mix but have increased more rapidly than both in recent years. There is significant variability across the borough with the Isle of Sheppey cheaper than the mainland.
- 4.3.26. Swale also has amongst the lowest median earnings in Kent although the difference between the Kent authorities on this measure is less marked than for house prices.
- 4.3.27. On both measures, Swales figures appear to be reasonable and reflective of its position within Kent over the 25 year period. There are no obvious errors or anomalies.
- 4.3.28. The ratio improved in Swale (ie median house prices became more affordable) in the most recent year (2023) due to slight falls in house prices across most of the County alongside some earnings growth in the same year.

Figure 4-2: Median house price (££) in Swale and Kent authorities 1997-2023



Source: ONS

Figure 4-3: Median workplace earnings (££) in Swale and Kent 1997-2023



Source: ONS

4.4. Review of Economic Trends

- 4.4.1. In previous iterations of the guidance for estimating housing need (prior to the introduction of the standard method), economic and employment projections were factored in to take account of the need for housing to support economic growth.
- 4.4.2. As new jobs are created, workers are needed to fill them and this usually results in a need to increase the working age population and, in turn, the number of homes to accommodate this growing workforce. The alternative is that workers commute in from other areas to take up the new jobs and this can result in unsustainable travel patterns ie more car journeys etc.
- 4.4.3. There are many complexities behind the relationship between jobs and homes, with current unemployed people offering an opportunity to fill jobs without the need for more housing and some people taking on more than one job. However, in broad terms, employment growth generates the need for a larger workforce and accommodation for these new households.
- 4.4.4. In AECOM's experience, the number of homes needed to support projected employment growth in most areas is generally *below* the number generated by the affordability uplift in the standard method. In other words, the affordability uplift is generally large enough to encompass any employment uplift (if one were to be applied). There are exceptions to this, for example, in areas with ambitious employment forecasts linked to regeneration and growth ambitions but relatively with low demand housing markets. In these cases, affordability may be relatively good and as a result only limited uplift applied to demographic projections in the standard method. Some authority areas that have experienced very high employment growth may also find that an approach which translates jobs into homes needed would result in higher figures than those that emerge from the standard method affordability uplift (see Oxford example later in this section).
- 4.4.5. It is useful therefore to briefly consider whether the recent growth in employment in Swale, or projected growth in the future, would indicate the need to take a different approach to estimating housing need in the Borough.
- 4.4.6. At the headline level, there are around 55,000 jobs within Swale in 2022 (the latest available data) (Table 4-9). The number of jobs has increased by around 3,000 since 2015, or 375 per annum. This measure will underestimate employment to some extent as it excludes some self employed people (if they are not registered for VAT or PAYE).
- 4.4.7. This employment figure compares to 60,459 households in 2021. Not all households contain economically active people – some are retired or not working for other reasons. However, the ratio between economically active people and the number of jobs in the borough is also below 1. This means that there are more economically active people (workers) than jobs within the

borough. A substantial number of Swale workers commute out of the borough to access employment elsewhere.

Table 4-9: Number of Jobs in Swale, 2015-2022

	Employment (jobs)
2015	52,000
2016	53,000
2017	53,000
2018	53,000
2019	53,000
2020	52,000
2021	54,000
2022	55,000

Source: Business Register and Employment Survey. Note this includes employees and number of working owners and therefore includes self-employment workers as long as they are registered for VAT/ PAYE schemes. Self employed people not registered for these are excluded.

4.4.8. Key figures in the recent Employment Land Review for Swale (updated 2024) are as follows:

- Economically active people account for broadly half the total population in Swale. However, while population has grown steadily to 152,200 in 2021 (up 12% since 2011), until a recent 2021 upturn, economic activity had not grown at all over the entire decade. This is because the growth in population has been those not in the labour market.
- Unemployment has fallen over time (2010-2022). The 79,700 economically active residents in Swale in 2022 as a proportion of those aged 16-64 represents an activity rate of 84%. This rate is high amongst the highest in Kent.
- Job density, which measures the balance between total jobs in an area and the working age population (aged 16-64). A density of 1.0 would indicate labour supply and job availability are in balance, whereas a density less than 1.0 indicates more workers than jobs. The latest available employment density statistics were analysed in the Employment Land Review 2023 with a table from the report included at Figure 4-10 below. Swale remains second bottom in the East Kent 'league table' with only Medway having a lower ratio.

Figure 4-10: Swale Employment Land Review 2023 Update Table 3.1

Table 3.1 Jobs Density for East Kent, 2021

Area	Total jobs	Jobs density
Ashford	72,000	0.89
England	30,664,000	0.86
Canterbury	82,000	0.85
Kent	775,000	0.81
Maidstone	87,000	0.80
Folkestone and Hythe	46,000	0.71
Thanet	57,000	0.69
Dover	45,000	0.66
Swale	61,000	0.65
Medway	113,000	0.64

Source: ONS jobs density for 2021

- This job density data suggests an imbalance between the number of jobs within the borough and the labour force. The 2018 ELR found that 10,000 Swale residents (a large proportion) commute out for work to other parts of Kent and London made attractive by the high-speed rail connection at both Sittingbourne and Faversham. The ELR concluded on commuting rates in 2018 that without a significant shift in the pattern and quality of local employment it is unlikely that the Borough could ever reduce this flow.
- 4.4.9. AECOM has reviewed the travel to work data released from the Census 2021. However, AECOM consider this data may be misleading due to the timing of the Census survey during a national Covid lockdown. The Census form specifically asked people to answer on the basis of what they were doing at the time (and not what they did pre Covid). This may have resulted in data with increased numbers of people working from home or within Swale when, in practice, they would usually commute outside of the borough to work.
- 4.4.10. In terms of potential job growth in the future which might impact on the need for housing, the ELR presents economic forecasts (produced by Experian in 2022). Table 5.17 in the ELR anticipates job change of 177 per annum according to these forecasts over the period 2022-2040. It also notes that these forecasts are less positive than trend based job growth in the past and so actual job growth may be higher than forecast. Either way, anticipated job growth is modest compared to the standard method figure (currently 375 per annum job growth vs 1,040 dwellings per annum).

- 4.4.11. Based on this estimated job growth in projections of 177 per annum between 2022 and 2040, AECOM has estimated the number of homes that would be required to deliver a workforce to meet these employment needs.⁷ This involves determining the proportion of the working age population in Swale that are economically active and converting this population figure into households. The vacancy rate within the dwelling stock is also taken into account. This employment projection led estimate generates a need for 162 dwellings per annum (or 2,907 between 2022 and 2040) to fill the estimated job growth.
- 4.4.12. The same calculation for trend based job growth in Swale of 375 jobs per annum results in a need for 342 dwellings per annum.
- 4.4.13. Both employment led estimates generate a need for new homes which is well below the Standard Method figure calculated above. The standard method figure would deliver sufficient homes to allow the expansion of the working age population (and economically active people) to fill the jobs anticipated in the future. In fact, the anticipated job growth in Swale is likely to be insufficient to provide jobs for the increased population. In practice, residents will continue to commute out of the borough to access jobs in neighbouring employment centres, particularly Medway and Maidstone.
- 4.4.14. The imbalance between homes and jobs currently or in the future is not something that the standard method addresses. Swale is also not exceptional in experiencing an imbalance between jobs and homes and to some extent it reflects the normal pattern of housing and labour markets with some areas providing the employment and others providing the homes. However, it may be a material factor in determining the overall housing requirement for Swale, particularly if it results in unsustainable travel patterns.

4.5. The Use of Alternative Approaches

- 4.5.1. The review of inputs into the standard method calculation suggests that there is no clear justification for using a different method. However, it is useful to comment on examples in other local authorities where a different approach has been taken.

Example 1: Isle Of Wight

- 4.5.2. The Island Planning Strategy Evidence Paper 2022 on exceptional circumstances in relation to the Isle of Wight (IOW) housing number provides a useful consideration about whether an alternative to the standard method can or should be used for the authority area.
- 4.5.3. In the public consultation on the Draft Island Planning Strategy in 2021 numerous responses asked the Council to make the argument for 'exceptional

⁷ This simple estimate calculates the growth in the overall population needed to increase the number of economically active people to take up the new jobs. It assumes current levels of economic activity in the population of working age people. It then translates the population increase into households using current household size (Census 2021) and assumes the same proportion of unoccupied dwellings to translate households to dwellings.

circumstances' in setting the LHN. The comments requesting the Council to pursue 'exceptional circumstances' identified two principal factors to justify a departure from the standard method:

- That the 2014-based household projections for the Island (which are used in the standard method) derive from the 2014-based sub-national population projections. The Island Planning Strategy evidence paper June 2022 show household growth for the Island is largely (if not entirely) a consequence of net internal migration, primarily of older households, to the Island from other parts of the UK.
- That the standard method includes an affordability uplift which is added to the demographic-based household growth but, some responses argue, there is no evidence that this uplift will address affordability problems on the Island.

4.5.4. The Council's Paper cites the following arguments in response to this:

- Demographic data shows the IOW has an ageing population with in-migration from other parts of the UK comprising a significant component of the expected growth in the future. Census 2021 data demonstrates that there has been an increase of 24.7% in people aged 65 and over since 2011 (compared to +20.1% in England).
- The paper states that 'Planning Practice Guidance requires any alternative approach for establishing local housing need to be based on realistic assumptions of demographic growth.' It goes on to say that there is no evidence to suggest that the data is not realistic nor any alternative data which is more realistic or more robust.
- The paper responds to arguments that if the net internal migration element of expected demographic growth was not included in the household growth used to identify the LHN, the figure would be lower. This is an argument that could be applied in many local authorities, including Swale. However, the IOW paper states that '*there is nothing in national policy to suggest that net internal migration should not be a component of an area's LHN. It would be highly unrealistic to presume that movement around the country could be prevented through simply not making any provision for it within an area's local housing need calculation.*' If net internal migration were excluded it is very unlikely it would be seen as a 'realistic assumption' at the local plan examination.

4.5.5. The paper then deals with the second component of the standard method calculation – the affordability uplift.

4.5.6. The paper addresses the argument that the affordability uplift in the standard method does not make housing more affordable, especially with net in-migration. The paper suggests that this is not specific to the IOW. AECOM would add that this is an argument that is made in relation to the affordability

uplift and to the use of market signals in the development of a housing requirement relatively frequently. The paper makes clear that *'Government guidance does not argue that the affordability uplift will increase the affordability of homes but suggests that it will "start to address" the issue. Its primary focus is to increase the overall supply of homes.'*

- 4.5.7. Further, AECOM would add, that substantial academic research informed the development of 'market signals' in the calculation of need which led to the affordability uplift in the current standard method. This research began during the Barker Review of Housing Supply (2003/04) where the impact on prices of building different levels of homes was tested at the national level. The conclusion of this, and subsequent work by the National Housing and Planning Advice Unit, was that substantial increases in the number of new homes would impact on prices in the long term. The converse is also true, under delivery of homes in relation to need and demand results in rising prices and declining affordability.
- 4.5.8. The 300,000 homes target nationally, around which there is some political consensus with indications from the new Labour Government that this will be maintained, evolved from this research and a series of political commitments. The affordability uplift in the standard method is an evolution of the approach to ensure previous undersupply of housing nationally is taken into account in future plans.
- 4.5.9. In the case of the IOW, the Council reached the conclusion that "By taking the approach of accepting the standard method... but then assembling a robust evidence base that demonstrates why such a figure is not deliverable on the Island... this helps to mitigate against the plan being found unsound. It is the view of officers, which is supported by KC advice, that this approach has a greater likelihood of success over not accepting the standard method and instead arguing 'exceptional circumstances'."

Example 2: Oxford

- 4.5.10. Oxford City Council considered an alternative to the standard method so as not to *underestimate* need for housing. Because of the scale of economic growth in the City it was considered that the affordability uplift alone may underestimate the need for housing.
- 4.5.11. The Housing and Economic Needs Assessment 2022 (Cambridge Econometrics, Icen, JG Consulting) (HENA) was commissioned jointly with Cherwell District Council to examine the need for housing. An approach was taken to consider needs across Oxfordshire as a whole.
- 4.5.12. The principal factors justifying a departure from the standard method were cited as:
- 2021 Census data shows that the 2014-based demographic projections are inaccurate in Oxford. There were 4,300 fewer people in 2021 than had been

projected in the 2014-based SNPP. In comparison, in Oxfordshire there were 18,700 more people than projected in the 2014- based SNPP. AECOM would observe that this is common to many authorities across the country so it is unlikely to be accepted as the sole reason for exceptional circumstances.

- Historic suppression of household formation is evident in the demographic data. As the standard method is based on projections it effectively factors in historic suppression of household growth (i.e. households that would have formed but were unable to because of the unaffordability or unavailability of suitable housing). That there were c.4,000 fewer people than the projections suggested, is highly likely to be a function of this suppression. This issue seems to be further illustrated by the percentage loss of young people in Oxford, particularly in the 0-4 age bracket. The decrease of children, particularly very young children, suggests that households with young children are leaving the city in order to find suitable housing, because it is not available within the city.
- Evident in affordability issues. The impacts of the suppression of household formation due to an insufficient supply of housing are clear in the data showing the need for affordable housing. This is calculated in the HENA to be 1,010 affordable homes needed in Oxford per annum. This number is greater than the standard method calculation of Oxford's overall housing need (762). The scale of the affordable housing need demonstrates that the standard method calculation, including the small affordability adjustment, is not an accurate reflection of housing need in the case of Oxford.
- High levels of in-commuting. Oxfordshire currently has a net commuting inflow of 20,500 people, reflecting the strength of Oxfordshire's labour market and its high employment density. Oxfordshire's tight labour market has been reliant on workers residing outside the county to sustain its economic growth. The high level of in-commuting to Oxford and to Oxfordshire is a symptom of the supply of housing not keeping up with the supply of jobs and a historic and on-going undersupply of homes.
- Economic growth is not well factored into the standard method. It does not account for actual economic trends or strategies that reflect the importance of Oxford and Oxfordshire to the regional and national economy. Employment growth has been in excess of housing delivery in Oxfordshire, resulting in a growing surplus of workforce workers over resident workers and growth in net commuting into Oxfordshire and deteriorating housing affordability resulting from the associated supply/demand imbalance.

4.5.13. The HENA considered 4 scenarios for calculating the housing need. The first two scenarios are based on demographic projections, with affordability considerations also factored in. The other two scenarios consider how many additional jobs may be created and from this, the population needing homes is estimated (with an assumption about how many will be commuting into the

county and therefore not needing homes in the county), and from that the number of additional households and therefore homes required is calculated.

- The Standard Method: This standard method collated figure for Oxfordshire shows a need for 3,388 dwellings per annum (as at 2022).
- The Census-adjusted Standard Method: This scenario adjusts the standard method to reflect the release of the population results from the 2021 Census. The Census-adjusted standard method scenario for Oxfordshire shows a need for 4,721 dwellings per annum.
- Cambridge Econometrics baseline trend scenario: Cambridge Econometrics model forecasts jobs growth from which the level of associated housing need is derived. The CE baseline trend scenario for Oxfordshire shows a need for 4,406 dwellings per annum.
- Economic development-led scenario: This scenario uses jobs growth based on the Local Investment Plan (LIP) that supplements the Local Industrial Strategy (LIS). From the predicted jobs growth, the level of associated housing need is derived. This scenario for Oxfordshire shows a need for 5,830 dwellings per annum.

4.5.14. The Census-adjusted Standard Method and the CE Baseline Trends forecast give very similar results, which are in the middle of the other two scenarios. The HENA and Oxford City Council argue that the robustness of these scenarios is demonstrated by their similarity and so either could be selected as an appropriate scenario for identifying Oxfordshire's housing need. They consider that, on balance, the Census releases are not complete, and because one exceptional circumstance that justifies departing from the Standard Method is likely to be insufficient because it does not directly account for economic needs and runs the risk of making existing housing shortages worse, the economic baseline trend scenario is the most appropriate scenario (4,406 dwellings per annum).

4.6. Conclusion

4.6.1. AECOM's review considers that the demographic inputs into standard method are reasonable for Swale. There are no errors or anomalies in Swale's demographic data, as examined in depth by the John Hollis work.

4.6.2. The Census 2021 reveals a discrepancy with the 2014 based projections but this is common across country and also reflects household suppression and under delivery of new homes in the past. Government will need to address the use of 2014 based projections now that the Census has been released and AECOM would expect a revised standard method in the short term alongside amendments to the NPPF and PPG.

- 4.6.3. The standard method affordability uplift for Swale appears to be reasonable – there are no obvious errors or anomalies in either the house price or earnings data that would affect the ratio and therefore the uplift.
- 4.6.4. The affordability uplift produces a 35% uplift on household growth in Swale. The IOW Council’s discussion on this is useful and clear. The uplift is essentially a mechanism for addressing historic undersupply nationally. It is, in part, designed to achieve 300,000 homes nationally overall and so works on a collective basis.
- 4.6.5. The standard method’s demographic projections are dated and the affordability uplift appears somewhat arbitrary, but the calculation is no more or less appropriate to Swale as it is to any other LPA in England.
- 4.6.6. This section has considered whether any alternative approaches to the standard method should be considered. The main alternative approach to assessing the need for housing is to consider the number of homes needed to support anticipated job growth. This approach is generally only used when LPAs need or want to deliver more housing than the standard method implies, backed up by NPPF and PPG wording which considers the existence of a Growth Deal justification for using an alternative approach.
- 4.6.7. Swale’s job growth has been limited and there is net out commuting of workers to other authority areas to access jobs. There may be an argument around unsustainable commuting patterns resulting from Swale’s housing growth and limited job growth. AECOM would suggest this is best addressed through strategic planning that considers the functional housing and travel to work areas and the best places within these to promote growth and deliver homes.
- 4.6.8. Overall, on the basis of the evidence AECOM has reviewed there are no clear exceptional circumstances that would justify the use of an alternative method to the standard method to calculate local housing need in Swale.
- 4.6.9. Finally, the new proposed Standard Method would use the dwelling stock as its starting point rather than household projections. Whilst the proposed NPPF text out for consultation would remove ‘exceptional circumstances’ in the calculation of housing need, there appear to be some data discrepancies relating to Swale’s dwelling stock data which would merit further examination.

5. Housing Requirement

5.1. Introduction

5.1.1. This section summarises the major influencing factors that are likely to inform the housing requirement in Swale's LPR:

- **Growth related opportunities** locally – exploring the need for housing growth, including in support of the local economy, infrastructure delivery and regeneration.
- **Environmental constraints** to growth – illustrating the key environmental issues, assets and designations locally.
- **Infrastructure constraints** to growth – this situation is complex and ever-changing. The most up to date Infrastructure Delivery Plan has been reviewed with key extracts presented to highlight capacity issue or where reinforcements are most likely to be needed.
- **Viability and deliverability** challenges – the Borough's existing available evidence on viability is used to identify spatial challenges to delivery over the coming plan period.
- **Scoping of potential supply options** – a recap of the local supply is provided based on existing available evidence, including with reference to the pending planning applications for major urban extensions.

5.1.2. An important point to note is that there is a large supply of housing that is already committed in Swale i.e. development is set to come forward on sites which already have planning permission and/or an allocation in the current Local plan. The great majority is expected to deliver housing in the period 2022 to 2038. These sites will be 'rolled-forward' into the new LPR, such that the task of the LPR can be thought of as building on a baseline position characterised by a 'healthy' existing committed supply.

5.1.3. Indeed, committed housing supply that is expected to deliver in the LPR plan period amounts to around two thirds of the total housing need for the LPR plan period, which leads to a good degree of flexibility when preparing the LPR, particularly in respect of selecting sites for allocation.

5.2. Growth Opportunities

- 5.2.1. This sub-section includes a summary of the key growth (and corporate) strategies adopted locally that seek to attract inward investment and deliver economic growth. Each of the key documents are summarised briefly below to understand their interrelationship with housing need, policy and delivery.

2023 Kent Property Market Report

- 5.2.2. The 2023 Kent Property Market Report⁸ (an annual guide to investment and development in Kent) states that in Swale there has been:

“significant interest and development, particularly around the industrial sectors...Construction on the new Wallbrook Business Park – 38,000ft² (3,530m²) on the Isle of Sheppey is well advanced and...A new logistics/manufacturing building called Saxon 53 is planned for close to the Trinity Trading Estate, Sittingbourne [52,743ft ²(4,900m²)]....Construction has also started on Project Fortress (formerly Cleve Hill Solar Farm) which is a photovoltaic power station on the Graveney Marshes between Faversham and Whitstable...it will be the largest solar farm in the UK, generating 373MW of electricity from 900 acres (360ha) and 700MWh of battery storage.”

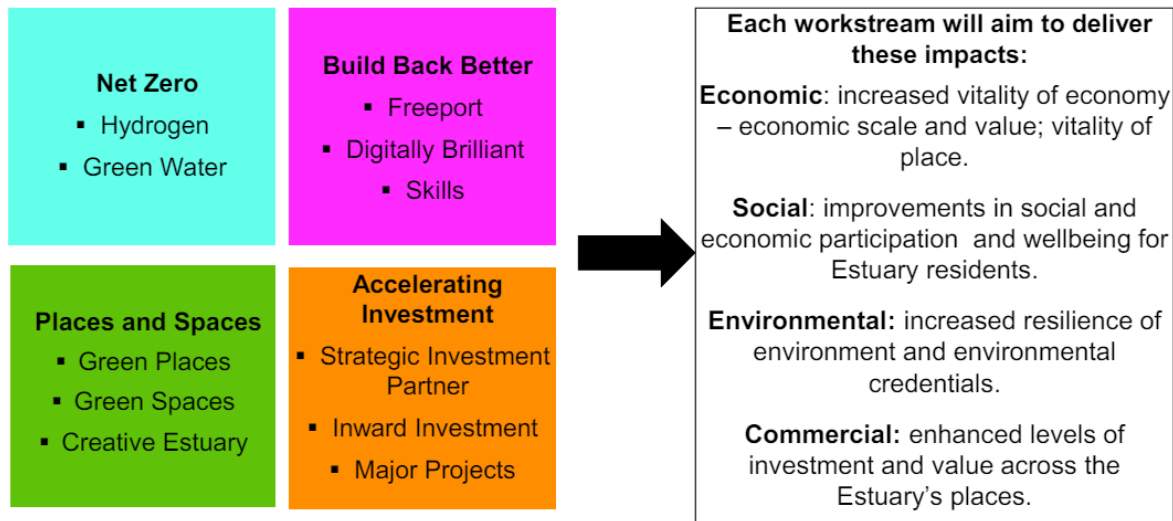
- 5.2.3. These observations of the local market suggest that there is private sector appetite to develop non-residential uses in Swale.

Thames Estuary Growth Board ‘Green Blue’ Vision (updated 2022)

- 5.2.4. The ‘Green Blue’ is the Thames Estuary’s vision for the region. The Workplan describes what the Board will do to deliver the ‘Green Blue’ vision and how they will measure the impact.

⁸ Accessed at: <https://www.kentpropertymarket.com/>

Figure 5-1 Thames Estuary Growth Board Vision Themes and Impacts



5.2.5. One of the results targeted in the accompanying ‘Green Blue’ work plan is to achieve: *‘Speed/scale housing delivery, investment in affordable homes, investment in social and community infrastructure.’* The Board envisage that this shall be achieved, in part, by delivering a: *‘growth focused Infrastructure study with Homes England, targeting activities to accelerate critical infrastructure delivery, the promotion of good design and placemaking.’* It is likely that the new Government and existing Growth Board shall continue to consider strategic growth opportunities in the Thames Estuary over the next plan period, working in collaborations with KCC and Swale.

Framing Kent’s Future (2022)

5.2.6. Framing Kent’s Future is KCC’s top-level council strategy for 2022 to 2026. The strategy is built around four key priorities, which aim to shape and frame Kent County Council’s response to the challenges and opportunities up to 2026:

- Levelling Up Kent
- Infrastructure for Communities
- Environmental Step Change
- New Models of Care and Support

5.2.7. KCC prioritise the environment, sustainability and climate change as part of their corporate objectives. One of its four key priorities being an ‘Environmental Step Change’. This includes commitments to:

- Improve how KCC values and protect Kent’s environment;
- Take steps to achieve Kent’s target of Net Zero by 2050;
- Back carbon-zero energy production; and
- Ensure the county is well placed to adapt to climate change.

5.2.8. The strategy also seeks to: “Support strategic opportunities for growth through the delivery of sites and premises and support for new investment and business

expansion, where it will deliver higher-value jobs and increased productivity and contributes to our Net Zero target.”

- 5.2.9. KCC aim to deliver growth through an ‘infrastructure first’ approach. As the Local Highways Authority, Local Education Authority and Lead Local Flood Authority, KCC have a large influence on the constituent Local Plans in the County. KCC’s strategy is to leverage economic growth alongside commensurate levels of infrastructure investment and delivery.

Kent & Medway Economic Framework (2024)

- 5.2.10. KCC and Swale are active members of the Kent and Medway Economic Partnership (KMEP) with the power to help positively deliver on the aspirations of the Kent & Medway Economic Framework (KMEF). The KMEP is the economic partnership for Kent and Medway which aims to drive forward economic growth and prosperity throughout the region. It was set up in 2013. KMEP is governed by a Board and chaired by the private sector, with membership drawn from business, local government, further and higher education (including Swale and KCC representatives).
- 5.2.11. KMEP will remain one of the four federated partnerships which comprised the former South East Local Enterprise Partnership (SELEP). Both KMEP and SELEP worked on the transition of LEP responsibilities to local authorities by April 2024.
- 5.2.12. To support this, KMEP published the KMEF in 2024. It highlights that the area is a large complex and polycentric economy with: “Around 45% of the county’s population lives in Greater North Kent, stretching from Dartford via Gravesham and Medway to Swale and Maidstone. Historically, an important area of industrial activity along the Thames Estuary and the Medway, North Kent has seen substantial industrial restructuring and diversification over recent decades, leading to some of the UK’s most significant (and successful) regeneration projects...[including] important local concentrations (such as manufacturing in Swale).”
- 5.2.13. The KMEF includes a high level economic framework setting out three overarching objectives (supporting the development of an economy that is more “productive, sustainable and inclusive”). This is supported by Five Ambitions: key themes, within which we have set out a series of ‘areas for action’ at county-wide level over the medium term.

Figure 5-2: KMEF Economic Framework



5.2.14. Action Area 4: Supporting the conditions for growth includes ambitions to support future growth. The KMEP state they will “take an active role in bringing forward new development, investing in co-working and innovation space, de-risking sites and providing investor confidence.”

Employment Land Review Update (2023)

5.2.15. The Employment Land Review Update (Stantec, 2023) is an addendum to the 2018 ELR. The update reports a growing strength in the industrial and logistics and life sciences markets, with the office market remaining static since the earlier study. The study concludes the following for industrial land and office floorspace:

- **Industrial land:** “73 ha – with demand of 48 ha, plus a margin of 25 ha. Pragmatically the Council could view the 48 ha (of new land) as the minimum needed for the plan period, with the higher 73 ha requirement (inclusive of the 25 ha margin) the target to aim for.”
- **Office floorspace:** “the unmet need for new office floorspace is just 1.1 ha; virtually no requirement. In effect our assessment is that over the Plan period office floorspace is likely to remain in quantitative terms where it is today, and what new office / hybrid space comes forward will be counter-balanced by the continued loss of outdated office premises. The focus should remain on the refurbishment of existing stock and/or providing good quality flexibly industrial/hybrid space.”

Retail & Leisure Needs Assessment - 2023 Retail Capacity Update

5.2.16. Swale Retail & Leisure Needs Assessment – 2023 Retail Capacity Update (Alder King, December 2022) concludes that there is convenience retail

capacity in Sittingbourne and Sheerness, but not Faversham. For comparison goods capacity there is a higher capacity identified in all three settlements since the 2018 study:

“The update shows that convenience goods floorspace capacity is estimated to have increased in both Sittingbourne and Sheerness where capacity for a medium sized foodstore in Sittingbourne and a small sized foodstore/small format store in Sheerness could potentially be supported in the 10 year NPPF period. The capacity assessment also assesses that there continues to be no convenience goods floorspace capacity in Faversham in the 10 year NPPF period or the longer plan period.

In terms of comparison goods capacity, the updated assessment identifies reduced capacity in all three of the borough’s centres. This is primarily due to changing consumer behaviour coupled with the impact of the Covid-19 pandemic and rising inflation which has resulted in: reduced forecasts of growth in comparison goods expenditure per head; higher forecast comparison goods sales density growth. Within the NPPF 10 year minimum period for identifying capacity, there is assessed to be 2,300-4,200sq m net floorspace capacity in Sittingbourne, 100-200sq m net capacity in Faversham, and 800-1,400sq m net capacity in Sheerness.”

Summary

- 5.2.17. Swale’s location within the wider Thames Estuary and Greater North Kent means that the Borough forms part of a nationally/regionally important growth area prioritised by Government, the County Council and sub-regional public-private partnerships (e.g. KMEP). Local market evidence and the Council’s most recent Employment Land Review and Retail Needs Study evidence that commercial development markets are relatively buoyant and land is still required for allocation as part of the LPR to meet demand. In order to achieve a sustainable level of self-containment and to reduce out-commuting by private vehicle, it is necessary for Swale to have good quality public transport infrastructure and homes available locally to meet needs that are driven, in part, by economic growth.
- 5.2.18. Based on a review of the critical growth strategies locally, there is not a strong argument for setting a housing requirement below the LHN on this basis. The housing requirement should be set at a level that boosts the supply of housing and in response to local economic factors.

5.3. Environmental Constraints

- 5.3.1. This sub-section summarises the headline environmental constraints that might have a bearing on Swale’s housing requirement.

Environmental assets and designations

- 5.3.2. A key issue for the Borough as a whole is avoiding impacts to the Swale and Medway SPA/Ramsar sites (“North Kent Estuaries European sites”), including via increased recreational pressure, development of land that is functionally linked to the European sites (e.g. fields used for foraging or roosting by significant wildfowl or wading bird populations) and/or coastal squeeze, i.e. a situation whereby coastal habitats are not able to retreat inland in response to sea level rise. However, growth opportunities in problematic locations are quite limited (more so than was the case for the adopted Local Plan).
- 5.3.3. Aside from the internationally designated sites, nationally designated SSSIs are a limited constraint to growth at locations potentially in contention for allocation; however, locally important habitats are a widespread constraint, and there is also a need to recognise landscape-scale constraints and opportunities. The Biodiversity Baseline Study (2020) notably identifies a spatial framework of landscape-scale ‘Priority Areas’, which will be taken forward through a Local Nature Recovery Strategy.
- 5.3.4. The areas of greatest constraint are located in the Northern and Southern extents of the Borough aligned with the SPA, National Landscape and Flood Zone 3. There is also significant incidence of the Best and Most Versatile agricultural land in Swale (as like much of Kent).

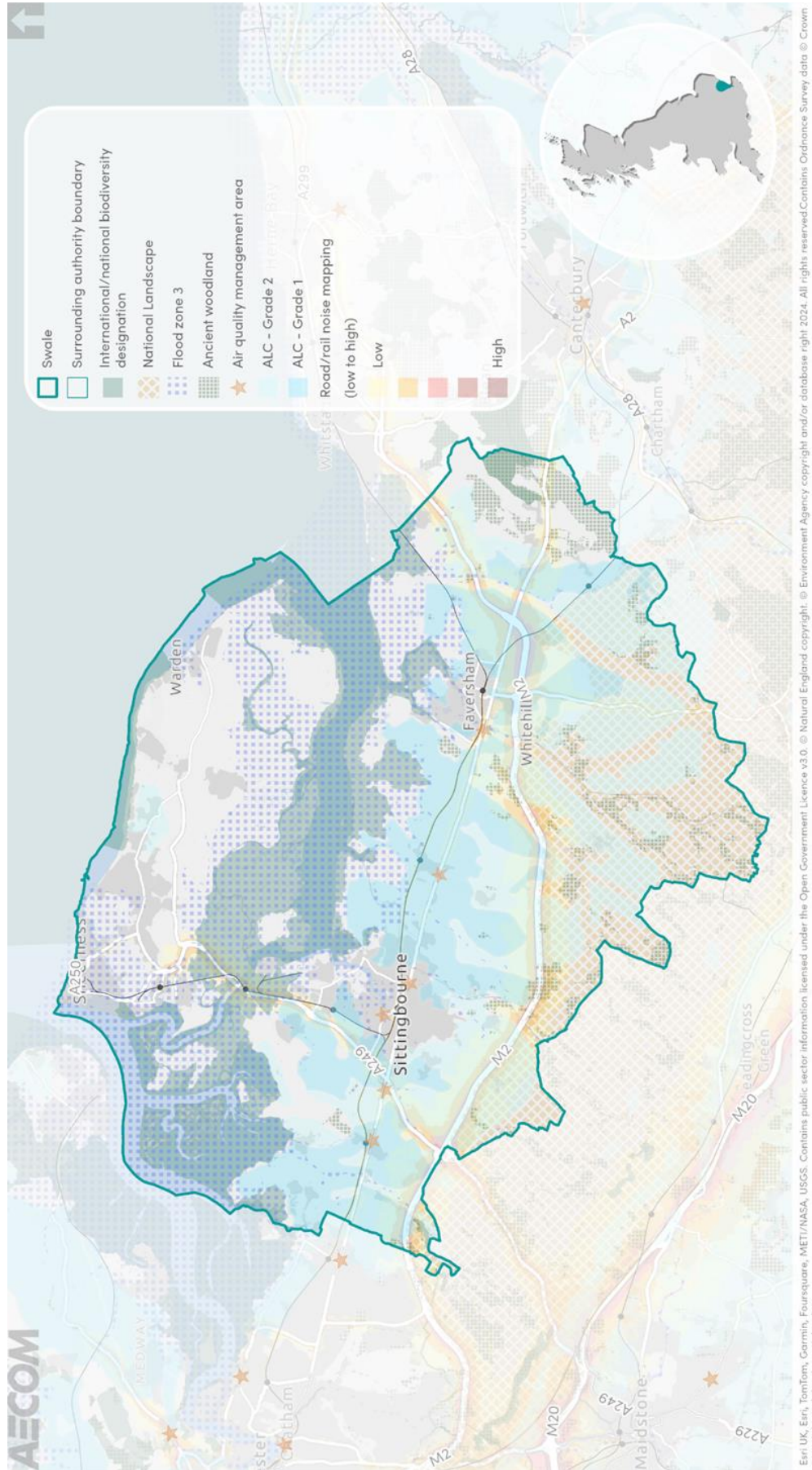


Figure 5-3 Environmental Constraints

Summary

- 5.3.5. Swale is a coastal authority with a large area of the Kent Downs National Landscape in the south of the authority and a high incidence of high quality agricultural land. As such, identification of sites is challenging locally and striking the right balance between growth/housing delivery and conservation and enhancements of the natural environment will take careful planning. The environmental constraints present in Swale are recognised in paragraph 11(b) (and footnote 7) of the NPPF as key factors that must be considered in plan making when deciding if objectively assessed housing needs can be met.
- 5.3.6. However, the LPR LHN and land availability position in Swale (in and around) the established settlements suggest that there is not a strong argument for planning below LHN. This should be tested in greater detail through the Sustainability Appraisal and Habitats Regulation Assessment to fully understand the cumulative impacts before proceeding with a basket of sites and strategy that is capable of passing the NPPF's tests of soundness.

5.4. Infrastructure Constraints

- 5.4.1. This sub-section covers a review of physical and social infrastructure capacity. The most recent publicly available Infrastructure Delivery Plan (IDP) was published in January 2021 and extracts are included under the themes of:
- Power
 - Potable Water
 - Foul Water
 - Transport
 - Education
 - Health
 - Social Provision.
- 5.4.2. Generally speaking, physical infrastructure (such as utilities) will not be viewed as an absolute constraint on development where reinforcements can help to address identified capacity issues. Having said this, the timing of reinforcements is important and can be material to the deliverability of sites during the LPR plan period. Similarly, the geography of Swale/Kent can present unique challenges. For example, the highways network has been identified by statutory consultees as a key challenge to growth in the Borough. Similarly, Kent is generally reliant on groundwater for potable water supply. If one or more infrastructure challenges cannot be resolved in a timely fashion through public intervention or enabling development this can have implications on the overall soundness of the spatial strategy.

- 5.4.3. The edited extracts are limited to content in the IDP regarding spatial implications, sites and future provision only.

Power

- 5.4.4. Queenborough and Rushenden - there is a 6.6kV main sub-station in the vicinity of the Rushenden South site that has available headroom to serve the developments previously proposed as part of the earlier formal consultation. However, should there be several large developments in the area reinforcement may be required... as the development continues to progress at the site, it is expected that a gas network reinforcement project would be required to ensure security of supply not only to the development, but also to the surrounding area.
- 5.4.5. Sheerness - the area is served by a 6.6kV main sub-station which has headroom. There are no capacity issues, therefore, for smaller developments although large one off developments may require reinforcement.
- 5.4.6. Sittingbourne - there are two 11kV main sub-stations serving the area both of which have headroom. Reinforcement of the extra high voltage (EHV) network may be required at some point to provide additional capacity depending on loading requirements, for example to serve larger industrial developments.
- 5.4.7. Faversham - the east of Faversham is served by an 11kv main sub-station that has recently been upgraded to give a large increase in headroom and the 'second comer' regime(25) may apply depending on when developments come forward and seek a connection to the network. The south east of Faversham could, depending on gas demand and the connection point(s) to the gas network of the development(s), potentially trigger the requirement to reinforce the gas network on the eastern side of Faversham.
- 5.4.8. Lamberhurst Farm - there may be a need for significant reinforcement but this will depend on the type of employment users that occupy the development and whether there is sufficient network capacity for their likely loading requirements.
- 5.4.9. Rural areas - local network reinforcement would be required.

Potable Water

- 5.4.10. The north west of the Borough, including the Isle of Sheppey, is within Southern Water's Kent Medway WRZ (supplied from a mixture of groundwater and water from rivers), whilst the remainder of the Borough is located in the South East Water's WRZ8, where drinking water is supplied by groundwater and imported water from Southern Water. Neither water company has identified issues with the supply of water over the plan period.

Foul Water

- 5.4.11. There was sufficient permitted capacity at the Eastchurch, Motney Hill and Teynham Waste Water Treatment Works (WwTWs) to accept the planned level of growth. The headroom at the Faversham WwTW was already limited and at

Queenborough WwTWs the available headroom capacity would be used by 2024, requiring Southern Water to apply for new discharge permits. More stringent quality conditions would be required relating to Biological Oxygen Discharge to ensure no deterioration in the water quality of the Swale Estuary. However, the Study concluded that this could be achieved through conventional treatment and that a technical solution would be feasible.

5.4.12. Following assessment of the site allocations proposed in the Regulation 19 Local Plan, Southern Water have advised that there will be a need for reinforcement of the wastewater network in order to provide capacity for development in Sheerness, Sittingbourne, Faversham, Teynham and Neames Forstal.

5.4.13. Southern Water have also advised that the Faversham WwTW may require upgrading towards the end of the plan period. Southern Water would seek funding for any upgrade through a future AMP cycle but the timing of an upgrade to the WwTW would depend on the build out rate of larger sites and available capacity at the WwTW.

Transport

5.4.14. The road network in Swale is focused east/west along the M2/A2 corridor with the A249 and A251 providing the main north/south routes. Traffic and transport capacity issues are significant limitations of the existing network and at key junctions between the local and strategic highway network giving rise to capacity issues at peak hours, typically queuing from slip roads onto the main carriageway of the strategic road network (SRN).

5.4.15. National Highways have commented that the Isle of Sheppey and wider Borough is effectively a cul-de-sac resulting in all but very localised traffic normally making use of the SRN. As such, future development needs to carefully consider the transport implications and associated infrastructure issues on the SRN and local highway network, including the M2/A2/A249 corridor. As the major roads are linked across the Borough the cumulative impact across all major junctions needs to be considered. National Highways have also indicated the need, due to known capacity issues within the Borough, for the phasing of large scale development with the timescales for the delivery of planned junction improvements or improvements identified as a consequence of bringing forward the reviewed Local Plan. They also emphasise that this should be combined with maximising the move to sustainable transport use.

A249 Stockbury Roundabout at J5

5.4.16. National Highways are undertaking improvements to the A249 Stockbury Roundabout at J5⁹, which was operating over capacity. National Highways currently seek to restrict, through the imposition of a Grampian condition on a

⁹ Accessed at: <https://nationalhighways.co.uk/our-roads/south-east/m2-junction-5-improvements/>

planning permission, occupancy of developments that may be permitted until the completion and opening of the scheme to traffic. Following scheme completion, J5 will have capacity to support the delivery of growth planned in the adopted Local Plan but further assessment will be required to determine how much, if any, of the further growth now planned for through the LPR can be accommodated.

M2 Junction 6

5.4.17. J6 is not a well-used junction due to its layout and proximity to J7 and there is currently some spare capacity at the junction. There is, however, a risk of traffic on the A2/A251 queuing back to J6 and National Highways have highlighted the possible need for additional mitigation over and above that currently planned in the KCC A2/A251 junction improvement scheme.

M2 Junction 7

5.4.18. J7 (Brenley Corner), where the M2 and A2 meet, is a pinch point on the strategic transport route for traffic travelling onto Canterbury and Dover, particularly for HGVs travelling to the Dover port. The junction is currently operating at capacity level with the current configuration of the junction regularly creating peak hour congestion as traffic on the SRN mixes with traffic on the local road network leading to queuing on the approach roads. The capacity of the junction, therefore, is not only a constraint to development locally but also more widely across north and east Kent, particularly development in local authority areas along the M2/A2 corridor and also has wider strategic impacts on the economy of the south east.

5.4.19. There is currently no committed national improvement scheme to mitigate the above issues although KCC have proposals for minor improvements to the local roads approaching the junction. An improvement scheme to remove the congestion due to the gyratory, creating a continuous M2/A2 route and providing for a free flow of traffic is planned. The scheme has been included as a pipeline scheme in the national Road Investment Strategy 2 (RIS2) for development during 2020 - 2025, with potential delivery beyond 2025, although there is no commitment to the scheme ultimately being included in RIS3 for funding and taken through to construction. National Highways have previously indicated that until firm proposals for an improvement scheme come forward the RIS2 proposals cannot be relied on to mitigate the development planned for in the emerging Local Plan and there will be a need to assess impacts and mitigation measures at a local level; this work is ongoing.

A249 Junctions

5.4.20. There are improvement schemes proposed for three junctions on the A249¹⁰, at Key Street, Bobbing and Grovehurst Road. The aim of the improvements is to reduce congestion, improve journey time reliability and provide additional road capacity for planned new housing as well as improve facilities for

¹⁰ Accessed at: <https://www.kent.gov.uk/roads-and-travel/road-projects/in-progress-road-projects>

pedestrians and cyclists. The schemes proposed for each junction are summarised below.

Education

5.4.21. For early years, KCC will either seek developer funding to provide nursery provision, which may include securing community rental or leasehold accommodation availability for private, voluntary or independent sector providers of 0-4 childcare. When a new school is delivered a nursery space is now included in the design, with KCC working to identify early years provision and the most appropriate way to deliver this.

5.4.22. KCC have indicated that there will be a need for a mixture of SEN provision, including:

- the expansion of the new SEN school on the Isle of Sheppey for primary SEN provision;
- a new SEN school;
- contributions towards specialist resource provision in new mainstream primary and secondary schools.

5.4.23. The adopted Local Plan IDS identified a need for the following secondary provision:

- New 6FE school on North West Sittingbourne mixed use allocation (over 2 phases)

5.4.24. Since then, KCC have also identified the need for the expansion of several existing schools to provide additional secondary places arising and these are reflected in the Infrastructure Delivery Schedule. Following discussion on the development now proposed across the Borough, KCC have indicated that there will also be a requirement for the following education provision:

- New 4FE school on site to east of Faversham

5.4.25. For sixth form and further education, an assessment in the previous Commissioning Plan of capacity in non-selective and selective schools indicated that across Swale there is sufficient capacity in non-selective provision, with the exception of the Faversham area where a deficit in provision was forecast from 2022/23. In the case of selective school provision, there was a need for additional provision in the Canterbury and Faversham planning area (from 2021/22) and Sittingbourne and Sheppey, although the need here was required from 2024/25.

Social Provision

5.4.26. The IDP has a section on 'Social Provision' which refers to community facilities that do not fall under the headings of Education or Health. This may include community centres, social care, community learning and/or library services.

5.4.27. There is no spare capacity to meet the additional demands on youth services arising from new developments, KCC will seek a developer contribution towards the provision of additional facilities locally to mitigate development impacts.

Health

5.4.28. GP practices in Swale have some of the highest patient/full time equivalent GP ratios in the country. In July 2019, the ratio of patient/FTE GP in Swale CCG was 2,608 (4th percentile) and the ratio for Canterbury and Coastal CCG was 2,051 (2nd percentile). This compares to a national average of 1,721 patients/FTE.

5.4.29. Both Swale and Canterbury and Coastal CCGs published estate strategies, which define at PCN level the priorities for general practice development over a five year period to respond to population growth and ensure the estate is 'fit for purpose'. The most recent strategies focus on planning for population growth and the impact this has on the capacity of general practice premises and the requirement for improvements to existing facilities or the need for purpose built facilities. The strategies are used by Kent and Medway CCG in assessing the impact of proposed developments on local practices and responding to planning applications. The priorities identified in the strategies are:

- Maximising use of Sheppey Community Hospital site
- Expansion of Sheppey Healthy Living Centre
- Re-opening of Warden Bay branch surgery
- Maximising use of Sittingbourne Community Hospital site
- Expansion of Memorial Medical Centre
- Extension to Chestnuts Surgery
- Relocation of existing Lakeside and Milton Regis premises to a new building
- Extension to Meads Medical Practice
- Extension to Newton Road Surgery
- Reconfiguration of Faversham Health Centre

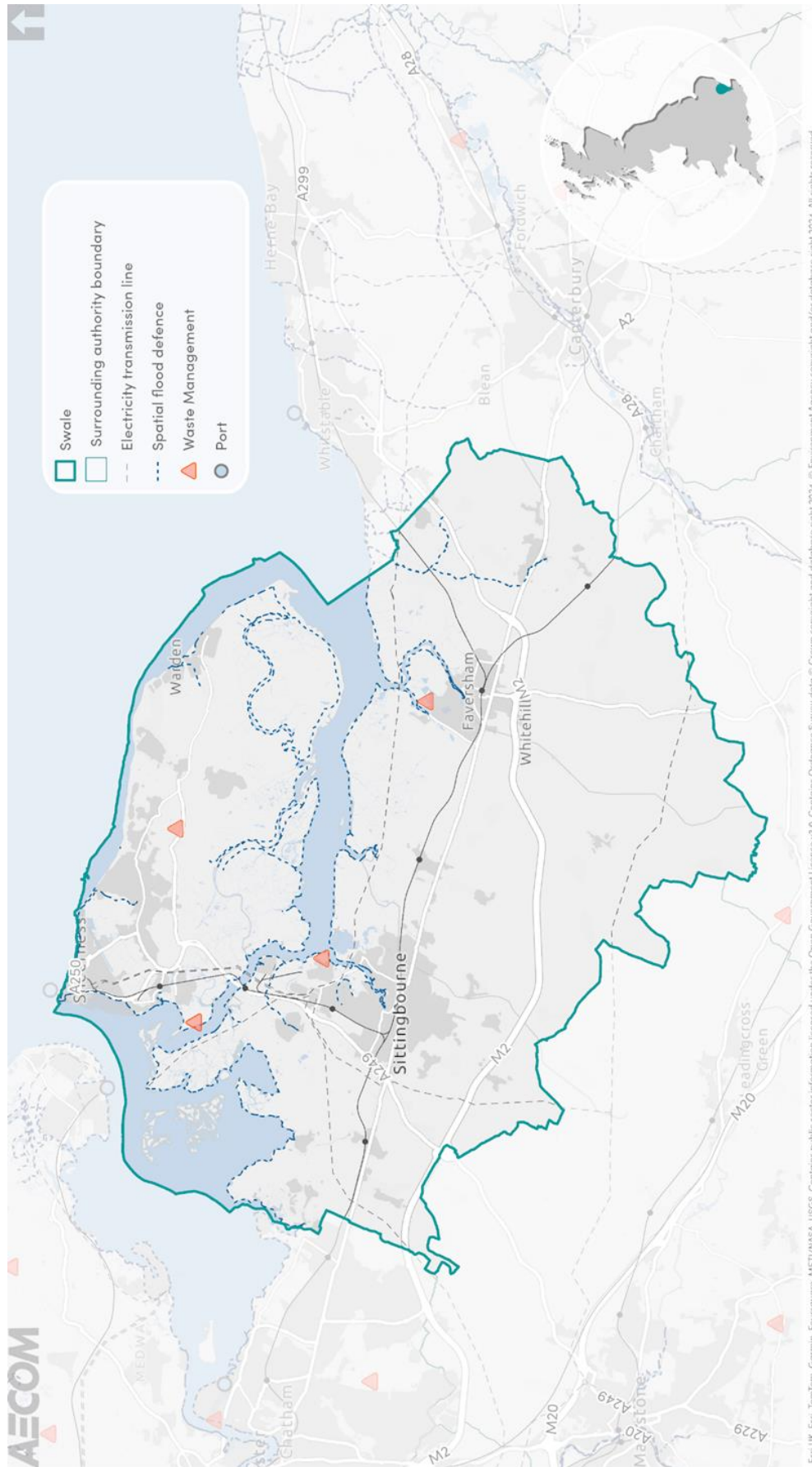


Figure 5-4 Strategic Infrastructure in Swale

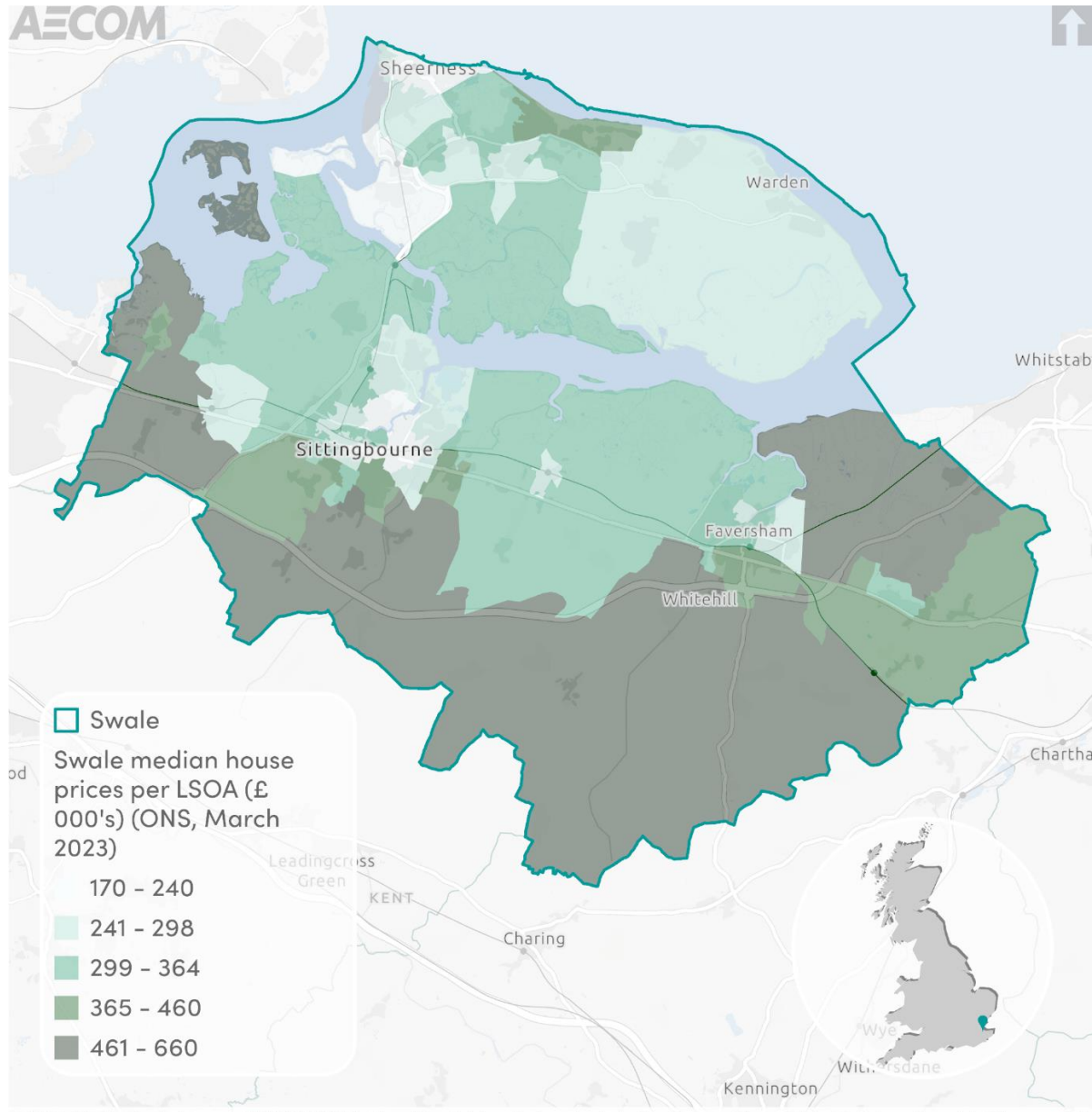
Summary

- 5.4.30. As noted in the introduction to this section, most physical infrastructure capacity issues can be resolved via an engineering solution. However, the delivery of social infrastructure is more complex and shall require careful planning with key stakeholders to match new population growth locally with commensurate education, health and community facilities.
- 5.4.31. Based on the evidence available, there could be a case for setting a housing requirement below LHN on the basis of the transport issues, principally highways capacity, acting as a break on growth in the Borough if satisfactory reinforcements cannot be delivered in a timely fashion. Elsewhere in the UK, Local Planning Authorities have deployed stepped housing trajectories to account for delays in delivery on key infrastructure items related to strategic sites.

5.5. Viability and Deliverability

- 5.5.1. This sub-section explores viability and deliverability challenges in Swale, with reference to the Local Plan viability studies (2020 and 2024); the Kent County Council Developer Contributions Guide (2023); and mapping local house prices based on the most up to date data from the ONS (2023) (Figure 9-1). The evidence demonstrates that house values and relative levels of deliverability are highest in the rural areas (South and Western/Eastern extents of the Borough). The most challenging areas are in the Central and Northern areas (the Isle of Sheppey, Sittingbourne and Faversham), albeit some locations adjacent to the major settlements are located in higher value areas.

Figure 5-5: Swale Median House Prices by LSOA (ONS, March 2023)

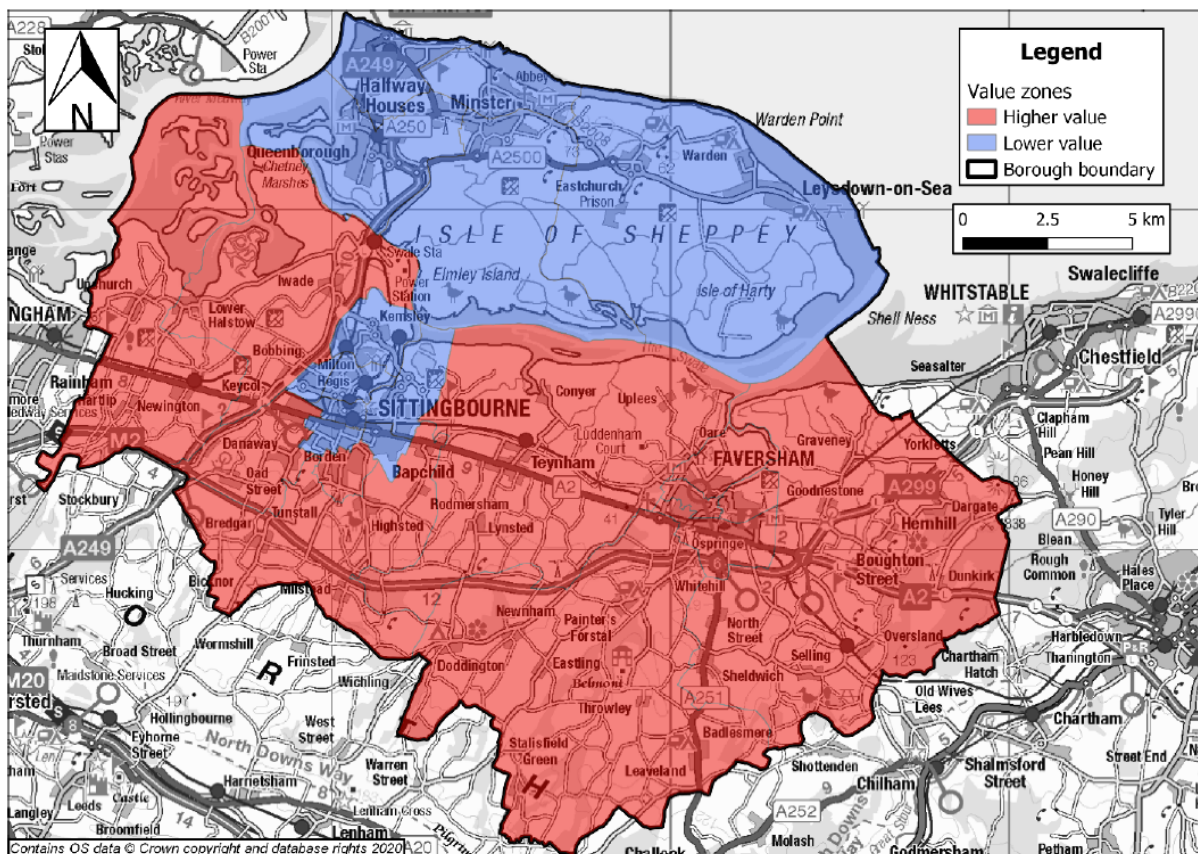


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Local Plan Viability Study 2020 (Aspinall Verdi)

5.5.2. The earlier ‘Local Plan Viability Study’ (Aspinall Verdi, December 2020) tested a series of development typologies based on location (greenfield, brownfield) and value zones. In order to classify the typologies the viability consultant collected data on average property prices and mapped house values according to prices paid displayed as a heatmap and then aggregated by Ward. This analysis was then used in the study to identify the high and low value areas for the purposes of testing (Figure 9-2).

Figure 5-6 Value zones used in viability testing (Aspinall Verdi, 2020)



5.5.3. The study showed that greenfield sites were able to bear higher levels of affordable housing, policy requirements and developer contributions, as compared to less viable brownfield sites. The study also showed that Build to Rent products were unviable.

Kent County Council Developer Contributions Guide 2023

- 5.5.4. KCC is responsible for delivering and maintaining much of the large-scale infrastructure that Kent residents and businesses require, including roads, schools, waste disposal services and libraries. Much of this provision is already at capacity and therefore, the impact of growth is a key consideration.
- 5.5.5. KCC may seek contributions and/or facilities from developments to mitigate the impact of growth on infrastructure and services including, but not limited to:
- Adult Social Care (ASC)
 - Community Learning and Skills
 - Education - Primary
 - Education - Secondary
 - Education - Early Years
 - Education - Special Education Needs
 - Highways and Transportation
 - Integrated Children's Services - Youth Services/Early Years Service
 - Land for Education, Highways and Waste
 - Libraries, Archives and Registrations
 - Public Rights of Way (PRoW)
 - Waste Disposal and Recycling
- 5.5.6. Table 5-1 below within the Kent County Council Developer Contributions Guide includes a summary of contributions required by each KCC service area as of 2022/23 (below). For the contributions available, this equates to approximately £24,516.13 per house. This is based on Q1 2022 prices and excludes elements of CIL and requirements for Land, Buildings and Contributions In-Kind.
- 5.5.7. The document also states that for large-scale/Garden Communities to be delivered in line with KCC principles, County will work with districts from an early stage. Such projects may require their own demographic modelling if a predicted population change results in a significant increase in young families, for example. This may then result in the requirement for bespoke infrastructure to meet their growth needs.
- 5.5.8. KCC may use bespoke evidence, including from these existing large-scale sites, to ensure appropriate infrastructure is planned and provided on future similar developments. Responses to infrastructure planning at the plan-making and planning application stages will be based on demographic modelling specific to the proposed development – an approach supported by the Department for Education.

Table 5-1 Summary of Contributions Required by KCC Service Area as of 2022/23

Service Area	Threshold for Seeking S106 Contributions	Expected Contribution	Index
Adult Social Care (TA1)	10 dwellings and above or a site size of 0.5Ha or more.	£180.88 per dwelling	BCIS All-In Tender Price
Community Learning and Skills (TA2)	10 dwellings and above or a site size of 0.5Ha or more.	£34.21 per dwelling	BCIS All-In Tender Price
Education – Primary – New Build (TA 4 & 6)	10 dwellings and above or a site size of 0.5Ha or more.	£7,081.20per applicable* House and £1,770.30 per applicable* Flat	BCIS All-In Tender Price
Education – Primary – Expansion (TA 4 & 6)	10 dwellings and above or a site size of 0.5Ha or more.	£5,412.74 per applicable* House and £1,353.18 per applicable* Flat	BCIS All-In Tender Price
Education – Secondary – New Build (TA 4 & 6)	10 dwellings and above or a site size of 0.5Ha or more.	£5,587.19 per applicable* House and £1,396.80 per applicable* Flat	BCIS All-In Tender Price
Education – Secondary – Expansion (TA 4 & 6)	10 dwellings and above or a site size of 0.5Ha or more.	£5,329.27 per applicable* House and £1,332.32 per applicable* Flat	BCIS All-In Tender Price
Special Educational Needs and Disabilities (TA 4 & 7)	10 dwellings and above or a site size of 0.5Ha or more.	£559.83 per applicable* House and £139.96 per applicable* Flat	BCIS All-In Tender Price
Education Land (TA 4, 8, 9 & 11)	10 dwellings and above or a site size of 0.5Ha or more.	To Be Advised	BCIS All-In Tender Price
Flood Risk Management and Sustainable Drainage (TA 12)	Strategic Development	To Be Advised	BCIS All-In Tender Price
Heritage and Archaeology – Community Archaeology Provision (TA 13)	Sites which are strategic in size or sited in areas of significant archaeological potential	To Be Advised	BCIS All-In Tender Price

Highways and Transportation (TA 14)	Any development impacting upon the highway.	Highway works required to mitigate impacts demonstrated within the applications Transport Statement/Assessment via s278, S38 Agreements. Highway Works and/or Travel Plan interventions via s106 contributions and/or commuted sums for maintenance.	Road Construction Index (ROADCON) or BCIS General Build
Integrated Children's Services – Youth and Early Years Services (TA15)	10 dwellings and above or a site size of 0.5Ha or more.	£74.05 per dwelling	BCIS All-In Tender Price
Libraries, Registration & Archives (TA16)	10 dwellings and above or a site size of 0.5Ha or more.	£62.63 per dwelling	BCIS All-In Tender Price
S106 Monitoring Fee	All S106 agreements	£300 per payment trigger	BCIS All-In Tender Price
Public Rights of Way (PRoW) (TA17)	Assessed on a case-by-case basis	To Be Advised	Road Construction Index (ROADCON) or BCIS General Build
Waste Disposal and Recycling (TA18)	10 dwellings and above or a site size of 0.5Ha or more.	£194.13 per dwelling (maximum - dependent on projects required for the locality)	BCIS All-In Tender Price

Draft Local Plan Viability Study 2024 (HDH Planning and Development Ltd)

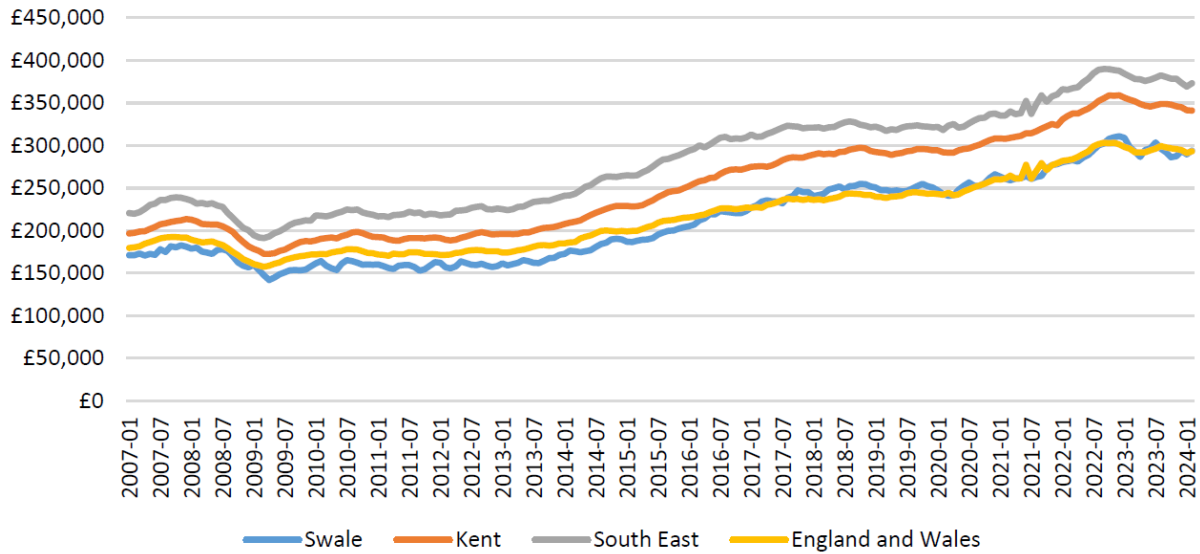
5.5.9. The forthcoming Draft Local Plan Viability Study 2024 tests a series of residential and non-residential typologies. Unlike the 2020 study's two value areas (lower and higher value areas), the 2024 study breaks the Borough down into four broad value areas:

- *Isle of Sheppey – being all the Isle of Sheppey*
- *Sittingbourne and West – being the town of Sittingbourne, the sites to the southwest and west of the town and in the rural areas to the west of the town. This includes sites associated with Rainham.*

- *Sittingbourne East – being the sites to the north, northeast and south of the town and the areas to the east of the town. This excludes the sites associated with Faversham.*
- *Faversham and East – being the town of Faversham, sites associated with the town and the area to the east, towards Canterbury.*

5.5.10. The study highlights that Swale’s house values are below the regional, County and national average (Figure 5-7).

Figure 5-7: Average House Prices (£)



Source: Land Registry (February 2024). Contains public sector information licensed under the Open Government Licence v3.0

5.5.11. The study notes that at this early stage of the plan-making process it would be premature to finalise the policy requirements. As such the study models several scenarios and different levels of policy requirements and planning contributions to illustrate whether typologies and strategic sites would be viable and the maximum level of developer contributions based on the value areas. The following combination of requirements were tested as a pragmatic compromise (see below).

- a. Affordable Housing Greenfield Sites 30%. Brownfield Sites 10% (threshold 10). Potential Strategic Sites 25% Affordable housing mix in line with the requirements for 10% AHO and 25% of affordable homes to be First Homes (30% discount) and the balance of AHO as shared ownership. The balance as Affordable Rent.
- b. Design 95% Part M4(2) Accessible and Adaptable and 5% Part M4(3) Wheelchair Accessible. Zero Carbon, Water Efficiency, 20% Biodiversity Net Gain.

- c. Developer Contributions Birdwise payments on all sites and open space payments on brownfield sites, plus allowance of £10,000 per unit on typologies and £25,000 per unit on the potential strategic sites.¹¹
- 5.5.12. The draft report concludes by cautioning against a reliance on brownfield sites in the five-year land supply and overall housing trajectory, but noting a small proportion of the possible allocations can be brownfield sites. The report also cautions against a reliance on Build to Rent development which would be require some form of public sector intervention.
- 5.5.13. This is likely to influence the selection of sites for allocation. Notwithstanding this, the report notes that ‘a significant number of the brownfield sites that may come forward for development are within the Council’s control. The Council has a good record of securing ‘gap funding’ to enable the delivery of large-scale greenfield schemes and anticipates that this will continue in the future’.
- 5.5.14. With respect to Strategic Sites, the modelling highlights some delivery challenges and the report recommends front loaded engagement with promoters and to only includes sites if they can be demonstrated to be viable (as per the PPG and NPPF). The report acknowledges that strategic sites are typically phased and delivered differently to the standard model recommended by the PPG for viability testing (which assumes all sites are debt funded and purchased on ‘day 1’). The reports notes that large sites are typically purchased in phases that benefit the developer in terms of cashflow and this will have a material impact on viability.

Summary

- 5.5.15. The earlier Local Plan Viability Study (Aspinall Verdi, 2020) was prepared prior to the publication of the Kent County Council Developer Contributions Guide (KCC, 2023). As such, the developer contribution assumptions in the 2020 study should not be relied upon as an indicator of site specific or typology based viability in 2024. However, it is noteworthy that the results are fairly consistent with the latest Draft 2024 viability study, demonstrating that Swale remains a challenging Borough in which to bring forward brownfield land. However, the viability reports both note that a flexible spatial approach to policy requirements would aid viability/deliverability. Notably, several of the strategic site results were shown to score a ‘amber’ i.e. generating residual values in excess of the existing use value but below the benchmark land value. This suggests that a flexible policy approach will be required to mitigate against the cumulative impact of policies on those strategi sites in lower value areas.
- 5.5.16. Based upon the viability and deliverability evidence reviewed, there is not a strong argument for exceptional circumstances. Most Local Planning Authorities experience different viability and deliverability challenges. However, it is the role of the viability evidence and subsequent plan making and policy

¹¹ Reflecting the KCC Developer Contributions requirements for large-scale developments – see 9.3

contained within the Local Plan that must react to these challenges. For example, this may take the form of spatial affordable housing requirements based on location and house values or tenure-based. Similarly, striking the right balance between policy and deliverability for any requirements over and above the Building Regulations that balance viability with the needs of a locality and sustainability objectives.

5.6. Sources of Land Supply

5.6.1. As can be seen from earlier analysis in this section, there are challenging constraints present within the Borough. This section seeks to illustrate where the predominant sources of potential land supply are located. In summarising publicly available information on land supply, it is not the role of this document to comment on the merits of individual sites or whether particular development typologies of site are preferable (e.g. brownfield versus greenfield). Instead we are seeking to understand if there is theoretical capacity to meet housing needs when in advance of more detailed plan making and decision making processes to identify a spatial strategy (and reasonable alternatives) prior to submission of the plan.

Strategic Housing Land Availability Assessment (2020)

5.6.2. The 2020 SHLAA included 238 available sites following two 'Call for Sites' exercises conducted in 2018 and 2019. Work is ongoing on an updated Housing and Economic Land Availability Assessment (HELAA).

5.6.3. The published SHLAA does not include a composite map but mapping shown in the 2021 transport modelling (shown in Figures 5-8 and 5-9) highlights the broad locations of development identified in earlier consultations as potentially deliverable/developable/committed in the years 2027 and 2037 respectively.

Figure 5-8: 3 2027 modelled housing developments

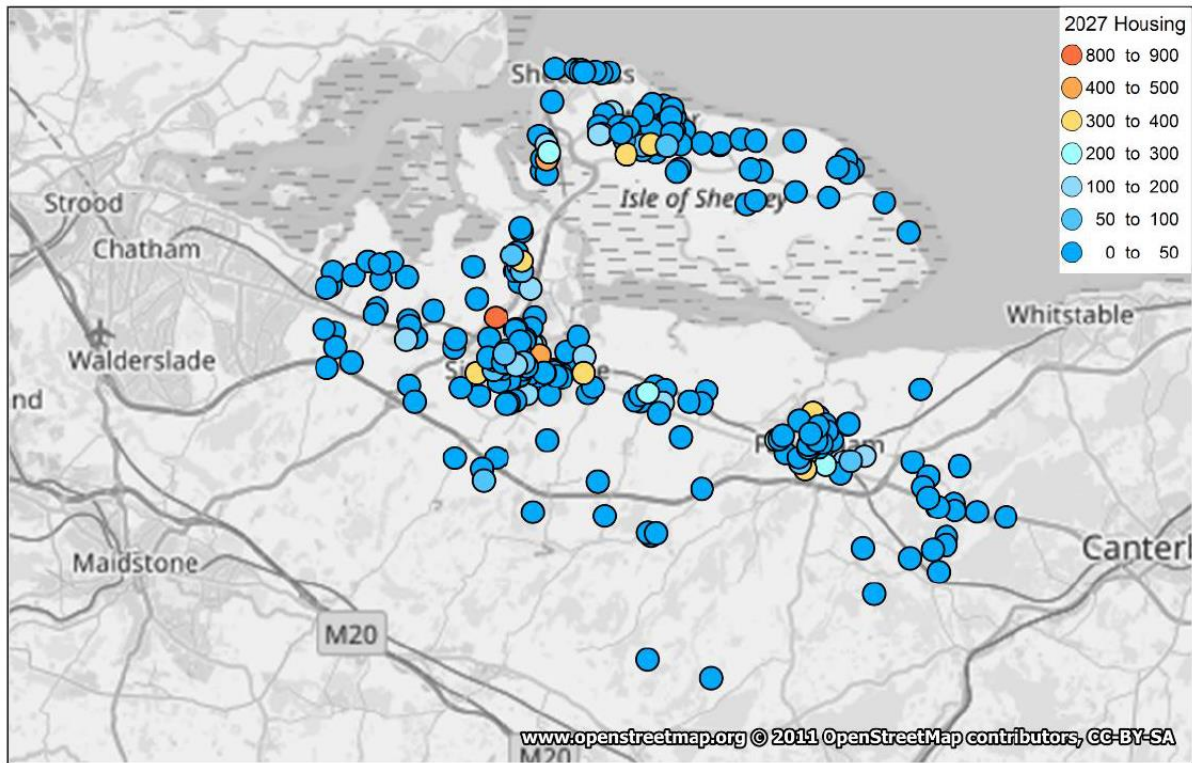
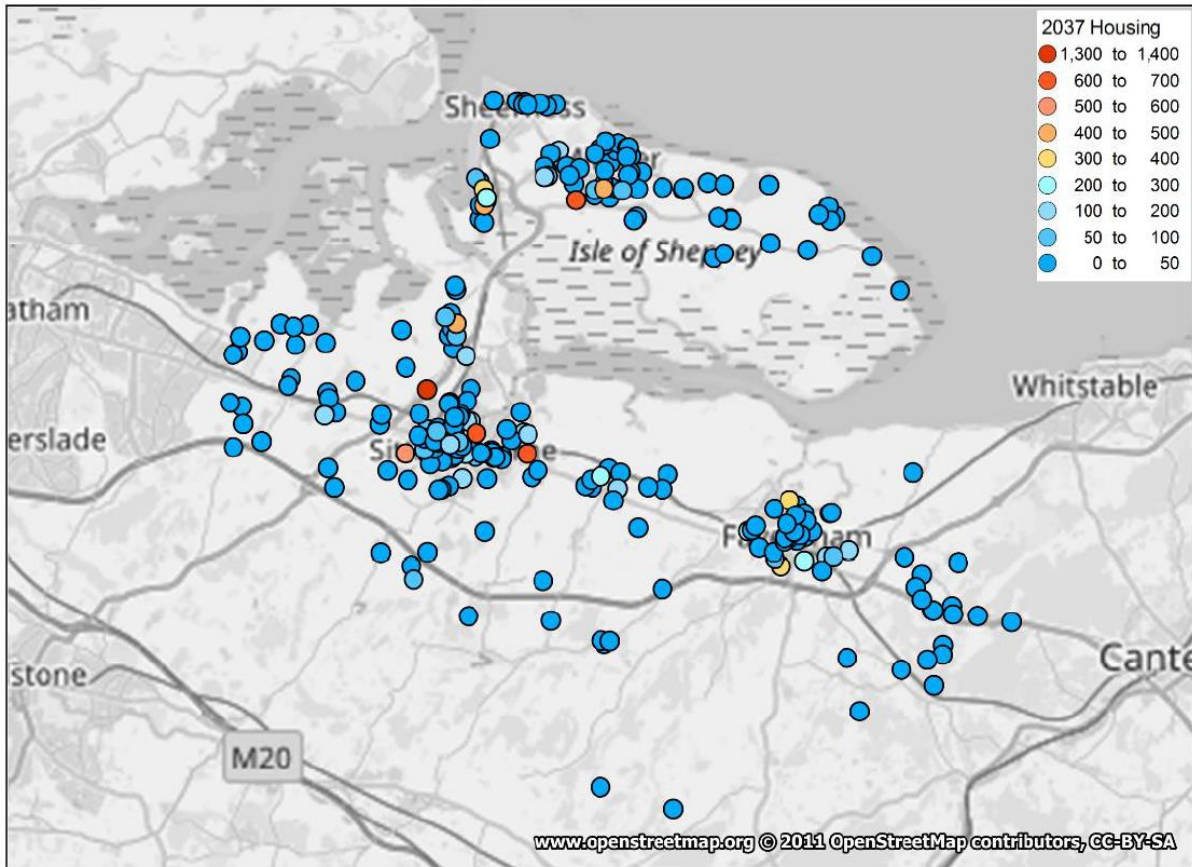


Figure 5-9: 4 2037 modelled housing developments



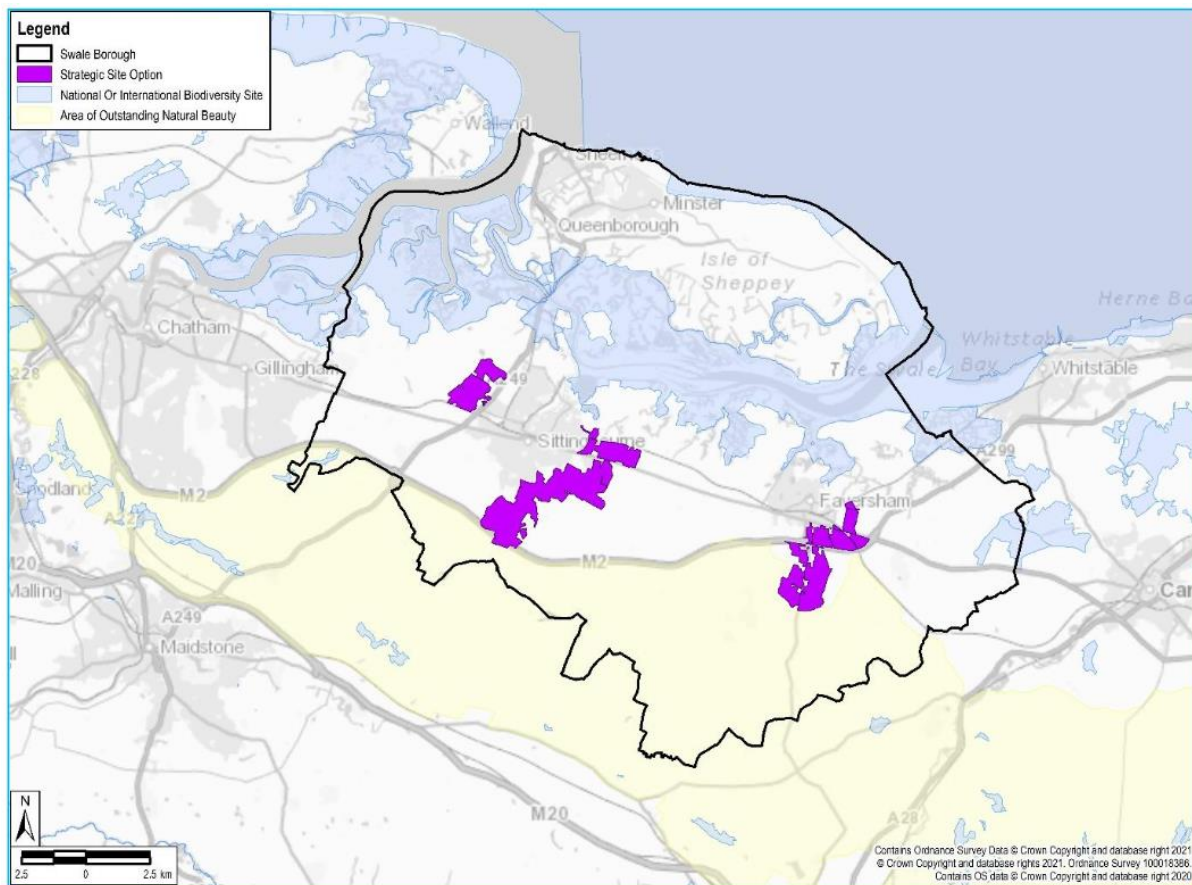
Strategic Development Options (2018)

5.6.4. Formerly known as New Garden Communities, in 2018 Swale Borough Council asked landowners and developers to submit proposals for new communities so that the Council could see if this option should be considered through earlier stages of the Local Plan review process. Officers carried out assessments of the proposals submitted supported by their appointed consultants (Stantec).

5.6.5. The following submissions were received:

- NS1 SE Sittingbourne
- NS3 Land at Bobbing
- NS4 SE Faversham
- NS5 South of Faversham

Figure 5-10: 5 Strategic Development Options (Source: SA, AECOM 2021)



5.6.6. There has been a long-standing focus on exploring large-scale garden community options, in line with NPPF paragraph 74. The SA Report previously published at the Regulation 19 stage in 2021 provided an overview in Section 5.3, including with reference to a dedicated consultation on a garden communities ‘prospectus’ in 2018.

5.6.7. The SA Report then identified a shortlist of four options, and subjected these to detailed appraisal, which led to a conclusion that two were sequentially

preferable, namely SE Faversham and Bobbing (and, of the remaining two options, there was a preference for SE Sittingbourne over North Street).

- 5.6.8. It should be noted that the subsequent Regulation 18 “issues and options” consultation identified the potential to focus growth at one or more garden communities and listed the same shortlist of four sites as previously discussed in the SA Report.

Commitments and Extant Allocations

Five Year Housing Land Supply

- 5.6.9. Following the latest affordability ratio data for the Council published by the Office for National Statistics on the 25th March 2024, and changes to the NPPF in December 2023, the Council can now demonstrate at a base date of 1 April 2023 5.13 years’ worth of housing land supply (see Table 10-1) based on the adopted Local Plan. This includes 4,351 homes of extant permissions and 450 homes as extant allocations.

Table 5-2: Five Year Housing Land Supply calculation (Affordability ratio update March 2024)

5 year housing requirement	
a. Annual Local Housing Need Target (Government standard method)	1,048
b. Five year housing land supply require (1048 x 5)	5,240
c. Total 5 year housing requirement	5,240
Housing land supply 01/04/23 to 31/03/28	
d. Extant planning permissions (Appendix A)	4,351
e. Local Plan Allocations (Appendix B)	450
f. Windfalls (Appendix C)	578
g. Total Supply (d+e+f)	5,379
Five year housing land supply position	
h. Total five year housing land supply (g/c x5)	5.13
i. Surplus in dwellings (g-c)	139

Garden Communities

5.6.11. The latest situation is that planning applications have been submitted for three of the four shortlisted garden community options (see para 10.5 above), specifically all bar North Street (likely the worst performing of the four options, as discussed). Also, an application was recently submitted for a fourth garden community option in the east of the Borough, to the east of Boughton / south of Dunkirk.

5.6.12. Whilst it is not possible to comment on the merits of any of these options, let alone a strategy involving support for more than one (recognising in-combination effects / considerations), it is fair to highlight that having four pending planning applications for garden communities is unusual, and does serve as a reason for exploring options further through the plan-making process. As part of this, it would be helpful and appropriate to draw upon evidence gathered in support of the pending planning applications, albeit with caution applied given scheme specifics are subject to change. Planning application references are:

- SE Sittingbourne (7,150 homes) - [21/503914/EIOUT](#)
- Bobbing (2,500 homes) - [22/503654/EIOUT](#)
- SE Faversham (2,500) - [23/505533/EIHYB](#)
- Dunkirk (1,815) - [24/502123/EIOUT](#)

Summary

5.6.13. Based on a high-level review of land capacity and the location of possible future supply of housing there does not appear to be a case to justify a housing requirement below LHN. Put simply, there is physical capacity among the identified potential housing sites to meet the residual level of LHN identified for the forthcoming plan period. Albeit this is an entirely 'policy off' statement and clearly detailed assessment is required to judge the achievability and suitability of the available sites.

6. Conclusions

- 6.1.1. With respect to Housing Need, AECOM's review considers that the demographic inputs into the existing standard method are reasonable for Swale. There are no errors or anomalies in Swale's demographic data, as examined in depth by the John Hollis work (2020).
- 6.1.2. The standard method affordability uplift for Swale also appears to be reasonable – there are no obvious errors or anomalies in either the house price or earnings data that would affect the ratio and therefore the uplift.
- 6.1.3. Swale's job growth has been limited and there is net out commuting of workers to other authority areas to access jobs. There may be an argument around unsustainable commuting patterns resulting from Swale's housing growth and limited job growth. However, this is a matter than could be addressed through spatial planning aimed at delivering new jobs and directing homes to locations well linked to job growth. It does not appear that this issue generates a strong justification for using an alternative methodology to the Standard Method for calculating Local Housing Need (LHN).
- 6.1.4. As discussed in previous sections, the proposed changes to the NPPF would remove 'exceptional circumstances' from the calculation of housing need. However, the dwelling stock figure used as the starting point for the calculation under the proposed new method raises some issues for Swale given the discrepancies between Census 2021 and net additions data for the 10 years up to the Census. This would merit further examination to ensure the stock based starting point for Swale is as accurate as possible.
- 6.1.5. With respect to Housing Requirement, based on Section 5, there is no clear argument to justify a starting position of setting the LPR housing requirement figure below LHN. However, a review of the existing available evidence has highlighted several characteristics that present very real challenges to growth and plan making in Swale.
- 6.1.6. This includes NPPF footnote 7 constraints (see Figure below) but also wider constraints, with a cumulative effect on the overall extent to which the Borough is constrained.
- 6.1.7. The nature of the Borough as a coastal authority with significant landscape, agricultural and biodiversity constraints makes deliverability challenging. The effect of environmental constraints is compounded by physical constraints (such as flood zones, highways capacity) and viability/market constraints as a consequence of the Borough's high incidence of areas with low house values (relative to national and County levels).
- 6.1.8. However, it is also true that policy and plan making can be used as a tool to address these challenges, directing growth to the most sustainable locations and, in turn, helping to derisk private sector investment. There are clearly

numerous growth locations and a range of borough-wide spatial strategy / growth scenarios that should be explored through the plan-making process. Having done so, it will be possible to reach an evidenced conclusion on the appropriate housing requirement.

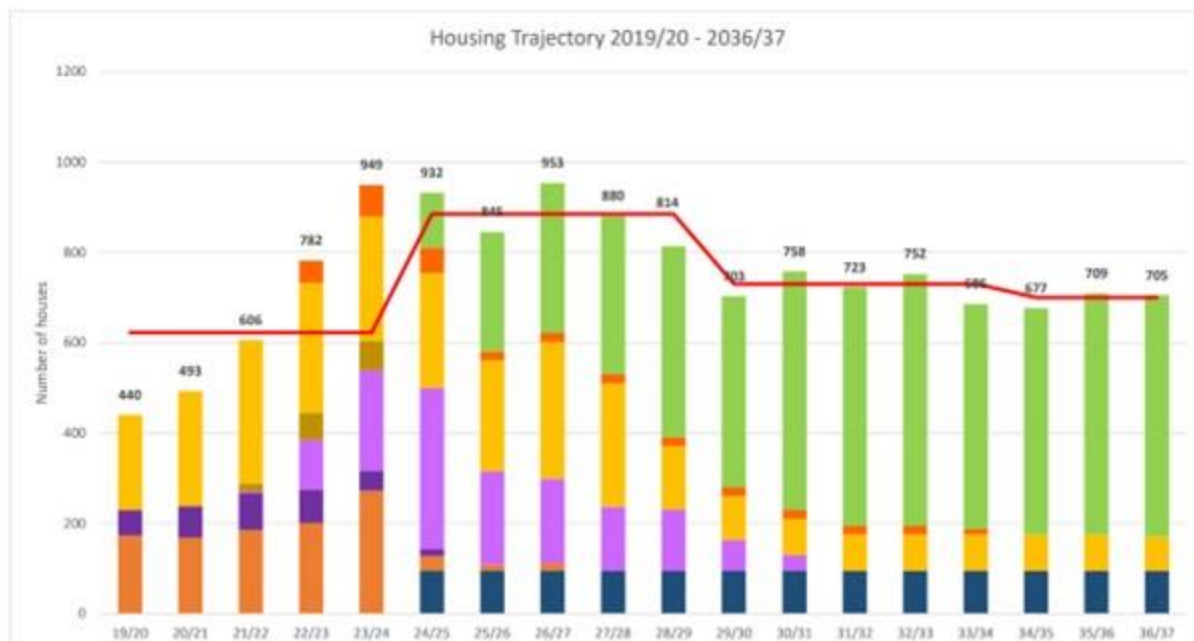
- 6.1.9. Attention should likely focus on scenarios that would involve setting the housing requirement at LHN, as this is essentially the default approach nationally. However, on the basis of our review, we also conclude that it is also reasonable to remain open to lower growth scenarios, at least in the early stages of plan-making. This is a notable departure from the position taken in 2020/21, when lower growth (i.e. a housing requirement set below LHN) was ruled out as ‘unreasonable’.
- 6.1.10. Having said this, any consideration of lower growth scenarios must be undertaken in the knowledge that unmet need must be provided for, as far as possible. As stated by the Swale Local Plan Issues and Preferred Options consultation document (October 2021): *“Should the council have a case to support not being able to meet its full need, it would need to negotiate unmet need being delivered in other areas in order to secure a sound local plan.”*
- 6.1.11. Making provision for unmet need would undoubtedly prove highly challenging, given a constrained sub-region where unmet need / risk of unmet need is already an issue. Notably, Medway Borough has faced major challenges progressing a local plan over a number of years, including on account of infrastructure constraints, and local authorities to the west of Medway are constrained by the London Metropolitan Green Belt, including Gravesham Borough, where the Local Plan is likely to generate significant unmet need.
- 6.1.12. There is a need to expedite plan-making, and we would recommend that a means of doing so is to make an early commitment to providing for need in full, i.e. setting the housing requirement at LHN. The Issues and Preferred Options consultation document referred to a need for “compelling evidence” in order to justify a housing requirement set below LHN, and we would broadly concur with this, albeit the precise level of the evidential threshold that must be reached is unclear from the NPPF and guidance (unlike in respect of deciding LHN, where there is a need for ‘exceptional circumstances’ in order to depart from use of the standard method). Generating compelling evidence would undoubtedly take considerable time and effort.

6.2. Recommendations

- 6.2.1. Local Plan-making should be undertaken with a focus on setting the housing requirement at Standard Method LHN, but the Council can/should remain open to setting the housing requirement at a lower/higher figure.
- 6.2.2. Options will need to be refined, and a final decision ultimately made, in light of detailed evidence of strategy and supply options, including informed by appraisal of “reasonable alternatives” through the Sustainability Appraisal (SA)

- process. It will also be important that the Council maintains an ongoing dialogue with key partner and stakeholder organisations, to include giving an early indication of any risk of unmet need arising from the Borough.
- 6.2.3. A final recommendation is that ongoing consideration should be given to the possibility of an upward stepped housing requirement, given the number of strategic growth options locally, i.e. site options that would deliver late in the plan period. Specifically, an upward stepped requirement would involve a requirement set below the average annual requirement (for the plan period as a whole) in the early years of the plan period, which is then compensated for by a requirement set above the average annual requirement in the latter years.
- 6.2.4. This could make providing for housing need in full (and perhaps even higher growth) a more acceptable option. However, there are drawbacks to delaying housing delivery.
- 6.2.5. Numerous neighbouring and nearby local authorities have adopted or are giving consideration to a stepped requirement, for example Folkestone and Hythe – see below.
- 6.2.6. Specifically, there are four housing requirements established for the plan period, and the average of these is 738 homes per annum, which is standard method LHN. The Inspector’s Report (2022; see [paras 30-33](#)) explained how this “alternative approach” to establishing a housing requirement is necessary “to reflect the anticipated delivery of the major phases of the New Garden Settlement as well as other larger sites.”
- 6.2.7. The other point to note is that there are only two or three years where the identified supply significantly exceeds the housing requirement (i.e. there is a ‘supply buffer’ as a contingency for unforeseen delivery issues). However, the inspector concluded that the identified supply (as measured against the housing requirement) was robust and, as of early 2024, the Council was able to demonstrate a five year housing land supply.

Figure 11-1: The adopted Folkestone and Hythe Local Plan housing trajectory



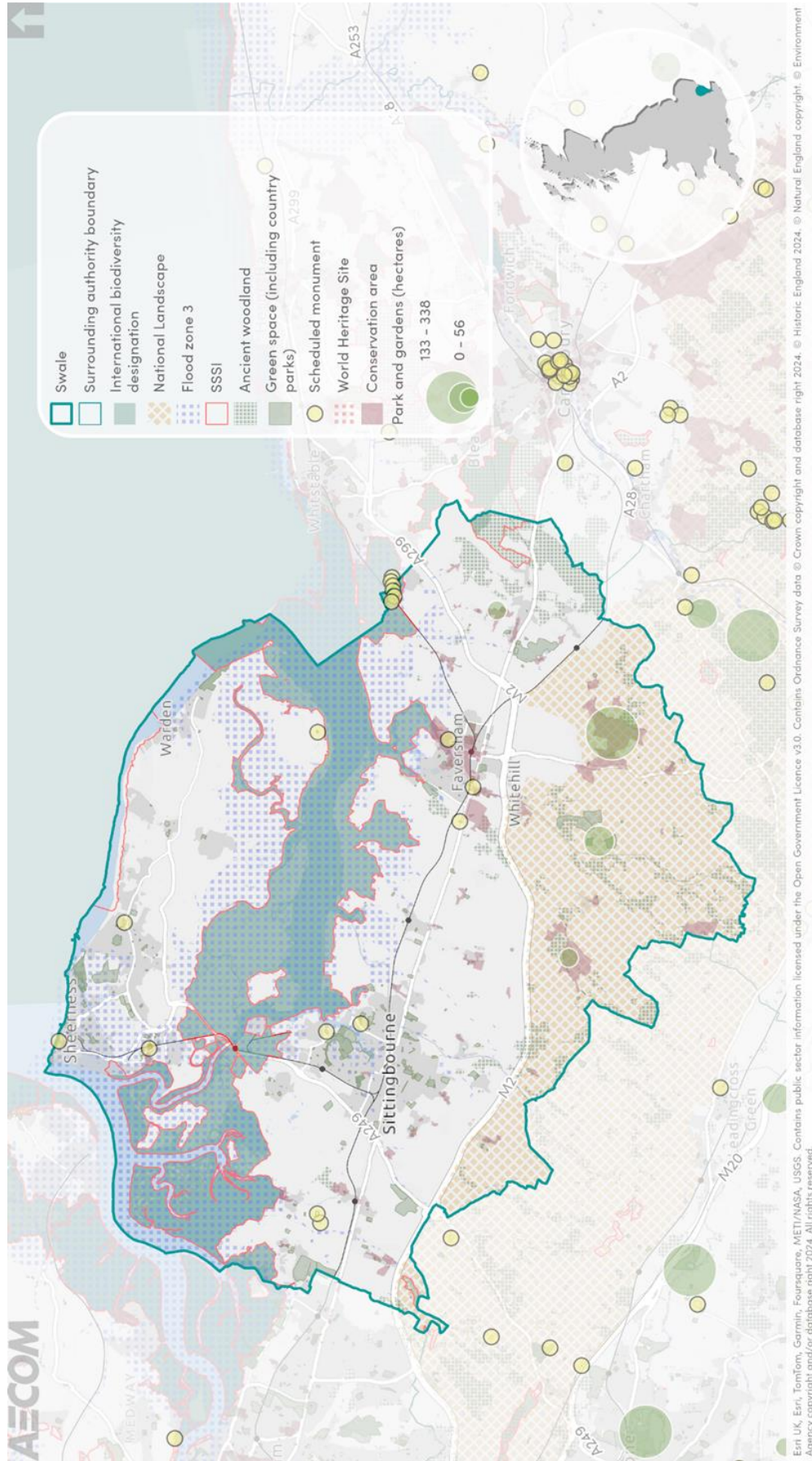


Figure 6-2:6 NPPF Footnote 7 Composite Map

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INVICTA ANALYTICS

Inclusion of Caravans in Dwelling Stock

Official figures for annual change in the dwelling stock for England are based on local authority returns.

However, every 10 years, official dwelling stock figures are revised, to reflect the count obtained from the England Population Census.

The 2021 Census saw some significant changes in the official dwelling stock figures for many local authorities. In official figures, the revision then resulted in annual delivery of new net dwellings being adjusted for the previous 10 years, to bring change in dwelling stock from one census to the next into line.

ONS consider the dwelling stock figures from the Census to be the most definitive and reliable source for dwelling stock counts.

As an example of the scale of adjustments resulting from the 2021 Census, for Swale in Kent, ONS decided that housing delivery for the previous 10 years needed adjusting upwards by an additional 282 net new dwellings a year above the counts provided by the local authority.

If the 2021 census count of dwellings is assumed to be reliable, then in practice it would probably be safer to assume that the 2011 census was unreliable and the extra 282 dwellings a year for Swale would be better treated as a revision to the 2011 count. All available evidence suggests local authorities in Kent provide highly reliable counts of net new dwellings each year.

However further digging on this issue and after making some enquiries with MHCLG and ONS, suggests the dwelling stock figures for 2021 are for some local authorities incorrect and require correction. ONS has not accepted the error at this stage but has provided information to confirm this is the case.

The main issue seems to be that for the 2021 Census ONS have significantly increased the count of caravans, mobile homes and temporary structures included in the dwelling count. Official definitions from MHCLG on a definition of a dwelling clearly states that caravans, mobile homes and temporary structures are only counted as dwellings when subject to council tax and used as permanent residences.

The main upshoot of all this, is that if proposed changes to the NPPF are taken forward, future housing targets will be based on a percentage increase in dwelling stock. Local authorities will accordingly want to be confident that official dwelling stock figures are as reliable as possible, and that caravans and other mobile structures not subject to council tax are not included in dwelling stock figures.

The 2011 and 2021 Census counts of caravans and other mobile structures included in dwelling stock figures for Kent and Medway are shown in the table below, along with the size of the change and the number that were unoccupied on Census Day 2021.

It will be down to individual local authorities to ascertain whether they agree that these counts of caravans are correct and are indeed subject to council tax and therefore part of dwelling stock.

While the figures for some Kent local authorities are notable, the overall impact on resulting housing targets may not be that significant. However, there are some local authorities in the country where their housing stock has been revised upwards by close to 30% for the inclusion of caravans not previously counted, and which are clearly also not subject to council tax.

This issue may therefore be raised in wider national conversations.

Table 1 - Caravan or other mobile or temporary structure
As included in dwelling stock figures counted at Census dates

	2011	2021	Increase	Unoccupied 2021
Ashford	499	860	361	145
Canterbury	673	865	192	165
Dartford	118	160	42	20
Dover	976	780	-196	440
Gravesham	129	180	51	40
Maidstone	641	1,015	374	185
Medway	855	909	54	180
Sevenoaks	567	700	133	115
Folkestone and Hythe	279	1,335	1,056	1,100
Swale	493	3,190	2,697	2,605
Thanet	925	1,115	190	645
Tonbridge and Malling	199	290	91	45
Tunbridge Wells	166	215	49	45
	6,520	11,614	5,094	5,730

Source: [Number of dwellings by housing characteristics in England and Wales - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk)

It can be seen from the above table that the significant dwelling stock adjustment for Swale from the 2021 Census is almost entirely accounted for by the inclusion of 2,697 more caravans than in 2011, the majority of which were unoccupied on Census Day.

Richard Fitzgerald, 16 October 2024
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