

SENT BY EMAIL
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Date

Dear Sir/ Madam

MEDWAY DEVELOPER CONTRIBUTIONS SPD

1. Thank you for consulting with the Home Builders Federation (HBF) on the Developer Contributions SPD.
2. HBF is the principal representative body of the house-building industry in England and Wales. Our representations reflect the views of our membership, which include multi-national PLC's, regional developers and small, local builders. In any one year, our members account for over 80% of all new "for sale" market housing built in England and Wales as well as a large proportion of newly built affordable housing.

General comments

3. The Council will need to update the viability study that has been produced to justify the policies in the submitted local plan. Paragraph 7.35 notes that the average amount agreed on approved schemes is a little under £10,000. Given that the education contribution per unit would increase, in some cases, by over 50% and contributions for health will potentially increase from circa £900 to £7,000 per dwelling there is a significant risk that other requirements in that local plan will no longer be viable. The total potential contributions from development increase from just over £18,000 per dwelling to over £32,000. While it is recognised that not all contributions will be applicable in all circumstances it is a significant increase that will require justification at the hearings on the local plan.

Self- Build and Custom Housebuilding

4. Paragraph 6.3 states that after 12 months marketing period any unsold plots should first be offered to the Council to acquire for the provision of affordable housing. Given that these homes form part of the market housing element of a development and are sold and built as market housing there is no justification for requiring the developer to offer these to the Council before being built out as market housing. This approach has been considered by the inspectors examining both the St Albans (MM49¹) and Spelthorne Local Plans (MM53²) to be unsound with this requirement being removed from local plan policies. Therefore, paragraph 6.3.2 must be amended as follows:

¹ <https://stalbans-consult.objective.co.uk/kpse/event/7DD350FC-F0EB-42A4-B050-99798D2978DD>

² <https://www.spelthorne.gov.uk/page/1383/local-plan-march-2026>

6.3.2 If any plot(s) remain unsold after being marketed for the minimum period, will be returned to the developer to be built out as market housing. ~~they can either remain for sale as a self/custom build plot or be offered to the Local Authority to acquire for the provision of affordable housing (separate from any relevant affordable housing requirement for the Development as applicable), before reverting back to the land owner to build out on the plot or sell without restriction[1]. To prevent the delay of housing delivery, the Local Authority will be given a time period of three months to acquire the vacant plot(s)[2]. This provision will be secured as part of the original Section 106 agreement.~~

Cultural Services

Cultural and community infrastructure

5. HBF do not consider the council to have provided sufficient justification to show that such services are required to make development acceptable in planning terms. While the provision of improvements to these services may be beneficial to wider society these are services that can be delivered through the network of existing facilities and should be provided for and supported by the Council through Council Tax and not via developer contributions. The Council's evidence notes that their participation in Medway is lower than the national average. However, this does not necessarily indicate that there is a lack of facilities but potentially a lack of interest in such activities. As such there is no evidence to show that those people moving into new homes will provide any additional strain on such services that cannot be addressed through increased Council Tax collected as a result of new development. As there is no evidence as to how the proposed charges of £251.84 per dwelling was arrived at and whether this is reasonable or fair, it should be deleted from the SPD.

Heritage and Tourism Infrastructure

6. The SPD proposes that the council will seek a financial contribution from all development within 1000m of a heritage site. It is noted that tourism is a key driver of Medway's economy, but no evidence is provided that new homes close to heritage sites will place an additional burden that needs to be addressed in order to make that development acceptable. As such the proposed contribution is not justified and should be removed from the SPD.

Library and archive service

7. As with other cultural and community infrastructure, any provision of additional demand from residents in new homes for libraries and archives will be met via the council tax paid from these new households. If there is a need for a new library due to the additional needs generated from a development in a particular location, then the Council will need to set this out in the local plan and identify the cost of delivering this rather than place a general per dwelling cost on all new homes. HBF consider it necessary for this general charge to be deleted from the SPD.

Education

8. The Council are proposing a significant increase in the per unit contribution for education. This is based on the cost of delivering a new or expanded school as set out in most recent DfE local authority school places scorecard for Medway and the pupil yield in table 6 of the SPD. Firstly, HBF are concerned that the Council is basing its pupil yield on Council are using evidence from a MORI survey undertaken in 2005/06. This survey, which is over 20 years old, will have failed to take into account more up to date evidence such as the significant decline in fertility rates and is in direct contradiction with paragraph 17 of the DfE Guidance on Developer Contributions which states:

“Pupil yield factors should be based on up-to-date evidence from previous local housing developments, so you can predict the education needs for each phase and type of education provision arising from new development. To understand how pupil yield builds up in developments over time, you can consider pupil yield from developments completed 10 or more years ago as well as those built more recently. You are under no obligation to review pupil yields continually, but we recommend refreshing your data approximately every five years.”

9. At present the ONS estimates on births in England Wales show that fertility rates currently at 1.44 - the lowest since records began. The number of births in 2023 has fallen below 600,000 for the first time since 2002 and well below the circa 640,000 in 2005. This decline in fertility will have an impact on Medway and impact significantly on the pupil yield ratios set out in table 6 of the guidance with fewer children per property type.
10. Secondly, HBF do not consider that the pupil yield ratios based on houses and flats rather than number of bedrooms is sound. Such an approach fails to consider the fact that a two bedroomed house will have a far smaller pupil yield than a three bedroom flat or four bedroomed house. For example, the Surrey County Council Developer Contributions Guide includes yield factors based on bedroom size. The yield proposed in this guide shows a 3 bedroomed dwelling has a yield of 0.19 for secondary and 0.3 for primary but a 2 bedroomed dwelling as 0.07 and 0.09 respectively. On a large site with a wide range of homes being delivered this could lead to an over estimate of the pupil yield and subsequent contribution that would be required based on this guide and as such would not be fairly and reasonable related to the scale of the development being proposed.
11. If the Council are to update the costs relating to education, it must both update the evidence relating to pupil yield to reflect changes in fertility rates and other demographic changes since 2005 and set out the pupil yield on the basis of number of bedrooms rather than flats and houses. Without these changes the proposed contributions cannot be considered to be justified or consistent with the tests for planning obligations in paragraph 58 of the NPPF.

Skills

12. The SPD suggests that planning obligations provide vital opportunity to support the population that are not in education, employment or training (NEET) to gain vital skills in the right provision that contribution with be

sought to deliver bespoke programmes in areas of priority and skills shortage. While HBF recognises the importance of increasing skills we would question whether it is of development industry to fund the work of the Council, especially as it already does this through its support of CITB and the HBF's Home Building Skills Partnership (HBSP). Through the HBSP, we work closely with home builders, the supply chain companies and industry training bodies to address common challenges in recruiting and developing the workforce.

13. The HBSP's focus stretches beyond traditional training and upskilling to include equality, diversity and inclusion, and employee wellbeing initiatives. This is delivered under two core workstreams: talent attraction and skills and development. A genuine strategic approach is needed to improve the training of people in the construction trades. This includes an evaluation of the future skills needs of employers, and an evaluation of the quality of the training that is available through colleges. It is therefore unjustified for the Council to seek payments for such activities from housebuilders given that they are already contributing to improvement of skills nationally and they should be removed from the SPD. Rather than collect contributions we would suggest the Council speak to the HBF's Home Building Skills Partnership would welcome the opportunity to discuss the construction skills needs of the area with the Council, this would likely be more beneficial than what is being proposed.

Health

14. In seeking to require contributions from NHS Kent and the Medway Integrated Care Board the Council will need to consider the fact that the funding of such services is already addressed through national funding formulas and that as such is no funding gap the provision of some health services arising from new development. This was considered in the case of R (University Hospitals of Leicester NHS Trust) v Harborough District Council [2023] EWHC 263 (Admin) where the NHS Trust challenged the grant of planning permission for 2,750 homes on the basis that a contribution had not been secured to address the impact on its services arising from new residents. Holgate J found the answer to the claim was that the Trust had failed to demonstrate that population growth would not be taken into account in the annual negotiations with the Clinical Commissioning Groups (now called Integrated Care Boards). Therefore, requiring the a contribution towards services commissioned by NHS Kent and Medway ICB will not be fairly and reasonably related to development as they should have already been funded nationally and it is not for the development industry to take up any slack within this funding.

Social care

15. There is no justification for this contribution. The Council note that it is not currently meeting its duty with regard to provision of care homes social. However, is its responsibility and it is not the responsibility of housebuilding industry to provide contribution towards the delivery of social care in Medway. This is for the Council to plan for within the Local Plan in partnership care home providers. It is not necessary to make residential development of 10 or more homes sound in planning terms. The contribution should be deleted.

Open space and outdoor formal sport

16. Paragraph 15.1.3 states that need for open space provision will be assessed on a site by site basis, yet the Council has proposed a specific per dwelling cost. Given that what is needed to make the development acceptable in planning terms is not known until an application is assessed, it is not possible to provide a per dwelling cost. In some areas where there is adequate provision of open space and sports facilities there may not be any per dwelling charge or it may be provided by the developer on site. HBF could also find no evidence as to how this cost was arrived at. If this figure is to be included in the SPD further justification is required.

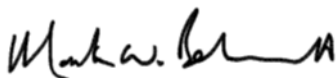
Public realm and town centre enhancements

17. It is not clear from the SPD why it is considered necessary for new residential development to make contributions to the improvements of the public realm. While improvements to the public realm are to be welcomed it is not for all residential development to pay for those improvements and certainly not necessary to make those developments acceptable in planning terms and which are not directly related to the development. The decline in the quality of public realm has not been due to residential development but under investment by the Council. This charge should be removed from the SPD.

Future Engagement

18. I trust that the Council will find these comments useful. I would be happy to discuss these issues in greater detail or assist in facilitating discussions with the wider housebuilding industry.
19. The HBF would like to be kept informed of all forthcoming consultations upon the Local Plan and associated documents. Please use the contact details provided below for future correspondence.

Yours sincerely,



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