

Matter 3: - Meeting Housing Needs

Housing Requirement

3.1 How has the housing requirement for the Plan period been assessed? What evidence underpins the housing requirement and how has national policy been applied in setting it?

1. The Council state that they have used the standard method as the basis for the housing requirement in the local plan. Using the evidence required by the standard method at the point of submission the local housing needs assessment using the standard method would be 1,636 dpa. This result is a requirement over the proposed plan period of 24,540 homes.
2. HBF does not dispute that 1,636 dpa is the minimum annual needs that must be planned for by the Council, but we are concerned that the plan period is not consistent with national policy. With regard to the start date HBF welcomes the Council's decision, as set out in paragraph 1.2.5 of the Housing Delivery Topic paper (B22.5) to bring the plan period forward by a year to 2025/25. However, we remain concerned that the plan period does not look forward for at least 15 years. Assuming the plan is found sound, due to the need for additional consultation post submission, adoption is not likely to take place before 2027/28. This will mean that on adoption the plan will look forward for less than 14 years. In order to ensure that the plan looks forward for a minimum of 15 years from adoption, as required by paragraph 22 of the NPPF, the plan period will need to be extended to 2042/43.
3. These changes to the plan period are necessary for soundness and result in a total housing need of 31,084. The updated trajectory in the Housing Delivery Topic paper states that housing supply is 26,326 meaning that the Council will need to identify supply for an additional 4,758 homes.

3.2 How does the Plan demonstrate that the housing requirement is realistic and deliverable in light of the constraints identified in the evidence base?

4. This is principally for the Council to answer. However, HBF do not consider the proposed requirement or indeed a higher requirement that meets needs across an extended plan period to be unrealistic or undeliverable on the basis of the constraints identified by the Council.

3.3 The Council states a housing requirement of 1,636 dwellings per annum to 2041 (circa. 24,540 homes). Is this the Plan's minimum requirement? How it has been set and explain how flexibility and contingency in its delivery is provided.

5. As set out above HBF support the Council's proposed modification to the start date of the local plan which

would increase the housing requirement to 26,176 homes. Setting aside our position that this should be extended by a further two year to ensure consistency with paragraph 22 of the NPPF we are concerned that there is very little contingency – just 150 homes - should any of the allocated site not deliver as planned or windfall not come forward as expected.

6. Turning to windfall for example, HBF consider this to be overestimated at 131 dpa from 2028/29. As set out in our representations a more realistic figure is circa 100 dpa from windfall – delivering a total of 1,300 homes over the plan period. This reduces overall supply to 25,923 homes – a shortfall of 253 homes. Given that there also viability challenges in relation to some of the allocated PDL sites, especially those in lower value areas, HBF are concerned that the plan will not meet needs in full. To rectify this situation HBF consider it necessary for further sites to be allocated.

3.4 Please could the Council clarify and confirm the Plan's housing requirement figure for adoption of the Plan, provide an explanation of how this is identified and the buffer applied to manage non-delivery risk.

7. This for the Council to answer. From the Housing Topic Paper the Council are proposing a stepped trajectory of 1,636 for 2025/25 to 2030/31, 1,963 for 2031/32 to 2035/36 before dropping down to 1,309 for the remain period. The expectation of national policy is that housing needs are met consistent over the plan period with a stepped requirement being appropriate where there has been a significant change in the housing requirement or where strategic sites are likely to be delivered later in the plan period. The Council's justification is that there has been a significant change in housing needs compared to past supply. However, what is notable from table 1 of the topic paper is that the local housing needs have remained relatively consistent. It is also the case that from 2027/28 – the year the plan will be adopted projected supply is expected to exceed the average requirement across the plan period of 1,636 dpa. Indeed, on adoption it would appear, based on the most recent delivery expectations that the Council would have five-year land supply on adoption. It is therefore unclear to HBF what the justification is for the stepped requirement.
8. With regard to the buffer required to manage the risk of non-delivery, as set out above HBF do not consider this to be sufficient to manage the risk that sites will not deliver as expected.

3.5 The development proposed in the Plan is identified as meeting the full Local Housing Need and this is identified as the housing requirement figure. However, there does not appear to be a policy which sets out the housing requirement figure and identifies how the need would be met and distributed. The Council is asked to explain why this is the case.

9. As set in our representation HBF consider it necessary for the housing requirement to be set out in a policy.

Housing Supply

3.6 Does the Plan clearly set out the expected, 'planned-for' sources of housing supply to meet the identified housing requirement?

10. No. The Council set out in paragraph 1.3.6 the level of new supply expected to be provided by the plan, but it

does not include a housing trajectory as required by paragraph 78 of the NPPF. HBF recommend that this is included and that it not only sets out the overall supply for each year of the plan period but also the expected delivery rates for the key sites and other sources of supply, such as windfall, that are required to ensure needs are met in full.

3.7 With regard to meeting housing need through an identified supply of land, particularly over the first five years of the Plan period, we note that the proposed housing trajectory appears to be outside of the Plan and is, in fact, within a separate Topic Paper (ref: B22.5). Why is this?

11. For Council. However as set out above the Council must include a trajectory in the local plan.

3.8 How does the Plan demonstrate that the housing trajectory is deliverable across the Plan period, including on strategic sites?

12. This for the Council to answer. However, as set out above HBF is concerned that the level of windfall is unjustified.

3.9 How does the Plan demonstrate the role of small sites / SMEs in housing supply and the robustness of any windfall assumptions?

13. The Housing Topic paper states that 10.3% of the of the housing requirement will be delivered on small sites of less than one hectare. However, it is notable that 849 of these homes come from existing permission that were not granted permission through this local plan and as such it is questionable as to whether these sites have been identified through this local plan or the brownfield register as is required by paragraph 73a. Without this sites the Council falls short of the 10% required by NPPF.

14. While HBF welcomes the Councils approach to supporting small windfall development this should not be confused with the requirements of paragraph 73a which is identify specific small sites as part of the plan making process and in doing so ensure that these sites, and the small developer that bring them forward benefit from an allocation. HBF therefore do not consider the Council to have met this requirement of national policy and that additional small sites should be identified for allocation.

3.10 How have identified constraints (environmental, highways, utilities, flood risk) been factored into site capacities and delivery timings? If they have not, why?

15. For Council.

3.11 What mechanisms does the Plan identify to assess its performance and how it will respond to delivery underperformance (e.g. contingency, review triggers)?

16. For Council.

Policy T3: Affordable Housing

3.18 How has the need for affordable housing across Medway been identified, and what evidence supports the

proposed affordable housing requirements, tenure mix and thresholds set out in the Plan?

17. For Council.

3.19 How has the evidence on housing need, affordability, demographic change and local housing market conditions informed the affordable housing policy, and why is the proposed approach considered the most appropriate when assessed against reasonable alternatives?

18. For Council.

3.20 What evidence demonstrates that the affordable housing requirements are deliverable across the range of development typologies anticipated during the Plan period, including strategic allocations, regeneration sites, brownfield sites and windfall developments?

19. As set out in paragraph 21 of our representation HBF is concerned that the Local Plan Viability Assessment Update (LPVAU) shows that the affordable housing requirements in the policy will render some site undeliverable. This is most starkly illustrated in Appendix 14 which shows that even at 10% PDL sites in lower values areas the 10% affordable housing requirement in T3 is not viable. Even in higher value areas it would seem that PDL sites will struggle to deliver the 30% requirement set by this policy. While it will be possible for these requirements to be amended in order to support the delivery of these sites it will mean that the overall level of affordable housing that is expected to be delivered will be lower than anticipated by the Council.

3.21 To what extent have affordable housing requirements been tested through the viability evidence, and what evidence demonstrates that they remain viable when considered alongside infrastructure requirements, biodiversity net gain, climate change measures and other policy obligations?

20. See above. HBF are concerned that the viability evidence does not support the affordable housing requirements in T3 – particularly in relation to PDL sites. The LPVAU includes the costs faced by new development such as the Future Homes Standard, Building Safety Levy and Biodiversity Net Gain but HBF are concerned that the rapidly increasing cost of building homes is not adequately captured by such assessments. In particular increasing build costs will have long lasting impacts on new development making not only the construction of new homes more expensive but also increasing the cost of the infrastructure required to support those homes. Research by the HBF¹ on the increasing cost of delivering new homes shows that since 2020 the cost of materials and labour for exemption has increased on average by around £37,000 per home and it would appear that se higher build costs are now being reflected in infrastructure contributions.

21. The recent consultation on the Medway Developer Contributions SPD has proposed significant increases in developer contributions. The average amount of developer contributions included in the viability assessment little under £10,000 however it is expected this will increase should the new SPD be adopted. This SPD would see education contributions per unit increase, in some cases, by over 50% and contributions for health potentially increase from circa £900 to £7,000 per dwelling. The summary of contributions provided in Table 1 of the draft

¹ [Viability Crunch](#) (HBF, 2026)

SPD suggests that for those development required to make a contribution against each item the cost per dwelling would increase from just over £18,000 per dwelling to over £32,000. While this will not be the case for all new homes the expectation must be that the average contribution to be much higher than the £10,000 used in the LPVAU.

22. While HBF has responded to the consultation on the SPD setting out significant concerns as to some of the items that have been included in the SPD if the costs remain unchanged there will clearly be an impact on viability that does not appear to have been considered by the Council.

3.22 Please provide a schedule setting out the anticipated affordable housing delivery by site and phase across the strategic allocations and explain any instances where delivery is expected to differ from policy requirements. How will affordable housing be secured on large, phased developments?

23. For Council.

3.23 What flexibility exists within the policy framework to respond to changing market conditions, viability circumstances, government policy and local housing needs over the Plan period, and how will decisions be made where viability pressures arise?

24. The fifth paragraph of T3 indicates that where the costs of this policy will make development unviable the council will consider a reduced amount. However, given the clear viability challenges facing development in Medway this could be more positively worded to give an indication to the decision maker and applicant alike that reduction in contributions will be considered where there is robust evidence to support this.

3.24 How will affordable housing delivery and tenure provision be monitored throughout the Plan period, what intervention mechanisms are proposed if delivery falls below expectations, and how will the evidence base be reviewed to ensure the policy remains effective and justified?

25. For council.

3.25 What evidence is there that registered providers can absorb and manage the level of affordable housing anticipated by the Plan?

26. For Council. The ability of affordable housing providers to purchase S106 plots is a concern with many of our members finding it difficult to find willing RSLs.

3.26 Why is the chosen affordable housing strategy the most appropriate when considered against reasonable alternatives and the available evidence base?

27. For Council.

Policy T9: Self-build and Custom Housebuilding

3.51 How does Policy T9 seek to ensure that the 430-plot need (paragraph 6.9.12) is met over the Plan period, in particular as one site is allocated (4 units)? In considering the level of need and the effectiveness of the policy, why

were more site(s) not allocated?

28. For Council. A more effective approach to ensuring self-build plots would be though the allocation of specific sites to address these needs rather than require self-build plots to be provided on larger sites. HBF is also concerned that the approach to unsold plots in the final bullet point of this policy is unsound.
29. This bullet sets out that if any plots remain unsold after marketing, they can either remain on sale or be offered to the council to acquire from the provision of affordable housing prior to reverting the developer to be built out as market housing. Whilst the HBF agrees that the policy needs to set out when unsold plots should return to the developer, we disagree with the approach being proposed. There is no reason to require a site to be retained on the open market following the 12-month period nor is there any justification for having to offer these to the Council or a housing association first. These are plots that would have been available for market housing and as such they should return to the developers to be built out after the 12-month period. This was recently an issue considered at the examination of the Spelthorne Local Plan with the inspector requiring the Council to remove a similar phrase from their local plan due to the soundness concerns raised by the HBF.
30. The plan should be amended as follows:

If any plot(s) remain unsold after being marketed for the minimum period, 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 they will reverting back to the land owner to build built out as market housing on the plot or sell without restriction.

3.52 Is a shorter timeframe for building plots (bullet point towards the top of page 102) justified and effective, as this does not seem to be a particular feature of Plan policies for other types of housing?

31. No comment.

3.53 Where Policy T9 refers to 'Expanding/intensifying existing residential permissions', does this mean solely permissions for self-build and custom housing? If not, how could this be retrospectively applied to another type of housing which already has planning permission, in terms of the effectiveness of the policy?

32. No Comment

3.54 Why does Policy T9 specifically refer to the role of 'Neighbourhood Plans', which does not seem to be a particular feature of Plan policies for other types of housing?

33. No comment

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