

Housing Land Supply Update Analysis Paper

1 April 2021

Contents

1.0	Overview	3
2.0	Housing Land Supply	3
	Table 2.1: 20-year housing land supply 1 April 2011 to 31 March 2031.....	4
	Figure 2.1: Supply components contributing to the 20-year supply at 1 April 2021	4
3.0	Completed dwellings.....	5
	Figure 3.1: Completed dwellings 1 April 2011 to 31 March 2021	5
	Figure 3.2: Percentage of greenfield/brownfield completions 1 April 2011 to 31 March 2021.	6
	Figure 3.3: New dwellings by type of development 2020/21	6
	Table 3.1: Small sites contribution to completed dwellings	6
4.0	Housing Delivery Test	7
	Table 4.1: Maidstone’s performance against the HDT November 2021	7
	Figure 4.1: Maidstone’s completed dwellings measured against HDT.....	7
	Figure 4.2: Maidstone anticipated future performance against the Housing Delivery Test	8
5.0	Extant supply.....	8
	Figure 5.1: Extant sites not started/under construction at 1 April 2021	8
6.0	Non-implementation	9
	Table 6.1: Expired planning permissions/non-implementation allowance	9
7.0	Progress of Local Plan Housing Allocations.....	9
	Figure 7.1: Progress of Local Plan 2017 allocated housing sites.....	10
8.0	Windfall sites contribution.....	10
	Table 8.1: Completed windfall dwellings (new NPPF definition).....	11
9.0	Housing Land Supply Forum	11
10.0	5 Years Housing Land Supply	12
	Table 10.1: 5-year housing land supply 1 April 2021	13
	Figure 10.1: Components of the 5-year housing land supply.....	13
11.0	5-year supply methodology	13
	Figure 11.1: Phasing methodology	15
	Table 11.1: Average lead-in time 5+ dwelling sites	15
	Table 11.2: Average delivery rates on large 5+ dwelling sites.....	16
12.0	Conclusion.....	16

1.0 Overview

The purpose of this paper is to: provide detail on the components that contribute towards the Council's 5-year housing land supply at 1 April 2021; report on the Council's 20-year housing land supply progress; and to demonstrate the Council's performance against national requirements including the Housing Delivery Test (HDT).

Summary of the Council's Housing Land Supply 2020/21 include:

- At 1 April 2021 the Council can demonstrate 5.6 years' worth of deliverable housing sites against the Local Plan housing target of 17,660 dwellings.
- The 5-year housing land supply is made up of detailed planning consents (86.3%), outline planning consents (8.8%), allocated sites with planning consent pending (0.3%), allocated sites with no consent (1.2%) and a small sites (1-4 units) windfall allowance of (3.4%);
- The 20-year supply position has a surplus of 2,130 dwellings measured against the housing target of 17,660 dwellings.
- There were 1,354 dwellings (net) completed during the monitoring year 2020/21, bringing the total completed dwellings for the Local Plan period to 9,095.
- Work has commenced on sites totalling 2,849 dwellings at 1 April 2021, and this indicates that good progression is expected on dwelling completions during 2021/22.
- In 2020/21 more units were completed on greenfield rather than brownfield sites; and,
- Maidstone has a 144% result measured against the standard Housing Delivery Test, with a result of 166% when measured against the adjusted Housing Delivery Tests for 2019/20 and 2020/21.
- Nutrient neutrality issues arising in the Stour catchment has resulted in a potential delay to the delivery of the Lenham Broad Location sites.

2.0 Housing Land Supply

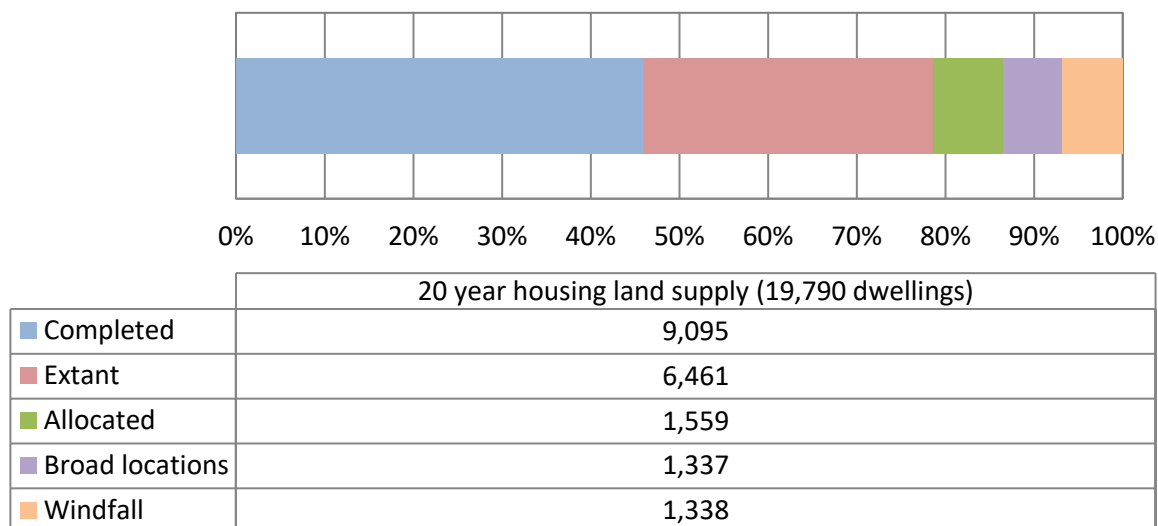
As at 1st April 2021 the Council has a 20-year housing land supply of 19,790 dwellings, which exceeds the Local Plan housing target of 17,660 by 2,130 dwellings. This is a considerable improvement on the position published after the Local Plan inspector issued his 'Interim Findings from the Examination of the Maidstone Borough Local Plan' on 22 December 2016 (examination document reference ED110) of -85 dwellings. The improvement can be attributed to intensification of dwellings on sites allocated within the Local Plan, sustained levels of windfall planning permissions, and a revised windfall allowance that takes account of changes to national policy to include all sites not identified through the Local Plan, rather than just brownfield sites.

Good progress has been made by the Council towards meeting the 20-year housing delivery target, with 9,095 dwellings (51.5%) complete against the Local Plan housing target. Table 2.1 and Figure 2.1 demonstrate the components that contribute towards the 20-year housing supply. Appendix 1 provides a list of the itemised sites that contribute to the 20-year supply, including their estimated phasing and delivery.

Table 2.1: 20-year housing land supply 1 April 2011 to 31 March 2031

	Housing land supply 1 April 2011 to 31 March 2031	Dwellings (net)	Dwellings (net)
1	Objectively assessed housing need / Local Plan housing target		17,660
2	Completed dwellings 1 April 2011 to 31 March 2021	9,095	
3	Extant planning permission as at 1 April 2021 (including a 5% non-implementation discount)	6,461	
4	Local Plan allocated sites (balance of Local Plan allocations not included in line 3 above) ¹	1,559	
5	Local Plan broad locations for future housing development	1,337	
6	Windfall sites contribution	1,338	
7	Total housing land supply		19,790
8	Housing land supply surplus 2011/2031		2,130

Figure 2.1: Supply components contributing to the 20-year supply at 1 April 2021



¹ In light of the Lenham Neighbourhood Plan passing referendum, and a number of LNP sites coming or due to come forward at this time, LNP sites are now classified as allocate sites.

3.0 Completed dwellings

There were 1,354 dwellings (net) completed during the monitoring year 2020/21, bringing the total completed dwellings to 9,095 for the plan period. The sustained high delivery rate has meant that the Council has met its under supply from earlier years of the plan (Figure 3.1). In previous years, reliance had been made on the 'Maidstone Hybrid' approach endorsed through the Local Plan 2017 examination, which spread the remaining under-supply of 206 dwellings over the next 6 monitoring years. Strong delivery in 2020/2021 has meant that this remaining undersupply has now been met and there is no longer an under-supply.

Delivery of sites allocated within the Local Plan 2017 has led to an increase in the number of dwellings built on greenfield land, and 2020/21 saw completions on greenfield sites exceed those completed on brownfield sites (Figure 3.2).

New build dwellings made the most significant contribution to completions within Maidstone during 2020/21. Dwellings from conversions of existing buildings contributed to 7% of all completions (Figure 3.3). Residential to residential conversion recorded a net loss of 24 due to a large conversion project being under construction.

Small sites (1 to 4 dwellings) continue to make a positive contribution to the Housing Land Supply and the local economy. There were 89 small sites that contributed 104 completed dwellings during the monitoring year 2020/21. During the Local Plan period small sites have contributed to 8% of all completions (Table 3.1). This is a reduction on historical trends and likely resulting as a consequence of COVID-19 and supply chain issues. Appendix 2 lists the itemised sites that have contributed to the completed dwellings during the monitoring year 2020/21.

Figure 3.1: Completed dwellings 1 April 2011 to 31 March 2021

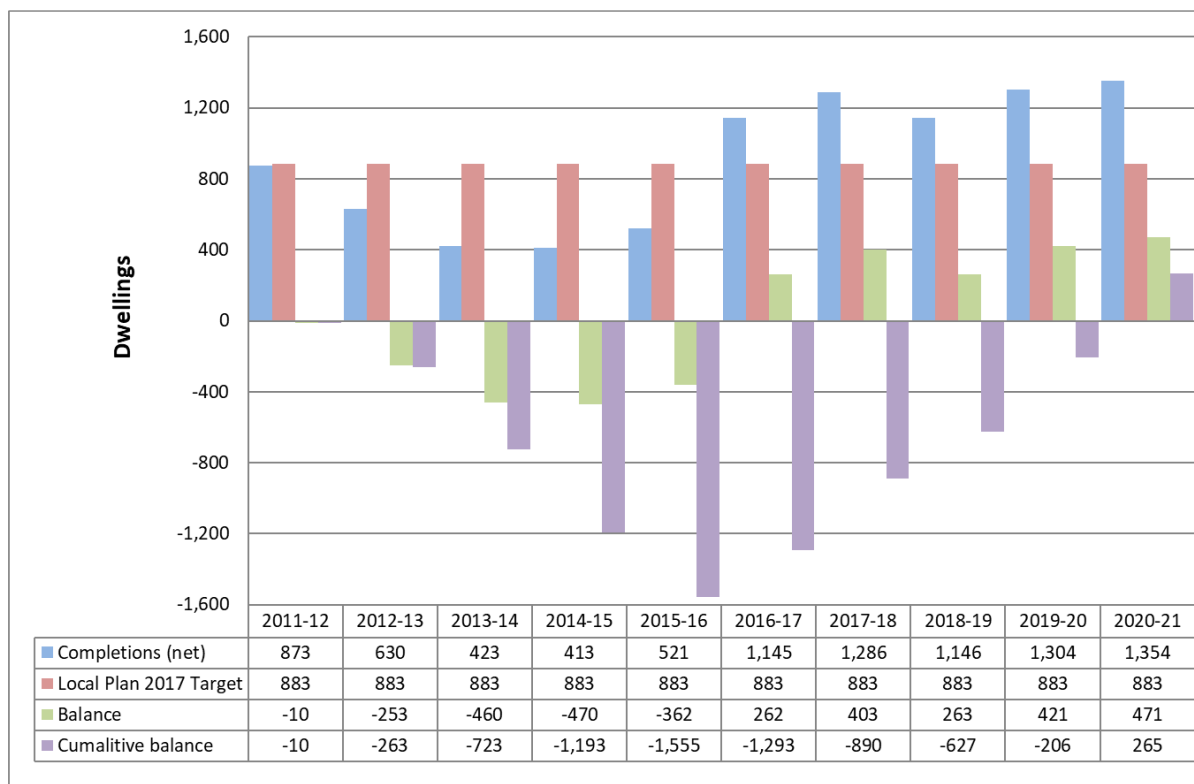


Figure 3.2: Percentage of greenfield/brownfield completions 1 April 2011 to 31 March 2021

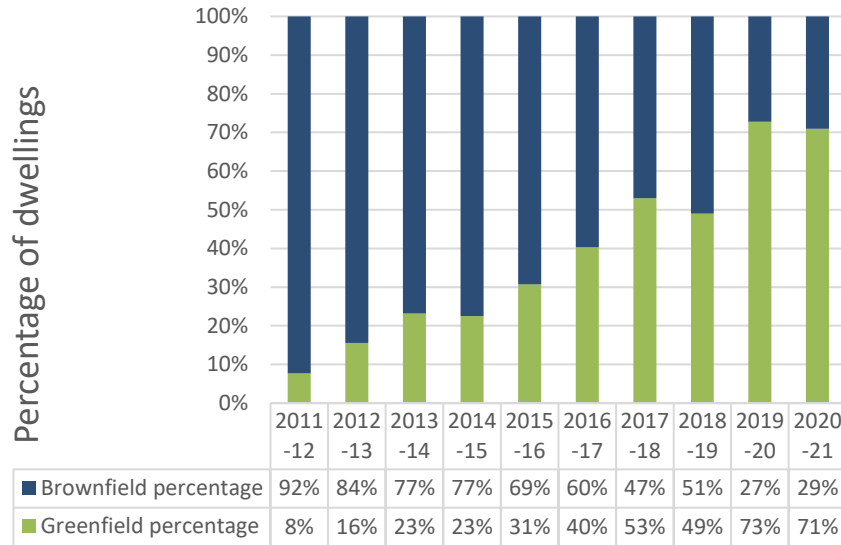


Figure 3.3: New dwellings by type of development 2020/21

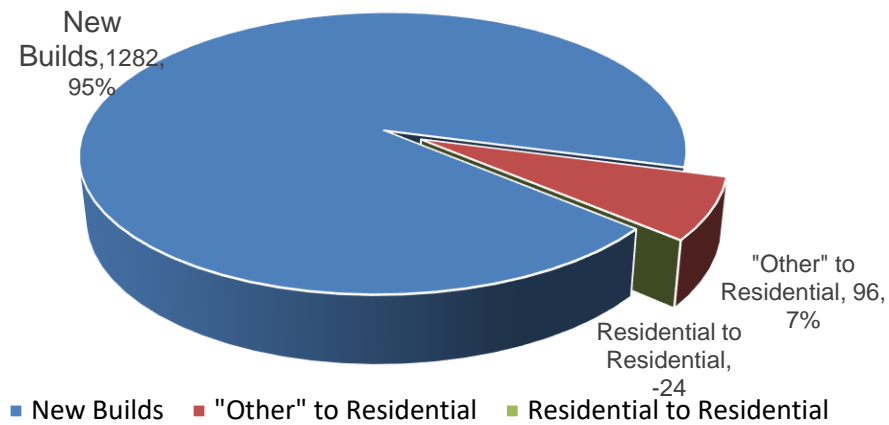


Table 3.1: Small sites contribution to completed dwellings

	Small sites	Large sites	Total	% Small sites
2011/12	96	777	873	11%
2012/13	104	526	630	17%
2013/14	103	320	423	24%
2014/15	58	355	413	14%
2015/16	126	395	521	24%
2016/17	130	1,015	1,145	11%
2017/18	153	1,133	1,286	12%
2018/19	178	968	1,146	16%
2019/20	141	1,163	1,304	11%
2020/21	104	1,250	1,354	8%
Average	119	790	910	15%

4.0 Housing Delivery Test

On 06 September 2021, the MHCLG issued a written ministerial statement indicating that the 2021 Housing Delivery Test measurement will apply a four-month or 122 day adjustment to the housing requirement figures for 2020-21 in order to account for fluctuations arising from the COVID-19 pandemic. In 2020 such an adjustment was applied for a one-month period.

The Council continues to perform extremely well against the Housing Delivery Test. The Council's completion performance over the last three years measured against the test is 144% based on the standard calculation, and 166% when considered against the adjustments applied due to COVID-19. This results in the application of a 5% buffer to our 5-year housing land supply calculation; a position that will be confirmed by MHCLG in November 2021 (Table 4.1). Figure 4.1 illustrates the significantly strong position of the Council's performance against the various consequences contained within the Housing delivery Test.

Projected completions as set out in the Itemised Housing Land Supply (Appendix 1) demonstrate that at this stage, the performance against the Housing Delivery test will subside as show in Figure 4.2. This is because nutrient neutrality has resulted in Lenham broad location sites, which were expected to start delivering over the coming years, have been pushed back towards the end of the plan period to coincide with likely upgrades and new permit limits arising from the WINEP study and/or the likely delivery of catchment wide mitigation strategies.

Table 4.1: Maidstone's performance against the HDT November 2021

	Completions	LP 2017	Difference	% of target
2018/19	1,146	883	263	144%
2019/20	1,304	883	421	
2020/21	1,354	883	471	
Total	3,804	2,649	1,155	
2020/21 With HDT Adjustments	3,804	2,288	1,516	166%

Figure 4.1: Maidstone's completed dwellings measured against HDT

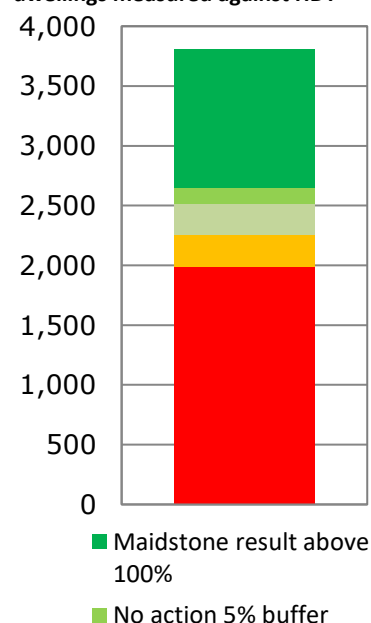
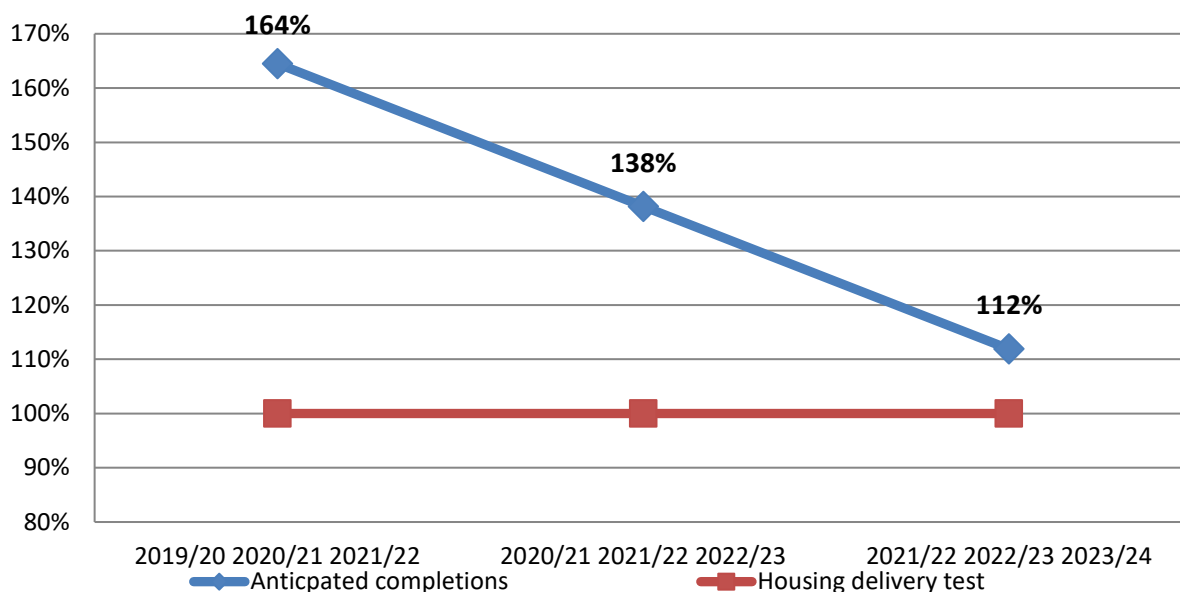


Figure 4.2: Maidstone anticipated future performance against the Housing Delivery Test

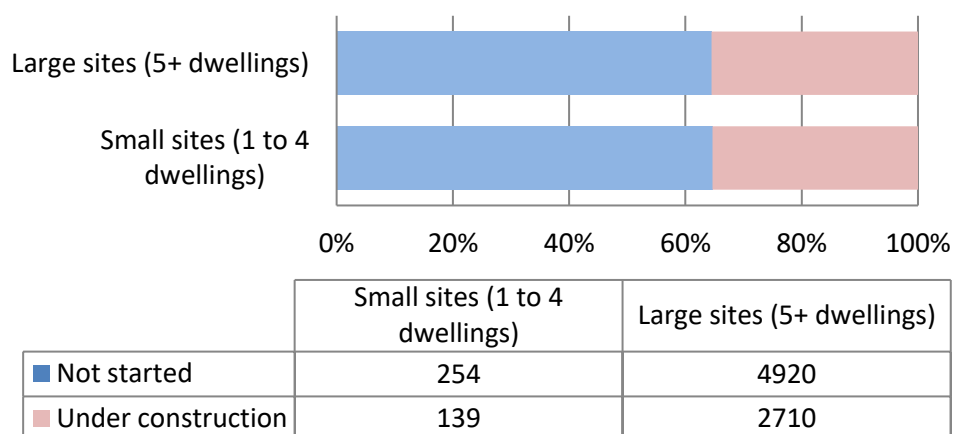


5.0 Extant supply

The extant supply includes all current planning permissions that contribute towards the 20-year Housing Land Supply (Figure 5.1). The extant supply position is inclusive of a 5% non-implementation discount (Section 6.0).

As at 1 April 2021, work had commenced on sites with a total permission for 2,849 dwellings. This indicates that good progression will be expected towards dwelling completions during 2020/21.

Figure 5.1: Extant sites not started/under construction at 1 April 2021²



² The method used to determine the number of under construction sites has altered since 2019/20 to ensure that only those sites likely to come forward in the coming year are identified as under construction.

6.0 Non-implementation

The trend of a low expiry rate of planning permissions for new dwellings within Maidstone continues. The average rate over the last 12 years stands at 2.0%. The Council will continue to maintain its approach as endorsed through the Local Plan 2017 examination, of applying a 5% discount to the extant supply for the potential non-implementation over the next monitoring year. The 5% discount to extant planning permissions within the Council's housing land supply has proven to be a robust approach, and over the last three monitoring years has been well in excess of actual expired permissions (Table 6.1).

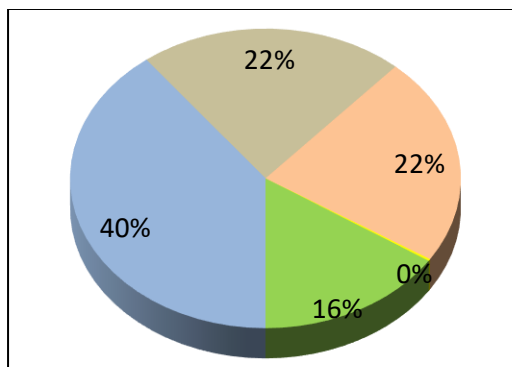
Table 6.1: Expired planning permissions/non-implementation allowance

Year	Dwellings (net)	Expired dwellings (net)	% expired dwellings	non-implementation allowance applied to 5yr HLS	Surplus / Deficit
2008-09	3,150	20	0.6%		
2009-10	3,514	127	3.6%		
2010-11	3,452	76	2.2%		
2011-12	2,987	53	1.8%		
2012-13	2,007	64	3.2%		
2013-14	2,116	66	3.1%		
2014-15	3,742	66	1.8%		
2015-16	5,605	89	1.6%		
2016-17	6,378	254	4.0%	288	34
2017-18	7,012	76	1.1%	307	231
2018-19	7,904	167	2.1%	347	180
2019-20	8,090	46	0.6%	402	356
2020-21	7,638	19	0.6%	381.9	363
Average	4,892	86	2.0%	345.18	233

7.0 Progress of Local Plan Housing Allocations

Sites allocated within the Local Plan 2017 have continued to make excellent progress in gaining planning permissions. 35% of all dwellings on allocated sites have now been completed with a further 16% having commenced. There now remains just 7% of the allocated dwellings to gain planning consent (Figure 7.1).

Figure 7.1: Progress of Local Plan 2017 allocated housing sites



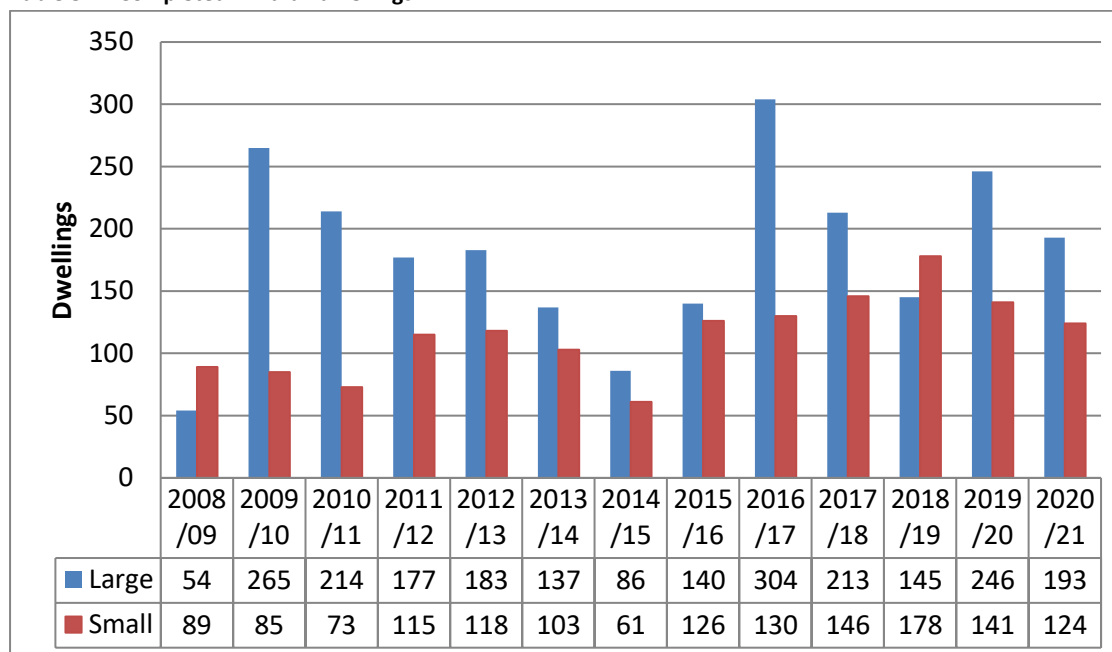
	Dwellings	Percentage
Completed	3,875	40%
Commenced	2,156	22%
Not started	2,203	22%
Application submitted	19	0%
Application awaited	1,540	16%
Total	9,793	

8.0 Windfall sites contribution

The increase in completed dwellings since 2016/17, and national policy redefinition of a windfall site from a previously developed site not identified through the local plan, to any site not identified has had a significant impact on the sites that contribute towards the windfall allowance. Table 8.1 illustrates that small sites now make a significant contribution to the windfall gains. There has been a small reduction in the number of windfall sites completions over the year 2020/21, with this likely to be as a result of Covid-19 and materials supply chain issues having a greater impact on SME's and single dwelling developments.

As a consequence of historical trends, the small sites windfall contribution has been set at 114 dwellings per annum. The contribution from the large sites windfall allowance has remained the same as the previous monitoring year, and is 90 dwellings per annum between the years 2025/26 to 2029/30 and 180 dwellings per annum for the year 2030/31 (Appendix 1).

Table 8.1: Completed windfall dwellings



9.0 Housing Land Supply Forum

Following on from the previous three years, the 2021 forum was held in July to help inform the housing land supply by reviewing our assumptions on site phasing and delivery/build out rates, as well as providing more general industry-wide insight into the immediate and possible future effects of Brexit and Covid-19.

The Forum consisted of officers from the Council, planning consultants and representatives from developers based in the local area.

Potential implications of Brexit and Covid-19

The general consensus from the Forum is that market demand in 2021 was strong. This can be attributed to a combination of pent-up demand from over the lockdown period, plus the governments' stamp duty holiday incentive. There is also evidence that the impact of Covid-19 has resulted in a shift in demand from people looking to move out of London, into the South East, as changing work and travel patterns allowed for greater freedom of location.

It was agreed by Forum members that Covid-19 caused a temporary stall on some sites but that there is some recovery on this. One of the main concerns going forward were the increasing cost of materials and labour. This applied across the board, from concrete to fixtures and fittings, and may be further exacerbated by the demand that the Lower Thames Crossing places on labour and materials. It is likely that these resource issues will also put pressure on infrastructure providers. At the moment there is a strong demand for housing has offset additional costs but there is concern that this demand may not continue. Contributors indicated that planning delays were impacting on their ability to start on site, particularly the volume of conditions placed on permissions and the speed at which conditions discharge applications are processed. That said, it was agreed that this

wasn't an issue solely related to applications in Maidstone, and that MBC generally deals with them faster than other authorities which is reflected in the strong delivery of sites in Maidstone.

At last years forum it was agreed that the build out rates for large sites would be reduced from 49 to 40 per year. In light of the uncertainty surrounding the labour market and materials cost, it has been agreed that 40 per year should remain going forward. This 20% reduction has therefore been retained to delivery rates for site of 50+ units. This is a cautious approach but is considered to be robust in light of the uncertainties surrounding the market. Similarly, this 20% reduction has been applied to sites delivering 25-49 units, taking the annual delivery rate on these sites down from 18 to 14 per annum. On sites supplying fewer than 25 units, no reduction has been applied on the basis that these smaller sites are less likely to be affected to the same extent as the larger sites.

In addition to general feedback from the Forum members, a number of individual site promoters were contacted to ascertain their latest position with regards to phasing and delivery of their specific sites within the five-year supply. This feedback supported the assumptions made on the start and build-out rate of sites.

10.0 5 Years Housing Land Supply

The Council at 1 April 2021 can demonstrate 5.6 years' worth of deliverable housing sites against the Local Plan housing target of 17,660 dwellings for the Plan period (Table 10.1).

Progress of sites allocated within the Local Plan 2017 and windfall planning permissions with detailed consent contribute to 89% of the 5-year supply. Outline planning permissions on major sites (10+ dwellings) that have been evidenced through: engagement with the site developers and consultants; feedback obtained from Development Management and progress of detailed consents; reviewed by the housing land supply forum; and consistency checked with evidenced lead-in times and delivery rates, contribute to just under 5% of the supply. A small allowance (2%) has been made for sites allocated within the Local Plan which do not have planning consent as a result of developer and planning consultant engagement (Figure 10.1).

All of the minor sites and small sites (less than 10 dwellings) that contribute to the 5-year supply, have been calculated using the endorsed methodology by the Local Plan inspector policy (Chapter 11).

Table 10.1: 5-year housing land supply 1 April 2021

	5 - year housing land supply - 'Maidstone Hybrid' method	Dwellings (net)	Dwellings (net)
1	Objectively Assessed Need (OAN) 2011 - 2031	17,660	
2	Annual need 17,660/20 years	883	
3	Delivery target 01.04.11 to 31.03.21 (883 x 10 years)	8,830	
4	Minus completed dwellings 01.04.11 to 31.03.21	9,095	
5	Shortfall against target 01.04.11 to 31.03.21	-265	
6	Annual delivery of shortfall 206/6 years (Maidstone Hybrid)	-44	
7	Five-year delivery target 01.04.21 to 31.03.26 (883x5)	4,415	
8	Plus shortfall against OAN 34x5 years ³	0	
9	5% buffer (Housing Delivery Test @ November 2021 166%)	221	
10	Total five year housing land target at 01.04.21		4,636
11	Five-year land supply at 01.04.21		5,147
12	Surplus		512
13	No. years' worth of housing land supply (4,636/5 =963 ; 5,147/963. = 5.6)		5.6

Figure 10.1: Components of the 5-year housing land supply

	Dwellings	Dwellings (net) as %
Detailed consent and Prior Notification supply (5% non implementation applied)	4,574	88.9%
Outline consent (5% non implementation applied)	264	5.1%
Allocation: planning permission submitted, decision pending	0	0.0%
Windfall Small Sites	228	4.4%
Allocation: strong intention to develop	80	1.6%
Total	5,147	100%

11.0 5-year supply methodology

Changes to delivery evidence for major sites (10+ dwellings) with outline planning consent, planning permission in principle or allocated within a plan without consent came into effect through the NPPF 2019. Annex 2 of the updated NPPF (2021) states the evidence requirement for these sites.

“To be considered deliverable, sites for housing should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years. In particular:

³ Shortfall met in the year 2020/21

- a) sites which do not involve major development and have planning permission, and all sites with detailed planning permission, should be considered deliverable until permission expires, unless there is clear evidence that homes will not be delivered within five years (for example because they are no longer viable, there is no longer a demand for the type of units or sites have long term phasing plans).
- b) where a site has outline planning permission for major development, has been allocated in a development plan, has a grant of permission in principle, or is identified on a brownfield register, it should only be considered deliverable where there is clear evidence that housing completions will begin on site within five years.”

The Council presented a base line phasing methodology for its housing land supply as part of its Local Plan examination (Figure 11.1), The phasing of Large (5+ dwellings) sites was amended from the base line where appropriate based on feedback from developers/site promoters and development management and then delivery rates were set, informed where possible by site developers and promoters.

The requirement to provide delivery evidence on major sites with outline consent, planning permission in principle and allocated within a plan without planning consent has required this methodology to be amended for sites that fall into those categories. Further, to provide consistency on the setting of delivery rates for sites, historical evidence has been produced. At present the Council does not have any sites with planning permission in principle. For major sites with outline permission evidence was gathered by:

- Engagement with site developers/consultants;
- Progress towards gaining detailed planning consent reviewed;
- Feedback obtained from the Councils Development Management team;
- Review by Housing Land Supply Forum;
- Consistency check with Local Plan endorsed phasing methodology, and evidenced lead-in times and delivery rates.

One allocated site without planning permission was included within the 5 years supply, in year 4 and 5, as a result of engagement with the site promoters and assessment of current planning status. In Appendix 1 there is a column titled housing land supply officer conclusion which states how these sites have been phased and their delivery rates set.

Lead-in times have been identified on the large sites (5+ dwelling sites) that have reported completions from building control completion reports. The lead-in time is taken from the date that the planning permission was granted to the date of the first completion certificate issued. It should be noted that some sites use approved inspectors to carryout building control and some of those inspectors have failed to notify the Council of site completions. This failure to carry out a statute duty, results in an incomplete picture for lead-in times. However, from the results that could be gathered, the lead-in time evidence indicates that the assumptions presented as part of the Local

Plan examination were robust and accurate (Table 11.1). An action arising from the Housing Land Supply Forum for next year is to expand on the lead-in evidence for sites above 50 dwellings to evidence: 50 to 99 dwellings; 100 to 249 dwellings; and 250+ dwellings.

Delivery rates for large site have also been analysed since the Local Plan was submitted for examination, and this analysis now provides the base line methodology for estimating delivery rates on large sites (Table 11.2). A further action arising from the Housing Land Supply Forum for next year is to expand on the delivery evidence for sites above 50 dwellings to evidence: 50 to 99 dwellings; 100 to 249 dwellings; and 250+ dwellings.

As additional years of housing land supply are monitored, both the lead-in time and delivery rate evidence bases will continue to be expanded upon. As the Local Plan review progresses, there may also be the need to develop other evidence bases and assumptions.

Figure 11.1: Phasing methodology

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Small sites (1 to 4 dwellings)										
Under construction site	■									
Greenfield site		■								
Brownfield site			■							
Outline permission - granted				■						
Large sites (5+ dwellings)										
Extant permissions										
Prior notification - site commenced	■									
Prior notification - site not commenced		■								
Full Plans application - site commenced	■									
Full Plans application - site not commenced		■								
Full Plans application - awaiting S106			■							
Reserved matters - site commenced	■									
Reserved matters - site not commenced		■								
Outline permission - granted			■							
Outline permission - awaiting S106				■						
No immediate intent to develop									■	
Allocated site										
Full Plans application - awaiting S106			■							
Full Plans application - pending decision				■						
Outline permission - awaiting S106				■						
Outline permission - pending decision					■					
Strong intention to develop					■					
Intention to develop						■				
No immediate intent to develop										■

Table 11.1: Average lead-in time 5+ dwelling sites

	Outline	Full Plans	Prior Notification
2016/17	730	695	494
2017/18	908	647	546
2018/19	1,260	601	673
2019/20	919	898	1128
2020/21	1,502	988	689

Average days	1064	766	706
Average years	2.9	2.1	1.9

Table 11.2: Average delivery rates on large 5+ dwelling sites

Site size (units)	5 to 24	25 to 49	50+
2016/17	8	10	61
2017/18	9	22	55
2018/19	6	20	44
2019/20	7	20	37
2020/21	4	11	42
Average	7	17	48

12.0 Conclusion

Monitoring of the Council’s housing land supply continues to maintain the robust evidence gathering and analysis methodology that was established during the Maidstone Local Plan 2017 examination. Additional housing land supply evidence gathering has been carried out to test this methodology against new national policy requirements, and this work confirms the accuracy of the assumptions made within the methodology. The Council continues to engage with site developers/promoters to help inform its supply position and to obtain as true a picture as possible on-site delivery.

The Council maintains a strong five-year housing land supply position, with 5.6 years’ worth of supply as at 1 April 2021. The five-year supply is vastly made up of extant planning permissions of which 90% has detailed consent. The large number of units under construction indicates that the next monitoring years completed dwellings will continue to surpass the Local Plan target of 883 dwellings.

The Council has performed exceptionally well against the government’s Housing Delivery Test and the results expected in November 2021 should be even stronger than last year’s, at 166%, or 144% without the MHCLG COVID-19 adjustment. The Council has evidenced the deliverability of sites with outline permissions through: engagement with site developers/planning consultants and development management officers; monitoring of the progress towards gaining detailed consents; reviewing phasing and delivery assumptions within a Housing Land Supply Forum; and benchmarking lead in times and delivery rates. This approach has allowed the Council to examine its housing land supply robustly and the procedures carried out exceed those set out within the NPPF 2021.

The 20-year housing land supply position has continued to strengthen during the last monitoring year to a surplus of 2,130 dwellings and the under supply of completed dwellings from the early years of the Local Plan has been met. Housing sites allocated within the Local Plan continue to make good progress towards delivery. There has been a sustained flow of windfall planning permissions which is expected to continue, and the transition of Maidstone Town Centre should help the Council to continue meeting the objectives of the Local Plan. The Lenham Broad Location is affected by the Stour nutrient neutrality issue and consequently for this year’s reporting sites without full permission been pushed back in the plan to account for this. Therefore delivery in the years 2023-2029, when delivery of these sites was expected to contribute to completions, is indicating a drop in supply. However, MBC is currently working through a range of potential solutions to resolve this issue, and it is expected that in due course, these sites will be able to come forward sooner.

To date, excellent progress has been made towards meeting the Council's housing requirements within the Local Plan 2017. The Council's housing land supply will continue to be monitored on a yearly basis and a further updated position to the 5 and 20 year supply will be provided at a base date of the 1 April 2022.