

Tonbridge & Malling Borough Council Local Plan

Housing (Objectively Assessed Need and Land Supply)

Topic Paper

1. Context

- 1.1 The Objectively Assessed Need (OAN) was prepared in the context of the [National Planning Policy Framework \(NPPF\)](#) (March 2012) and the [Planning Practice Guidance \(PPG\)](#) on Housing and Economic Development Needs Assessments that pre-dated the July 2018 changes.
- 1.2 The key outputs are documented in detail in the Strategic Housing Market Assessment reports, as well as the Housing Needs Update report (January 2019), that are available from the Local Plan evidence page: www.tmbc.gov.uk/localplanevidence.

2. Starting Point

- 2.1 [Paras.015 in the PPG](#) makes it clear that the Household Projections should provide the starting point estimate of overall housing need. With this in mind, the starting point for the calculation of the OAN at the Regulation 18 stage of plan-making was the 2014-based Household Projections published by the Government in June 2016. This was the most current set of projections available at the time the evidence and plan were being prepared.

3. Demographic Starting Point for Housing

- 3.1 To calculate the demographic starting point for housing, a vacancy allowance of 3.8% was applied to the 2014-based household projection figure (596 dwellings per annum), i.e. the figure was uplifted by 3.8%. This vacancy allowance was estimated from 2011 Census data.
- 3.2 This resulted in an estimated demographic starting point, including the vacancy allowance, of 619 dwellings per annum (dpa).

4. Sensitivity Testing and Market Signals

- 4.1 In accordance with [paras. 017-020 in the PPG](#), the figure of 619 dpa was subject to sensitivity testing and market signals were taken account of to determine if pressures existed for an uplift to the housing need.
- 4.2 The figure was tested against economic forecasts, housing affordability and affordable housing need.
- 4.3 It was evident that there were no economic pressures to uplift the housing need figure because the expected workforce growth arising from the 2014-based Sub-National Population Projections (SNPPs) is higher than the growth required to support the economic growth scenarios.
- 4.4 It was evident that housing affordability is a significant issue in T&M, which is worsening. In 2016, the ratio of median house prices to median workplace-based earnings was 11.48. It was determined that the pressure from housing affordability warranted an uplift in the housing need figure.
- 4.5 The affordable housing need was calculated at 277 dpa. This also exerted some pressure on the housing need figure in terms of an uplift.

5. Objectively Assessed Need

- 5.1 The OAN that fed into the Local Plan at the Regulation 18 and 19 stages of plan-making was 696 dpa.
- 5.2 This took the dpa figure of 619 derived from the 2014-based Household Projections and uplifted it by 12.5% in response to the pressures from housing affordability.
- 5.3 The 12.5% uplift was a response to market signals and was informed by inspectors' decisions at the time the Strategic Housing Market Assessment (SHMA) was being prepared, in particular Eastleigh and Uttlesford where a 10% uplift was recommended.

6. Checking OAN against Latest Set of Household Projections (2016-based)¹

- 6.1 [Para. 016](#) in the Government's 'Housing and Economic Development Needs Assessment' Planning Practice Guidance (PPG) (February 2015) advises that wherever possible, local needs assessments should be informed by the latest available information. With this in mind, the consultants who prepared the SHMA (GL Hearn) assessed the implications of the 2016-based Household Projections published by the Office for National Statistics (ONS) in September 2018 for the

¹ This section summarises the Housing Needs Update report (January 2019) available from the Local Plan evidence page: www.tmbc.gov.uk/localplanevidence

Plan's OAN. This set of Projections was published after the Regulation 19 version of the Plan had been prepared and agreed by the Council. This piece of evidence is available from the Local Plan evidence page: www.tmbc.gov.uk/localplanevidence.

- 6.2 Again in accordance with [para.015 in the PPG](#), the starting point was the demographic output from the Household Projections. This was converted to dwellings through the application of the vacancy rate (+3.8% for Tonbridge & Malling Borough). This resulted in a demographic starting point of 531 dpa.
- 6.3 The report also provided a demographic starting point taking account of the latest Mid-Year Estimates (mid-2017) published by the ONS in June 2018. This produced a figure of 544 dpa after the application of the vacancy rate (+3.8%).
- 6.4 The report therefore advises that the demographic starting point ranges from 531 dpa to 544 dpa.
- 6.5 There is a need for a higher market signals uplift because of the worsening housing affordability in the borough – both lower quartile and median affordability ratios worsened between 2015 and 2017 – and because of the judgements of the more recent examining inspectors (Waverley, Mid-Sussex and Canterbury). An adjustment of +25% would be appropriate. When applied to the starting points outlined above (531 dpa and 544 dpa) this results in an updated OAN of between 664 dpa and 680 dpa.
- 6.6 Having regard to [para. 016](#) in the PPG on updating projections, it is considered that this conclusion does amount to a “meaningful change” to the OAN that features in the Regulation 19 Local Plan. The Council has concluded therefore not to change the housing need target in the Local Plan of 696 dpa.
- 6.7 This figure for housing will help the Council respond to a worsening housing affordability in the borough. Boosting housing supply will also enable more affordable homes to be delivered.

7. Housing Land Supply (HLS) Position

- 7.1 Table 4 in the Regulation 19 Local Plan (p.35) has been updated in light of the availability of the HLS position as at 1st April 2018 (see Table 1).
- 7.2 Please Note: Table 4 in the Regulation 19 Local Plan incorrectly added the shortfall accrued since the base date of the Local Plan (2011) in the calculation for the net requirement for the Plan. This has been corrected in Table 1 on p.4 of this paper.

Table 1: Housing Land Supply (as at 1st April 2018)

Housing need (gross) (2011-31)	13,920 (696 dwellings per annum)
Completions**	4,841 dwellings
Extant planning permissions*	2,645 dwellings
Small sites windfall estimate^	572 dwelling
Local Plan net requirement	5,862 dwellings
Local Plan allocations	6,834 dwellings
Difference between Local Plan allocations and net need	+972 dwellings

* As at 1st April 2018

** From 1 April 2011 up to 31 March 2018

^ Projected supply of 44 dwellings per annum from small sites (fewer than 5 dwellings) for the remainder of the Local Plan period. Average supply from small windfalls over the last five years (2013/14 – 2017/18) discounted by 50%

- 7.3 **Flexibility** –The Local Plan housing allocations exceed the net requirement for the Plan period by 972 dwellings. In accordance with [para.14 in the NPPF \(2012\)](#) this provides sufficient flexibility to adapt to rapid change. This includes:
- Flexibility to take account of uncertainties in the wider economy moving forward which may impact on the housing market (generally and in Tonbridge & Malling) and the housing industry
 - Flexibility to take account of possible variations in the yields that can be achieved from some of the sites
 - Flexibility to take account of possible changing needs in the housing market by providing choice and a range of sites across the two HMAs.
- 7.4 The Local Plan Appendix E sets out a trajectory for the allocations in Policy LP25.
- 7.5 The phasing of the strategic sites was informed by the research by NLP: <https://lichfields.uk/media/1728/start-to-finish.pdf> along with local evidence on actual delivery and information from site owners and promoters.
- 7.6 **Yields** were calculated by applying a density of 30 dwellings per hectare to the site area excluding high level constraints.
- 7.7 **Delivery rates** – These have been informed by historic delivery rates in Tonbridge & Malling Borough since the base date of the Local Development Framework (see Table 2, p.7). In the years leading up to the last recession (2008) approximately 300 homes a year were being constructed at Kings Hill which demonstrates that the local market has capacity to absorb a significant quantum of development. In addition, the

rates were informed by the NLP report (see link above), in particular the lead-in times for the delivery of the first units on large sites of 500+ units, as well as information provided by some of the site promoters. Taking these factors into account, the Council has generally assumed the following delivery rates (see below) which have informed the housing trajectory.

- 1 outlet on-site: 80 dpa
- 2 outlets on-site: 150 dpa
- 3 outlets on-site: 240 dpa
- 4 outlets on-site: 320 dpa
- For Bushey Wood, South Aylesford and North of Kings Hill the assumptions were adjusted slightly taking account of information provided by the site promoters
- For Borough Green Gardens the delivery rate also reflects evidence provided by the site promoter

7.8 Table 2 (see p.7) sets out the HLS with the Local Plan allocations (Policy LP25) factored in, reflecting the trajectory in Appendix E in the Local Plan. This includes addressing the shortfall accrued against the annual requirement of 696 dpa since the base date of the Plan in 2011 (31 units) in the next five years (Sedgefield method, as expected by the Government, [see para. 044](#) in the Planning Practice Guidance section on 'Housing and Economic Land Availability Assessment') + 5% buffer. This demonstrates that from 1 April 2018 the Council can demonstrate **5.9 years of HLS**.

7.9 A 5% buffer has been applied. This is because the Council's record of delivery over the long-term (back to 2006 – base-date of the Local Development Framework) is good, with cumulative completions consistently exceeding cumulative requirements. This is documented in the [Annual Monitoring Reports](#). There is no evidence justifying a 20% uplift.

7.10 Table 3 & Figure 1 (see p.8) set out the housing trajectory across the whole of the Local Plan period (2011-2031). These figures illustrate actual and projected completions taking account of extant planning permissions, Local Plan housing allocations and a windfall allowance. Please note: Figure 3 includes primary and secondary vertical axis; the primary axis (left-hand side of the chart, green text and numbers) is the number of dwellings and the secondary axis (right-hand side of the chart, dark red text and numbers) is the cumulative number of dwellings. Figure 1 shows that if the Local Plan is adopted the cumulative completions will exceed the cumulative requirement from 2019/20 to the end of the plan period which is clearly a very desirable situation in keeping with Government policy, notwithstanding the constraints within the borough.

Table 2: Housing Land Supply Position (including Local Plan Allocations) as at 1st April 2018

OAN 696 dpa (SHMA Sept. 2016, 2014-based Household Projections) + address shortfall since base date of Plan in 2011 (31 units) in the next five years + 5%

Year	Sites with Permission (1)	Small Sites Estimate (2)	Large Sites Windfalls	Kings Hill Phase 3	Kings Hill	Holborough Quarry (3)	Leybourne Grange	Peters Pit	Tonbridge Central Area completions and permissions	Local Plan Strategy	Completions	5 Year Totals	Total Supply Local Plan 2011-2031	5 Year Supply 2018/19-2022/23
2006/07	437				281	85			47		850	3210	14892	4363
2007/08	349				300	137			53		839			
2008/09	280				224	91			203		798			
2009/10	209				93	47	16		7		372			
2010/11	145				55	18	59		74		351			
2011/12	119				90	100	22		113		444	2845		
2012/13	151				84	59	70		30		394			
2013/14	257				108	12	82		149		608			
2014/15	267				91	43	26		60		487			
2015/16	441				74	64	14		319		912			
2016/17	436				41	60	138	13	142		830	4600		
2017/18	616				31	101	231	139	48		1166			
2018/19	386	44		50	28	27	71	179	45		830			
2019/20	129	44		100		80		150	27	78	608			
2020/21	104	44		100		75		150	19	674	1166			
2021/22		44		100		6		150	33	590	923	3882		
2022/23		44		100				150	73	469	836			
2023/24		44		100				128		426	698			
2024/25		44		85						578	707			
2025/26		44								674	718			
2026/27		44								715	759			
2027/28		44								795	839			
2028/29		44								755	799			
2029/30		44								565	609			
2030/31		44								515	559			
Totals	4326	572	0	635	1500	1005	729	1059	1442	6834	18102	18102		
												SHMA 5 yr OAN +5% (4)	3687	
												Difference	676	
												5-Year Supply (5)	118%	
												No. of years of HLS (6)	5.9	

- Note (1) Excluding Strategic Sites & Tonbridge Town Centre
 Note (2) Windfall projection from small sites (fewer than five units in capacity)
 Note (3) Holborough Quarry 2008/09 error - should have been 91 units not 182 units
 Note (4) Objectively Assessed Need (OAN) for housing identified in the Strategic Housing Market Assessment (SHMA) (Update, September 2016) inc. addressing shortfall accrued since 2011 plus 5% buffer as required by para. 47 in the NPPF
 Note (5) Supply of ready to develop housing sites as a % of the 5-year OAN requirement (see footnote (4))
 Note (6) Number of years of Housing Land Supply (HLS) measured against 5-year OAN requirement + 5% (see footnote (4))




-  Next 5 years of projected housing supply
 5-year supply as a percentage of the OAN requirement (see footnote (4))
 Number of years of housing land supply measured against 5-year SHMA requirement (see footnote (4))

Table 3: Housing Trajectory for the Plan Period (2011-2031) as at 1st April 2018

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Annual Requirement	696	696	696	696	696	696	696	696	696	696	696	696	696	696	696	696	696	696	696	696
Cumulative Requirement	696	1,392	2,088	2,784	3,480	4,176	4,872	5,568	6,264	6,960	7,656	8,352	9,048	9,744	10,440	11,136	11,832	12,528	13,224	13,920
Completions	444	394	608	487	912	830	1,166													
Projected Completions from Outstanding Planning Permissions								786	486	448	289	323	228	85						
Windfall Allowance								44	44	44	44	44	44	44	44	44	44	44	44	44
Local Plan Allocations									78	674	590	469	426	578	674	715	795	755	565	515
Total Annual Completions and Projections	444	394	608	487	912	830	1,166	830	608	1,166	923	836	698	707	718	759	839	799	609	559
Cumulative Completions and Projections	444	838	1,446	1,933	2,845	3,675	4,841	5,671	6,279	7,445	8,368	9,204	9,902	10,609	11,327	12,086	12,925	13,724	14,333	14,892

Figure 1: Housing Trajectory Chart for the Plan Period (2011-2031) as at 1st April 2018

