

MEDWAY LOCAL PLAN HEARING STATEMENT: STAGE 1

PREPARED BY THE KENT SME DEVELOPERS NETWORK : REF ID - E.49

MATTER 3: MEETING HOUSING NEEDS

i) INTRODUCTION

- 1.1 This Hearing Statement has been prepared by the Kent SME Developers Network to respond to Matters, Issues and Questions (MIQs) raised for the Stage 1 Hearing Sessions. This Statement focuses on matters raised by the Kent SME Developers Network, expanding upon the response submitted to the Regulation 19 Consultation and specific questions posed in respect of Matter 3 – Meeting Housing Needs and particularly Policy T11 as part of the Inspector’s Questions to the Examination.
- 1.2 This statement does not seek to repeat the representations made at the Regulation 19 stage but will draw reference to specific paragraphs / points in answering the relevant questions to the Examination.
- 1.3 The role of the Kent SME Developers Network (set out fully in our Regulation 19 consultation responses) is to work proactivity with LPAs and ensure SMEs are supported more in the plan making process. The Kent SME Network and Medway Council have been working closely on ensuring that there is a positive policy framework that supports and encourages SMEs to come forward with development sites. MC recognise the benefits that SME Housebuilders bring in diversifying the market, delivering quickly and at high quality.
- 1.4 The Network represents approximately 40No. SME Developers of various size and scale and business models. The Network is wholly supportive of the Council’s approach to Policy T11 and supports its inclusion in the plan, which will drastically improve the opportunity for SMEs to come forward with development in Medway and meet the Government’s Objective to help grow SMEs and deliver high quality development.
- 1.5 This is the foundation in which Policy T11 has been formulated and represents an incredibly important policy for the Kent SME Network. The aim is that every Kent LPA has such a policy and it is noted that other LPAs with similar style SME policies are coming forward in conjunction with the Network, including Swale Borough Council (at Regulation 19 stage), Dover District Council (Adopted), Ashford Borough Council (Adopted) and Maidstone Borough Council (Adopted).

ii) RESPONSE TO QUESTIONS

a) Housing Supply

Q3.9 *How does the Plan demonstrate the role of small sites / SMEs in housing supply and the robustness of any windfall assumptions?*

- 1.6 The plan effectively demonstrates the role of small sites and SME's through the inclusion of Policy T11, which specifically and deliberately orientates windfall development to be delivered by SMEs.
- 1.7 The net effect of such a policy is twofold. Firstly it will support and encourage SMEs to deliver housing in Medway under a positive policy framework and secondly, it will underpin not only the delivery windfall assumptions, but help support the delivery of housing both in the short and long term throughout the life of the plan. It will actively encourage windfall to come forward as opposed to just 'letting windfall happen'. It will therefore effectively help support the plans objective of meeting its housing needs.

b) Policy T11: Small Sites and SME Housebuilders

Q3.55 *How has the 60 dwellings (net) limit under Policy T11 been derived as regards maintaining the character and scale of the local area and the justification for the policy, and on the basis of what evidence?*

- 1.8 The 60 dwelling threshold has been borne out of 2No. fundamental components. The first is that it reflects the typical market conditions whereby a volume housebuilder is unlikely to 'come this low' and compete with the SME market for sites of this scale. It therefore places a 'cap' on a site to be able to come forward under this policy to naturally orientate towards SME delivery. The second is that notwithstanding the requirement to allocate land on sites of 1ha or less (now 2ha also based on NPPF 2026), there are many SMEs operating in and around Medway that can deliver sites larger than the 1ha cited in the NPPF (which realistically in a rural area would only achieved a yield of anywhere between 20 – 30 dwellings). As such, the 60 dwelling reference facilitates those SMEs that can deliver larger sites than just a 1ha site and will help to meaningfully contribute to Medway's housing supply in greater numbers than the NPPF would allow. It further provides opportunities for 'growth' of SMEs over the life of the plan, ensuring that SMEs not only survive, but have an opportunity to thrive. It is highly effective in that regard.
- 1.9 We also highlight that the recent NPPF 2026 introduced a new medium category of development. This further reinforces the Government's desire to support SMEs and help simplify and de-risk sites for SME's. Alongside this, we also note there is a current consultation on simplifying Section 106

Agreements for medium sites and further the introduction of stronger wording in the NPPF 2026 around local plans allocating land for up to 2ha (see HO6: Planning for diverse mix of sites part 1a and b).

- 1.10 The direction of travel from Government is clear in this regard. Medway's approach and inclusion of Policy T11 falls squarely and soundly with this direction and if anything provides greater support to SMEs.

3.56 *Why is the minimum 5 unit threshold (paragraph 6.11.1) not included in the policy itself, in terms of being effective?*

- 1.11 There is no specific reason why the 5 unit threshold is not referred to in the policy. The policy itself could include sites of 1 to 60 dwellings if so desired as there is no lower limit on dwelling numbers in the policy.

3.57 *Is Policy T11 seeking to direct such development to any particular locations in Medway?*

- 1.12 No. The policy is designed to be operative in all parts of the Borough in which sustainable development can be delivered. It will help support any SME, of any size, in suitable locations where that SME has an opportunity to bring forward development. Crucially, it will help support the delivery of windfall development and can help underpin the delivery of the housing supply.

3.58 *How does Policy T11 accord with national policy in that at least 10% of the housing requirement is to be on sites that are no larger than one hectare?*

- 1.13 Policy T11 is not designed or intended to meet the NPPF requirement (former para 73) that 10% of sites are identified in the Local Plan. That is a different test. The purpose of the policy is complementary to this requirement and allow SMEs to come forward now and later in the plan period with a supportive policy framework to deliver high quality development. It may well be that the policy helps the Council achieve and exceed the NPPF requirement (especially in the light of Policy H06 now expanding a further 10% to 2ha) but it is not designed to replace the NPPF guidance - which is that 10% of land is required to be identified (or now allocated in the 2026 version).
- 1.14 The reason why this Policy is so critical is because SMEs operate on a 'hand to mouth' basis and come across opportunities that are short term in nature. SMEs do not (and cannot) land bank as there is a need to recycle cashflow on a short term basis. This makes it more difficult for SMEs to promote sites (typically) through the local plan process as the turnover of sites needs to be quicker than the local plan process allows. Additionally, even if a site is promoted by an SME, that one (or two sites) will not be sufficient in scale to satisfy a business for a 10 to 15 year pipeline aligned with a local plan review time period.

- 1.15 Accordingly, the policy is set up in a way that if an unidentified site in a suitable area comes forward, and meets the policy requirements, then it is in conformity with the Development Plan and should be approved without delay – thus de-risking the planning process for that SME.

3.59 *If a Small and Medium-sized Enterprises (SME) housebuilder proposed a site over 60 dwellings (net), how would this be considered under the Plan, if not Policy T11?*

- 1.16 If a site came forward greater than 60 dwellings, then the application would be determined on its own merits and against the development management policies contained in the plan. The LPA has a proactive mindset and looks to work with applicants where possible. Therefore if a development was over 60 dwellings, but still delivered a scheme that met the criteria and thrust of the SME policy in terms of design and scale and character, then the LPA can take that into the planning balance when determining any planning applications that exceeded the 60 dwellings threshold brought forward by an SME developer.

3.60 *In terms of Policy T11 being effective and justified, was consideration given to including small sites and SME housebuilders criteria in a broader housing policy?*

- 1.17 The Council will be able to confirm its position on whether the small sites and SME were considered under a broader policy. However, from our perspective we consider that this would have diluted the policy support for SMEs in the Local Plan and not provide for the necessary bespoke positive planning framework to allow SMEs and indeed Planning officers to refer to when making decisions.

3.61 *Is there a typo under the second bullet point, second line of Policy T11?*

- 1.18 Yes. We consider the letter 'r' should be removed after the word enhances.