



CABINET

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LOCAL PLAN UPDATE REPORT

Portfolio Holder:	Councillor Jane Chitty, Planning, Economic Growth and Regulation
Report from:	Richard Hicks, Director Regeneration, Culture, Environment and Transformation and Deputy Chief Executive
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Summary

This report provides an update on the preparation of the new Medway Local Plan that will set the ambitions and framework for the area's growth up to 2035. It considers the timetable for submitting the plan for independent Examination, and key issues relating to the housing target for the plan, the relationship with the HIF bid, and the emerging strategy for Medway's growth. It presents work on the evidence base for the plan. It also seeks confirmation of the designation of a Neighbourhood Area covering the parish of Hoo St Werburgh for the purpose of preparing a Neighbourhood Plan.

1. Budget and Policy Framework

- 1.1 The Medway Local Plan is the statutory development plan for the area, and is part of the council's Policy Framework. The council is preparing a new Local Plan covering the period 2012-2035, which on adoption will replace the current Medway Local Plan, 2003. The Local Plan is being produced in conformity with the Planning and Compulsory Purchase Act 2004 and the Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended).
- 1.2 Whilst approval of the Medway Local Plan will be a matter for Full Council because it forms part of the Council's Policy Framework, approval of preparatory matters, including approval of Local Plan documents for consultation, will be a matter for Cabinet.
- 1.3 The costs of preparing the Local Plan are met within the Planning Service budget.

2. Background

- 2.1 The Local Plan promotes our ambitions for Medway, setting a framework for how the area should grow up to 2035. The purpose of the plan is to meet the area's development needs for homes, jobs, infrastructure and services, whilst respecting and enhancing the natural and built environment. The strategic objectives align with the council's ambitions to deliver successful growth that benefits all, promoting opportunities and addressing inequalities. The plan provides certainty to investors and communities on areas suitable for development, and places that will be protected.
- 2.2 The plan making process is complex and the council has to follow a legal structure set by government. We also have specific challenges in Medway, with demanding housing targets, far in excess of those set in previous plans, and numerous constraints to development. These include a high proportion of land designated as national or international importance for wildlife; lack of infrastructure capacity; air quality; high grade agricultural land; flood risk and viability challenges on complex brownfield sites. The Local Plan has to find a balanced approach that meets the legal requirements and provides for a sound growth strategy that can deliver on the ambitions we have set for Medway.
- 2.3 There have been three rounds of formal consultation on the emerging Local Plan – an Issues and Options stage in 2016, a Development Options stage in 2017, and a Development Strategy stage earlier in 2018. The Planning Service is now working to prepare the draft Local Plan, which will provide the last formal stage for consultation, before the council submits the plan for independent Examination. The draft plan will set out the council's preferred development strategy – showing the sites proposed to allocate for different types of development, and the policies to manage development to secure the Local Plan vision for Medway. It will represent the council's intentions for the adopted plan, which should be justified by a clear evidence base and technical assessments. This is not an 'information gathering' stage, and representations are sought on whether the draft plan is legally compliant and if the proposals and policies are justified and effective. It is therefore critical to ensure the content of the draft plan is sound, evidenced and fully endorsed by the council. This will reduce the risks for the plan at Examination.
- 2.4 There are a number of key matters presented for consideration in advance of the publication of the draft plan, in particular the implications arising from the Housing Infrastructure Fund (HIF) bid. The recent changes in government planning policy and guidance have also impacted on the preparation of the local plan. The report proposes an updated Local Development Scheme to take account of these implications. It also presents a refreshed Statement of Community Involvement that responds to new policy requirements. More widely, the report considers progress on the new Local Plan, including the preparation of evidence base documents. Cabinet is also asked to confirm the designation of a Neighbourhood Area for the parish of Hoo St Werburgh for the purpose of producing a Neighbourhood Plan.

3. Options

- 3.1 The council must produce a new Local Plan to provide an effective means of managing development in Medway. The main areas where the council can consider options are in the content of the plan, particularly the selection of sites for development allocations; and the timetable by which it produces the plan. Work is ongoing on the detailed technical assessments to identify which sites and locations would offer the most suitable areas for growth. Officers have collated information on constraints, site attributes, development potential and details from site promoters to produce a comprehensive spreadsheet that is linked to GIS to provide mapping functionality. This is a critical resource to evidence on the most suitable areas for development. The site selection spreadsheet is also used to carry out the legal technical assessments of Sustainability Appraisal and the Habitats Regulation Assessment to inform the content of the plan. The supporting work for the plan will show how the council has used the information to select its preferred sites and locations for development allocations in the new Local Plan.
- 3.2 The technical assessment work has confirmed the challenges in identifying sufficient suitable land for development in Medway to meet the needs of our growing and changing population. There are substantial environmental designations that can restrict development, and lack of capacity in infrastructure also limits growth in many areas. The council is seeking means in which development can be mitigated and where investments in infrastructure can boost capacity to unlock growth. Infrastructure is critical to the evidencing the delivery of the local plan, and it is also a high priority for local people.
- 3.3 The council is bidding for £170 million to invest in strategic infrastructure investments to enable development on the Hoo Peninsula. The development of the Housing Infrastructure Fund (HIF) bid for strategic infrastructure investments is critical to the Local Plan work, and the Planning Service has been working closely with officers in the HIF project team to align work, and share evidence base analysis. If the bid is not successful, it is likely that the plan would have to consider different scales and approaches to growth.
- 3.4 Officers have carefully considered options on when to publish the draft plan. The Local Development Scheme (local plan timetable) published in January 2018 scheduled the publication of the draft plan in Winter 2018. The timetable was prepared before the HIF bid was developed, and the joint working between the Planning and Regeneration teams over this year has established the strong links between the local plan and HIF programme. Therefore as part of the project management processes, it has been considered if it is beneficial to review the local plan timetable, to take account of the HIF bid.
- 3.5 The available options are to publish a draft plan with two growth strategies, showing what could be achieved with, and without HIF. Alternatively, the council could await the decision on the HIF bid before publishing the draft plan. The latter would provide certainty and allow the council to clearly set out one preferred development strategy.
- 3.6 There are a number of risks in publishing the two alternative growth strategies in the draft plan. There are legal risks to the plan making process, which could

result in the need to re-consult on a second version of the draft plan, therefore losing any time savings from an earlier publication. It could also open up further grounds for challenge to the plan at Examination. Such an approach could potentially weaken the case for the HIF bid.

- 3.7 It is viewed that the appropriate option is to delay the publication of the draft plan until the outcome of the HIF bid is known. Therefore the council is seeking to amend the Local Development Scheme to publish the draft plan in Summer 2019. This has a number of implications for the Local Plan timetable and associated work. These matters are considered further below.

4. Advice and analysis

Local Development Scheme

- 4.1 The ambitious HIF bid will be submitted to Homes England in March 2019, with a decision expected in May 2019. If successful, the bid will address a number of constraints and allow significant growth on the Hoo Peninsula to form a key element of Medway's development strategy. If the bid is not successful, it is unlikely that such a scale of growth could be supported, and the council would need to look at different approaches and levels of development.
- 4.2 The council is seeking to update the Local Development Scheme (LDS) to align publication of the draft plan to the decision on the HIF bid in Summer 2019. The Local Development Scheme is a legal document attached to the plan process, and therefore member approval is needed to make amendments. The updated programme would provide the following broad stages and timing for the plan preparation as set out in the table below. The revised Local Development Scheme is provided in Appendix 1.

Plan Stage	Timing	Comments
(Reg 19) Draft Plan published for consultation	June- July 2019	6 week statutory consultation following Cabinet approval and outcome of HIF bid
Submission of Plan for independent Examination	December 2019	Cabinet and Council approval
Examination in Public	Early 2020	Dates to be confirmed by Planning Inspectorate
Adoption	2020	

Local Plan Housing Target

- 4.3 The housing target is one of the most important aspects of the Local Plan. Government continues to promote its agenda to boost housebuilding across the country. It has introduced a number of amendments to the Planning system to encourage housebuilding and place higher housing targets on local authorities. This has increased uncertainty in the planning and development sectors. The council's own evidence base identified an objectively assessed need for housing of 1281 homes a year. Using the government's standard method, and the latest household projections published in September 2018, this provided an annual Local Housing Need of 1310 homes a year. The government has now published a consultation document confirming its

intention to revise the methodology again to boost housing targets. This is likely to significantly increase Medway's housing need figure. The consultation document signals government's intention to require local planning authorities to use this methodology from early 2019. Government has also stated that it will further review the detailed methodology to meet its ambitions to boost housing growth.

- 4.4 The council will need to have regard to the latest position on the definition of housing needs in preparing the Local Plan. The higher levels of housing being promoted by the government strengthen the case for the HIF being critical to the delivery of such a scale of growth.
- 4.5 There are associated concerns about the implications of the high level of housing need on the development management process. Although there is increasing confidence in development in Medway, building rates are nowhere near the levels that the government considers are needed in the short term. The Planning Service is carefully considering how it can best manage pressures of inappropriate development, in the absence of a five year land supply for housing (as measured against the government's proposed levels).

Local Plan Evidence base

- 4.6 The council is collating a comprehensive evidence base to inform the development strategy and policies in the new Local Plan. Some of this work is attached in appendices to this report to provide an update on the preparation of the plan.
- 4.7 Medway 2035, our Regeneration Strategy is presented in Appendix 2. It is aligned to the vision and emerging strategy of the Local Plan. It promotes key regeneration sites and defines strategic priorities to achieve our ambitions for the area's successful future. It shows the central role of regeneration to Medway's growth, and the development strategy in the emerging local plan.
- 4.8 We are required to provide an assessment of local housing need when preparing the local plan. This needs to take account of the needs for different types of housing and for different groups. This includes the specialist need for gypsy, traveller and travelling showpeople accommodation. The council has commissioned a Gypsy and Traveller Accommodation Assessment to provide this evidence for the plan. The report is set out at Appendix 3. The Planning Service will refer to this evidence when producing policies and considering land allocations in the plan.
- 4.9 Medway is a complex area with diverse needs and constraints to development. Land in the south western part of the borough forms part of the metropolitan Green Belt. Despite pressures of increasing housing needs, the government has confirmed in the revised National Planning Policy Framework (NPPF) that it attaches great importance to Green Belts. The revised NPPF states that 'once established, Green Belt boundaries should only be altered where exceptional circumstances are fully evidenced and justified, through the preparation or updating of plans'. The council has carried out a review of the Green Belt within Medway to assess its contribution to the purposes of the designation. This work will support decision making in the plan, to determine if any amendments to the current Green Belt boundaries are justified. The draft Medway Green Belt Assessment is presented at Appendix 4.

- 4.10 Medway values its great heritage and it is important that future growth is managed with sensitivity to historic assets. The council has produced a draft Medway Heritage Strategy that has emerged from earlier work on a Heritage Asset Review. The strategy sets out key principles for conserving and celebrating the historic environment, whilst meeting our needs for sustainable development. The draft strategy is set out at Appendix 5.
- 4.11 The council is updating its Statement of Community Involvement, to respond to new legal requirements. This is a statutory document that sets out how the Planning Service will consult and engage on planning policy and development management matters. The new requirements are specifically in relation to neighbourhood planning. The revised Medway Statement of Community Involvement (SCI) is presented at Appendix 6. A Diversity Impact Assessment (DIA) has been carried out for this proposed policy change. The purpose of the SCI is to reach a wide range of people and interests for effective engagement in Planning. The DIA concludes that there no issues to be addressed in relation to the update of the SCI. The DIA is set out at Appendix 7.
- 4.12 Work continues on a number of workstreams to feed into the draft plan. As part of the background work to the local plan, the council has commissioned town centre masterplans and delivery strategies for Chatham, Strood and Gillingham. These have been prepared with the specific aim of identifying further development opportunities in these locations, that can help to meet the area's need for housing, as well as securing the future of these key centres. These three centres have been selected as they provide specific opportunities for redevelopment, including more residential uses, in response to the changes seen in retail over the last decade. The council will continue to develop this work over coming months, so that appropriate opportunities can be included in the draft plan.
- 4.13 The council has also commissioned work on a development framework for a rural town focused around Hoo St Werburgh. There have been a number of consultation and engagement events to inform this work. The re-opening of passenger rail services on the Hoo Peninsula is critical to the growth strategy identified through the HIF investment. Further informal engagement will be targeted in early 2019 to support the HIF bid and feed into the content of the draft Local Plan to be published in late Summer 2019.
- 4.14 Work on the wider evidence base for the local plan includes a Strategic Transport Assessment to consider the capacity of locations across Medway to accommodate growth, and where there are opportunities for mitigation that could boost capacity in the transport networks. Other key workstreams consider infrastructure needs and funding across all Medway, setting out the expectations to be delivered as part of the local plan development strategy. The council is also commissioning a viability assessment of the proposals and policies in the plan to demonstrate that it can be delivered.

Hoo St Werburgh Neighbourhood Area

- 4.15 In October 2018, Hoo St Werburgh Parish Council submitted an application to Medway Council to designate a Neighbourhood Area, consistent with the parish boundary, for the purpose of preparing a Neighbourhood Plan. Medway

Council has consulted on the proposal. This was advertised in the local media and on the council's website. One response was received to the consultation. This was from a developer promoting sites for housing around Hoo, and expressed their interest in working with the neighbourhood planning group in preparing the plan. As the proposed area boundary meets the legal requirements, the council should now confirm the designation of the Neighbourhood Area. The boundary is shown in the plan at Appendix 8. The council's Planning Service will continue to work with the local group, to share information and ensure coordination with the Medway Local Plan.

5. Risk management

5.1 The council is aware that delays to the Medway Local Plan can present a number of risks. These include threat of intervention in the plan making process from government, and additional speculative planning applications for development across Medway. Planning officers have discussed the revised Local Plan programme with officers from the Ministry of Housing, Communities & Local Government (MHCLG), who have noted their understanding of the specific position regarding the HIF bid.

Risk	Description	Action to avoid or mitigate risk	Risk rating
Lack of updated Local Plan	Risk of government intervention in Medway's planning. Vulnerable position in resisting speculative development proposals in inappropriate locations.	Engagement with MHCLG, members and PINS on emerging Local Plan work and timetable to build confidence that the council is progressing as quickly as due process allows in positively preparing a new plan.	C2
Delay in decision of HIF bid	Subsequent effect on Local Plan programme	Engagement with Homes England; understanding Local Plan links and commitment to fast decision making	C2
'Policy vacuum' provides grounds for further speculative development proposals	Further pressures for unsustainable development.	Publication of evidence base documents to support decision making	C2

HIF bid unsuccessful	Substantial impact on growth strategy.	Use of evidence base to inform capacity for growth in absence of strategic infrastructure funding.	C2
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6. Consultation

6.1 Over 350 written ‘main’ responses were received to the consultation on the Development Strategy stage of the local plan, and over 11,000 were made in support of the campaign to protect Lodge Hill from development. From the ‘main responses’, 220 were from local people. The rest were from developers, other local authorities, parish councils and public bodies, charities and interest groups. The vast majority of comments were made by email. As in previous rounds, key matters raised in the consultation were concerns about the impacts of development, particularly pressures on infrastructure and the natural environment; and developers promoting sites for new housing allocations in the Local Plan, and advising the use of the government’s Standard Method for calculating Local Housing Need. We also received a formal request from Gravesham Borough Council to consider addressing its potential unmet housing need in Medway, in preference to releasing land from the Green Belt. A report summarising the main issues raised in responses is presented at Appendix 9. Full copies of the written responses received to the consultation are published on the council’s website at:

https://www.medway.gov.uk/info/200149/planning_policy/519/future_medway_local_plan/3

6.2 The council will carry out statutory consultation when it publishes the draft plan in Summer 2019. This will be the last period of consultation before the council submits the plan for independent examination, and the grounds for comments are more limited at this stage, than at the earlier rounds of consultation.

6.3 The council has a statutory duty to publish and update its Statement of Community Involvement, which sets the standards that it will follow when consulting on planning applications and policy. Following new legislation, the council must make a number of amendments to the document, particularly in relation to support for Neighbourhood Plans. The revised document as provided in Appendix 6 is presented to Cabinet seeking approval to publish the document for consultation.

7. Financial implications

7.1 The costs of preparing the Local Plan are met from within the Planning Service budget, including the dedicated Local Plan Development Fund, which is critical to the funding of the work to provide an essential evidence base of technical documents and the costs of the independent Examination.

8. Legal implications

8.1 The Local Plan forms part of the council’s policy framework, and must be prepared in accordance with statutory processes. These include conformity

with the Planning and Compulsory Purchase Act 2004 and the Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended).

9. Recommendations

9.1 Cabinet is requested to:

9.1.1 Approve an updated Local Development Scheme as set out in Appendix 1;

9.1.2 Approve the publication of the draft Medway Statement of Community Involvement as set out in Appendix 6 for the purpose of consultation;

9.1.3 Agree to delegate authority to the Director Regeneration, Culture, Environment and Transformation and Deputy Chief Executive, in consultation with the Portfolio Holder for Planning, Economic Growth and Regulation, to approve adoption of the Statement of Community Involvement, including any changes made following consideration of comments made during the consultation;

9.1.4 Note the publication of a number of evidence base documents supporting the preparation of the Local Plan. These are set out as follows: Medway 2035 Regeneration Strategy at Appendix 2; Medway Gypsy and Traveller Accommodation Assessment, 2018 at Appendix 3; Medway Green Belt Assessment at Appendix 4; and the draft Medway Heritage Strategy at Appendix 5.

9.1.5 Approve the designation of a Neighbourhood Area for the parish of Hoo St Werburgh for the purpose of preparing a Neighbourhood Plan, as defined on the plan as set out in Appendix 8.

10. Suggested reasons for decisions

10.1 To progress the preparation of the new Medway Local Plan.

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Appendices (Supplementary Agenda No.1)

- Appendix 1 Local Development Scheme, December 2018
- Appendix 2 Medway 2035 Regeneration Strategy
- Appendix 3 Medway Gypsy and Traveller Accommodation Assessment, May 2018
- Appendix 4 Medway Green Belt Assessment report
- Appendix 5 Medway Heritage Strategy (draft), December 2018
- Appendix 6 Medway Statement of Community Involvement (consultation draft, 2018)
- Appendix 7 Diversity Impact Assessment
- Appendix 8 Hoo St Werburgh Neighbourhood Area – proposed designation
- Appendix 9 Medway Local Plan Development Strategy – consultation summary report

Background papers

None