

## **CABINET**

**26 JULY 2022**

### **FUTURE HOO PROGRESS REPORT**

Portfolio Holder: Councillor Alan Jarrett, Leader of the Council,  
Councillor Rodney Chambers OBE, Portfolio Holder for Inward  
Investment, Strategic Regeneration and Partnerships  
Councillor Jane Chitty, Portfolio Holder for Planning, Economic  
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#### **Summary**

This Report provides an update on progress on the Future Hoo project, the related wider planning context and seeks approval for the continuation of work to ensure that the infrastructure which will support sustainable development on the Hoo Peninsula is able to be delivered.

Due to the volume of papers, paper copies of Appendices 2-5 are being circulated to all non-Cabinet Members on request only. Full paper copies will be made available in Group Rooms, the Democratic Services office and will be available on public deposit at Chatham Community Hub, Gillingham and Strood Libraries and of course via the website and modern.gov app.

#### **1. Budget and policy framework**

- 1.1. The decisions in this report are within the Council's policy and budget framework and are for Cabinet determination.
- 1.2. This report suggests no financial changes and so will have no impact on the £170 million grant awarded to Medway Council by Homes England. This is in line with the budget framework previously set out in the Grant Determination Agreement (GDA).
- 1.3. This report has been circulated separately to the main agenda, therefore, the Cabinet is asked to accept this report as urgent to enable consideration at the earliest opportunity in order to meet the consultation timeline as set out in the report at paragraph 6.4.

## 2. Background

- 2.1. A substantial number of new homes will be required by 2037 to accommodate Medway's growing and changing communities. It is important to note that the scale of new houses required to be delivered by Medway Council has been determined by the Government. We continue to discuss the levels proposed with the Government. Medway's new Local Plan will guide the locations for these new homes. Progress to date on the Local Plan (as seen in its consultations to date) has identified opportunities for growth particularly on the Hoo Peninsula, which could potentially deliver at least 10,600 homes through the Local Plan process. The scale and location of new housing is a matter which will be considered through the Local Plan process. However, the potential scale of housing growth identified on the Hoo Peninsula would be dependent on strengthened connections and significant upgrades to transport and environmental infrastructure. This cannot be achieved through piecemeal private sector investment and instead requires upfront public sector commitment.
- 2.2. Consequently, in 2017, Medway Council put forward an expression of interest for Housing Infrastructure Funding (HIF), a funding source established by the government to bring forward essential strategic infrastructure to unlock land for housing, which would allow Medway to deliver transport and environmental infrastructure on the Hoo Peninsula to support housing delivery.
- 2.3. Medway Council's expression of interest was followed by the preparation and submission of a formal bid for funding to deliver the highways improvements discussed in this report as well as a new railway station at Sharnal Street, improvements to the existing Grain railway line and re-instate a passenger mainline connection on the peninsula, alongside the creation of blue and green networks to protect existing landscape and ecology designations, providing active travel links and maintaining settlement boundaries as part of Strategic Environmental Management Schemes (SEMS).
- 2.4. The HIF bid demonstrated that without significant strategic highways investment, significant further housing growth will not be able to be permitted on the peninsula. Additionally, given the number of environmental designations on the peninsula, environmental improvements, through the delivery of SEMS, would be required to ensure biodiversity and landscape effects are effectively managed to avoid, mitigate or compensate against the direct and indirect impacts of housing growth. The rail scheme is also proposed, to help to make the peninsula more sustainable by promoting a modal shift away from the car, whilst also alleviating pressure on the road network and increasing future resilience. In November 2019, the Government announced that Medway Council were successful in their bid for £170m HIF funding, to be spent across three interventions on the Hoo Peninsula:
  - A Strategic Environmental Management Scheme (SEMS) to deliver large-scale new publicly accessible (where appropriate) open spaces, covering 300 hectares of community parkland, woodland and nature reserves, managed for both wildlife and for public access.

- An upgrade of the existing road network with the provision of new infrastructure including slip roads, junctions and interchanges on the A228 and A289 and wider highway improvements, as well as a new relief road to access the peninsula via Woodfield Way.
  - An investment in a new train station at Sharnal Street and a reinstated passenger service on the Grain branch line;
- 2.5. For the purposes of this report, together these schemes are known as ‘the Future Hoo HIF programme’ and a Grant Determination Agreement (‘GDA’) was entered into with Homes England on 27 July 2020 to oversee their delivery.
- 2.6. Since the successful bid, the Future Hoo team have been working hard to develop the proposals for all of the proposed interventions. This has culminated in the present position of:
- 2.6.1. Phase 1 of SEMS – Cockham Community Parkland has already obtained planning permission;
  - 2.6.2. Phase 2a (Hoo Wetland Reserve) and Phase 2b (Lodge Hill Countryside Site) of SEMS are at detailed consultation;
  - 2.6.3. two major public consultations having been carried out;
  - 2.6.4. negotiations having been opened with every freeholder and relevant interested party affected by the Future Hoo programme; and
  - 2.6.5. a design freeze having been reached for the road and rail interventions to enable environmental and transport assessments to be carried out.
- 2.7. This design freeze has been reached following two rounds of consultation and extensive engagement (as described in the appended Consultation Report) and extensive consideration of a number of options (as described in the appended Design Development Reports) which was also informed by consultation and engagement feedback.
- 2.8. The Consultation Report sets out the programme and methodology adopted for the consultation and engagement undertaken to date and identifies planned activity going forward. It records the responses received to questions asked at both rounds of consultation and captures the themes of the wider comments made, along with the Future Hoo team’s response to those changes (including where consultation and engagement has resulted in design changes). In particular this has led to:
- 2.8.1. the Phase 1 highways proposals changing from raised slip roads at Higham Road to an at grade junction;
  - 2.8.2. the Phase 2 spur road being located away from the Deangate site;
  - 2.8.3. the closure of Ratcliffe Highway to vehicular traffic no longer being taken forward;
  - 2.8.4. the phase 6 proposals being re-designed to ensure bus access to Wainscott Road is maintained and to reduce the visual impact from loss of green space;
  - 2.8.5. the selection of a heritage barn style design for the rail station; and

- 2.8.6. the changes to rail crossings focussing on upgrading existing infrastructure rather than footpath diversions;
- 2.9. The Design Development Reports ('DDR') set out the options that have been considered for each sub-aspect of the road and rail schemes, explains the high-level optioneering criteria that have been applied and presents the design that is being taken forward for assessment ('the Assessment Design').
- 2.10. The DDR for the road scheme identifies the Assessment Design for each of the 6 Phases.
- Phase 1 – A289 Higham Road to Upchat Roundabout
  - Phase 2 – Upchat Roundabout to A228/ Main Road Junction Hoo
  - Phase 3 – A228 Bell's Lane Roundabout
  - Phase 4 – Roper's Lane Roundabout and Rail Station Access Road
  - Phase 5 – A289 Four Elms Roundabout
  - Phase 6 – Sans Pareil Roundabout and A289 Wulfere Way
- 2.11. It sets out the key highway works required to deliver the traffic benefits of the scheme, along with the proposals for non-motorised user provision, and the environmentally focussed design measures known at this stage (with further measures likely to be developed through the assessment stage).
- 2.12. The DDR for the rail scheme identifies the Assessment Design for each element, including the service, the rail crossings, the new station location and form, and passing loops.
- 2.13. Applications for the highways (through submission of a planning application, and the making and subsequent seeking of confirmation for a Side Roads Order (SRO) and Compulsory Purchase Order (CPO) if required below) and rail interventions (a Transport and Works Act Order application) are anticipated to be submitted in February and March 2023 following any necessary council approvals, with the remaining SEMS phases to be submitted over the course of late 2022 and 2023. These applications will be supported by robust technical assessments developed (in the case of road and rail) through the Environmental Impact Assessment, Habitats Regulations Assessment, Water Framework Directive, and Transport Assessment process.
- 2.14. For road and rail in particular, it should be noted that these assessments will consider the impacts of the Assessment Design itself, but also will take into account the users of that infrastructure, i.e. the transport movements associated with existing, committed and potential future housing on the Peninsula. High level cumulative assessments will also take place on the impacts of the infrastructure and the housing, building on initial work that has been taking place in respect of the evidence base for the emerging Local Plan.
- 2.15. Following on from the Cabinet Decisions 64/2020 and 106/2021 which authorised these steps to be taken, the Future Hoo team has also continued

to seek to negotiate land agreements with landowners whose land is affected by the Future Hoo project. These discussions will continue but where agreement is not able to be reached, it is anticipated that the relevant land will be included in a CPO for the highways interventions (that will be brought to Cabinet to be made, soon after the highways planning application have been submitted, and submitted for confirmation following the receipt of representations) and in the Transport and Works Act Order application for rail.

2.16. Officers across the Council are aware, however, that the HIF infrastructure interventions cannot be seen in isolation, given that their fundamental aim is to enable sustainable housing development on the Hoo Peninsula. However, it is also recognised that support for specific housing in specific locations can only come through the democratic Local Plan process. Planning officers have been working on the development of that new Local Plan, and the evidence base that supports it, however the latest iteration of the Local Plan is not yet sufficiently developed that it can be brought to Cabinet.

2.17. As such, to support the delivery of, and case making for, the HIF interventions, the wider Council team has been, and will continue to be, working on a number of initiatives to develop its thinking on how the HIF infrastructure will sit with, and be funded alongside, other development on the Hoo Peninsula and across Medway. This has included the following:

2.17.1. Working in partnership with a range of stakeholders and landowners; and building on the 'Planning for Growth on the Hoo Peninsula' consultation which took place between March and May 2020, developing the draft Hoo Development Framework document appended to this Report. This document has been commissioned by the Planning Service and sets out the Council's initial thinking on the high level design objectives and infrastructure requirements that would support the delivery of sustainable development on the Hoo Peninsula by 2055. This is not a planning policy document or Supplementary Planning Document (SPD) however the Council considers that it is an important document that should be subject to public consultation prior to being brought back to Cabinet later this year. In the Future Hoo HIF round 2 consultation there were a series of requests for more information about potential development proposals for housing and employment that fall outside of the remit of the HIF infrastructure programme. The Council is publishing this draft Hoo Development Framework in response to these comments, as well as supporting wider work on planning for how Medway meets the needs of its growing and changing communities.

2.17.2. Updating the Infrastructure Delivery Plan and Infrastructure Delivery Schedule for the Medway area, to understand the wider potential infrastructure requirements (and consequential funding required) that are likely in the coming years. The updated version of this document is attached at appendix 5.

- 2.17.3. To continue to positively engage with the Hoo Consortium and Homes England (in its role as developer), the main potential developers for housing on the Peninsula, to understand their anticipated development trajectory, the community and strategic level infrastructure that would be required; and potential funding and delivery arrangements for that infrastructure. It is anticipated that this will culminate in a Statement of Common Ground with developers submitted with the applications for the road and rail interventions.
- 2.17.4. Making general updates to the Guide to Developer's Contributions Supplementary Planning Document to account for the latest practice and guidance and which enable the co-ordinated delivery of infrastructure with clarity on who will need to pay for it and when (including paying back forward funding). As part of this work, the Council is looking to enable a position where an agreed approach to section 106s across a defined area (such as the Hoo Peninsula) can be taken forward – enabling the Council and developers to have a common understanding of the infrastructure required and the funding and delivery arrangements that will enable them to be brought forward. These updates will be brought forward for consultation in due course.
- 2.17.5. Working on other technical studies that will form the evidence base for the Local Plan and which will be published in due course. Where appropriate, this work will also be able to be utilised as part of the applications for the road and rail interventions (e.g. work on the likely mode share that may arise from the new proposed station).

### 3. Options

- 3.1. **Option 1:** Work is not taken forward on the Future Hoo interventions at this stage until the Local Plan has moved forward.
- 3.2. **Option 2:** Work on the Future Hoo interventions as set out above is taken forward whilst the Local Plan position further develops. **This is the recommended option.**
- 3.3. As identified above, all consultations on the Local Plan to date have identified the need for large scale development on the Hoo Peninsula and consequential need for infrastructure. It was on this basis that the application for funding was made to Homes England.
- 3.4. Homes England have granted the HIF monies on the basis that they 'forward fund' infrastructure that will facilitate housing within the timescale of this Government funding cycle. As a result, the programme for delivery of the infrastructure to unlock that funding is a challenging one and one that cannot wait. It therefore needs to progress in advance of the publication and adoption of the Local Plan.

- 3.5. It is also the case that the funding for the Future Hoo interventions is closely interrelated to the need for housing. As such, any applications for consents relating to the Future Hoo proposals will need to demonstrate that housing is coming forward and at the expected scale. This may include the applications being subject to conditions similar to a 'Grampian' condition linking the delivery of infrastructure to progress in the delivery of housing. A Grampian condition is a condition on a planning permission which prevents all or certain amounts of types of development that the planning permission authorises from being developed until a certain external event occurs.
- 3.6. Furthermore, the Future Hoo rail and road applications will consider the cumulative environmental impacts of and take account of the traffic flows arising from that housing, as part of its assessments. Taking forward the Future Hoo interventions at this point therefore does not preclude them being considered by the decision maker in their full context. Without the strategic infrastructure funding that HIF provides it is likely that housing applications will come forward separately and the opportunity to mitigate impacts at a strategic level will be lost.

#### 4. Advice and analysis

- 4.1. The bringing forward of the Future Hoo applications will allow full consideration to be given to the impacts that it will cause, whilst also allowing the Local Plan position to develop in the meantime.
- 4.2. Officers consider that this course of action will enable the Council to demonstrate to residents, Homes England as funder, stakeholders and developers that the Council is committed to the delivery of the Future Hoo project and to sustainable place making.
- 4.3. It is recognised that some parties are concerned about what bringing forward these interventions absent a Local Plan will mean for the prospects of housing being brought forward on the Hoo Peninsula, however it is the case that any future application for housing will need to be judged on its own merits, against the prevailing policy framework at the time.
- 4.4. The fact of the Future Hoo strategic interventions progressing does not automatically mean that those housing developments will gain consent, but will ensure that if they do, appropriate infrastructure can also be delivered. Furthermore, the continued development of the Local Plan evidence base and the updating of the Developer Contributions SPD will further enable those decisions to be made with the most up to date evidence, and possible arrangements for securing the funding and delivery of necessary infrastructure, at hand.
- 4.5. Continuing and next steps are:
  - To continue to work with local communities, consultees Hoo Consortium, developers and landowners, and wider stakeholders to plan for a sustainable community in Hoo

- Negotiate and agree, on a conditional basis, agreements with key stakeholders, in particular Network Rail Infrastructure Limited.
- Negotiate and agree options with key landowners.
- where agreements are not able to be reached, prepare documentation for compulsory acquisition (agreed in principle as noted in decisions 64/2020 and 106/2021)
- Bring forward the applications in spring 2023 – road (Feb 2023) and rail (Mar 2023)
- to proceed with preparatory work to facilitate the drafting of, and all necessary steps to prepare for the making, publication and submission of the Sides Roads Order to the DfT for confirmation (noting that a further Cabinet resolution will be sought in due course, to authorise the making, publication and submission of the SRO and confirming the final details therein).

4.6. Having regard to, and on the basis of, the conclusions of the Future Hoo: Report to Cabinet on Consultation and Engagement 2020 to 2022; and the Design Development Reports for road and rail; and noting that the schemes are subject to further development and approvals, it is recommended that the Cabinet approves the continuation of progress on the preparation of the applications for all aspects of the Future Hoo project.

## 5. Risk management

5.1. The following tables considers significant risks arising from this report.

Risk	Description	Action to avoid or mitigate risk	Risk rating
Consent refusal	The Future Hoo applications are refused consent after the full assessment work is undertaken.	Ensuring the scheme is well designed, mitigation and follows the mitigation hierarchy.	D1
High Inflation	Current market volatility and high inflation levels resulting in difficulty to accurately and reliably determine future pricing for schemes	Cost projections include inflation and cost rise risk allowances. As design progresses costs become more predictable	B2
Potential Delays arising from 3 <sup>rd</sup> parties	The risk remains that the partners of the Council are unable to maintain good progress and milestones slip impacting on deliverability and the GDA.	To continue to work collaboratively with 3 <sup>rd</sup> parties to ensure the scheme addresses the milestones in the GDA.	B2



## 6. Consultation

- 6.1. The appended Consultation Report sets out the extensive consultation and engagement that has taken place in relation to the Future Hoo project since 2020.
- 6.2. It sets out details of how the two rounds of consultation on Future Hoo as a whole were carried out, the key themes that have emerged from consultation feedback and how the Future Hoo team has taken account of the feedback received in its emerging proposals and the design being taken forward for assessment presented in the Design Development Reports.
- 6.3. Both the Consultation Report and the Design Development Reports should be read together to understand how the scheme designs have changed as a result of consultation feedback. The Future Hoo team will continue to engage with residents, stakeholders and those with a land interest as the scheme proceeds.
- 6.4. At Appendix 1, the Council is presenting a draft of the Hoo Development Framework that it intends to publish for consultation in coming months. The document builds on the consultation document 'Planning for Growth on the Hoo Peninsula' published in 2020, and wider stakeholder engagement. The Council proposes to publish the draft Hoo Development Framework for a period of consultation between 15 August and 30 September 2022 with range of promotional documentation produced to support this. The Council's website will be used as a key source for materials and further information. The Council will also make available printed copies of key documents in public libraries, and will arrange meetings and exhibitions on the Hoo Peninsula during the consultation period. A member briefing has been arranged for 15 August 2022. Comments received to the consultation will be recorded and published in due course and matters raised will be taken into consideration in further work.

## 7. Climate change implications

- 7.1. In bringing forward Future Hoo, the Council has from the start recognised the need to ensure that the interventions, and the development they support, help deliver Medway (and the Government's) aim of meeting net zero by 2050. That is why both highways and rail interventions are supported, and why the highway interventions will be designed to link well with surrounding development and facilitate active travel and bus movements.
- 7.2. The applications for the Future Hoo interventions will be supported by carbon assessments that will take account of the cumulative impacts of the road, rail and traffic movements associated with new housing.
- 7.3. This assessment will also report on the assumptions made in respect of carbon in construction and the Council is committed to ensuring that all of the

Future Hoo programme is delivered as sustainably as possible (for example, through deliveries by rail for the rail scheme).

## 8. Financial implications

- 8.1. There are no financial implications arising from this report. The Future Hoo scheme and its development are covered by the £170M Homes England grant. There is currently a degree of uncertainty around inflationary increases, and although this has been factored into current predictions it is difficult to determine the extent of this risk.

## 9. Legal implications

- 9.1. The HIF GDA, and any Deed of Variation to the contract, represent a legal binding agreement between HCA (trading as Homes England) and Medway Council. If progress is not made on the Future Hoo interventions, then the funding position may be put at risk in accordance with the terms of the GDA/DOV.

## 10. Recommendations

- 10.1. The Cabinet is recommended to approve the commencement of consultation on the draft Hoo Development Framework document for a 7-week period and note that the document will return to Cabinet for consideration following that consultation.
- 10.2. The Cabinet is recommended to approve the continuation of progress on the preparation of the applications for all aspects of the Future Hoo project.

## 11. Suggested reasons for decisions

- 11.1. To enable the Future Hoo programme to continue to meet its programme and funding requirements for delivery and to unlock £170m of Government Funding that has been secured to enable the delivery of infrastructure and sustainable development on the Hoo Peninsula.

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## Appendices

Appendix 1 Hoo Development Framework – for Consultation  
Appendix 2 Design Development Report – Road  
Appendix 3 Design Development Report – Rail  
Appendix 4 Future Hoo: Report to Cabinet on Consultation and Engagement 2020 to 2022

## Appendix 5 Infrastructure Delivery Plan

### Background papers

[Cabinet Decision 64/2020 9 June 2020](#)

[Cabinet Decision 106/2021 28 September 2021](#)