Representations by Barratt Strategic

Medway Council ref 04

Medway Council's Core Strategy- Examination in Public- Additional Written Submissions on Matters to be debated during the course of the Resumed Hearing on Matter 3- housing Supply and Location

The outstanding matters to be debated on the 20th June are, we understand, the SHLAA and the issue of housing land supply/ the 5 year supply relative to the requirements of the NPPF.

Having regard to the issues raised in our reps of Dec 2010 on the CS Publication draft, issues raised in our reps of Oct 2011 on the CS publication Draft, and our reps on matters 1, 2, 3 and 5, and the debate thus far at the EIP we would like to highlight the following:

1) The housing numbers in the SEP are not a maximum- paras 7.6, 7.7, 7.8 and 7.12 and policy H3 refer;

Agree. Similarly, the housing numbers in the Core Strategy are not maximum figures either (see policy CS13 and paragraph 5.5).

2) The NPPF looks to ‘boost significantly’ the supply of housing- para 47;

Agree. The Core Strategy will provide for a significant increase in the supply of new housing. This will be achieved primarily by the creation of a brand new settlement at Lodge Hill and via the re-development of brownfield regeneration sites elsewhere in Medway.

The latest AMR shows that of the 6,929 dwellings on large sites with planning permission, the Council has only phased 2,838 to come forward within the first 5-years. This represents in excess of 8 years housing land supply.

The NPPF suggests that any site with planning permission should be considered deliverable unless there is clear evidence to the contrary. There are 13 sites not shown in the 5 year land supply, and only a single allocated site forming part of this supply.

3) The SHMA identifies a significantly greater need than the SEP- the NPPF stresses the need to ‘meet in full’ the objectively assessed evidence base. No evidence has been put forward as to why this can not be achieved;

Disagree. Double counting occurs here. The 815 dwelling requirement was multiplied up to accommodate the backlog from 2001-2006. This shortfall was already assessed. See paragraph 6.79, p. 96 of the North Kent SHMA.
In summary, the 878 p.a. dwelling requirement is not a separate or alternative figure from the annual requirement figure of 815 dwellings. It is, instead, a reflection of the 815 dwelling figure applied back over time to 2001, taking account of the lower completion rates achieved in the early years of this century. This is shown in Figure 99 (p.103) of the North Kent SHMA. This identifies Medway’s total housing requirement figure for 2001-26 as 20,400 (816 x 25), less actual dwelling delivery 2001-08 of 4,600 (an average of 657 dwellings), thus resulting in a residual requirement 2008-26 of 15,800 (878 dwellings p.a.)

Therefore, apart from relating to a period pre-dating the plan periods for the Core Strategy and South East Plan, it would also be entirely wrong to then apply the current housing requirement figure of 815 dwellings to that earlier time period, when different and lower housing number requirements were operational in order to address a large non-existent backlog. To do so, would make the Plan unsound.

4) Whilst we have questioned the scale of development that can be delivered at Lodge Hill within the plan period given various factors- up front infrastructure, ecological mitigation, and the dynamics of the housing industry, points supported by others, including the HBF (see letter of 24th May to Peter Court), the deliverability of this strategic allocation all told is now debatable given the evidence submitted during the debate on matter 5 by the RSPB;

The Council, together with Land Securities, have submitted an extensive evidence base regarding the deliverability of Lodge Hill. Therefore, the Council has nothing additional to add.

With regard to the HBF’s letter to Peter Court, the Council would point out that the letter clearly shows that HBF staff were unfamiliar with the content of Medway’s Core Strategy and had no actual involvement in the production of the document due to their own staff resource issues. Furthermore, it is the Council’s strongly held view that the Land Allocations and Development Management Policies DPD rather than the Core Strategy is the appropriate vehicle for landowners and developers to argue the merits of allocating individual sites for development.

5) There is then the issue of the Housing land supply identified in the SHLAA.

In our evidence we question the scale of growth identified in the SHLAA, as do others, including Land Securities (the promoters of Lodge Hill) in their reps on Paragraph 5.10 They say ‘Land Securities considers that the Council’s assessment on having a ‘very healthy supply’ of housing may be overly optimistic.’
Disagree. The Council has recently contacted interested parties of all sites identified as coming forward in the SLAA for their assessment of the speed and delivery time of development. In this regard, everyone who has responded has been taken at his or her word. Consequently, the latest SLAA is based upon up to date feedback from developers, landowners and agents. The Council has seen no evidence to question the honesty or accuracy of their responses.

We share that view. In many instances the SHLAA relies on old LP allocations to deliver, when they have not thus far, and looks to the extant consents to deliver what was originally proposed within the allocated timescales when many are looking to renegotiate/delay delivery for good reason.

The Core Strategy makes provision for 10 sites allocated in the Adopted Medway Local Plan (2003) to be carried forward into the Core Strategy. Nine of these allocations make provision for a total of 321 dwellings. In addition, a further site at Cross Street/The Brook, Chatham is an allocation for 26 dwellings. However, this site has now been enlarged and planning permission has been granted for 118 dwellings. Only this, together with two other allocations, with a combined capacity for 62 dwellings, feature in the current 5 years housing land supply.

The SLAA is not a policy document. However, all site delivery time periods identified have been produced as a result of liaison with landowners, developers and other interested parties.

It will be down to the Land Allocations and Development Management Policies DPD to allocate specific sites for development.

Given para 6.12 of the SHLAA (Nov 2010) we remain of the view that the SHLAA does not realistically test a sites deliverability as ‘a detailed assessment of the economic viability of the sites’ was not tested given ‘time, complexity and cost constraints’.

As previously stated, given that 263 sites were originally assessed as being suitable for development, the Council did not attempted to carry out detailed assessments of the economic viability of sites given time, complexity and cost constraints, together with the fact that precise levels of viability will inevitably change over the course of time (particularly with regard to sites expected to come forward towards the end of the plan period).

Instead, the Council consulted with landowners, developers and agents on the findings of the assessment. Where they agreed with the proposals, including the phasing for each site, it has been assumed that they will have taken economic viability into account. This approach conforms to paragraph 41 of the Practice Guidance which advises on the usefulness of seeking the views of house builders and property agents where a more scientific approach is not considered necessary.
Letters were sent to 281 owner/developers, including all those who had made submissions in response to the “call for sites”, to ascertain whether they agreed with the Council’s findings. They were particularly requested to take into account the economic viability of their sites when considering the phasing estimated by the Council. Consequently, the SLAA was amended where appropriate.

In addition to the above we would like to highlight the fact that if one looks at the AMR’s Medway Council have produced over the years it is clear the LPA have consistently promoted high levels of delivery, especially in the latter part of the 5 year period, only then to recalibrate their assessment the next year in the light of changing market conditions. The table below shows this situation graphically and is we believe more informative than the table included in appendix 2 of the Councils response on matter 3.

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<th>06/07</th>
<th>07/08</th>
<th>08/09</th>
<th>09/10</th>
<th>10/11</th>
<th>11/12</th>
<th>12/13</th>
<th>13/14</th>
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<td>726</td>
<td>758</td>
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Table: Previous Year AMR Forecast Completions against Actual Completions

<table>
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<tr>
<th>Requirement</th>
<th>2006/7</th>
<th>2007/8</th>
<th>2008/9</th>
<th>2009/10</th>
<th>2010/11</th>
<th>2011/12</th>
<th>2006/12 Total</th>
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<tbody>
<tr>
<td>Actual Completions</td>
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<td>818</td>
<td>815</td>
<td>815</td>
<td>815</td>
<td>815</td>
<td>4890</td>
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<tr>
<td>Previous Years Estimated Completions</td>
<td>630</td>
<td>647</td>
<td>1182</td>
<td>1000</td>
<td>591</td>
<td>700</td>
<td>4750</td>
</tr>
</tbody>
</table>

This information has been taken from the published Annual Monitoring Reports (AMRs), which can be found on the Council’s website. It demonstrates that in terms of predicting the next year’s housing completion figures, so far within the current plan period the AMR’s are only showing a total deficit of 46 units below their total predicted annual figures for 2006-2012.
The AMR’s highlight that the 5 year average of 779 annual completions has increased against the 20 year average of 694 completions.

The Council considers that it is entirely right to recalibrate projections in reaction to changing conditions and circumstances including revised government policies and guidance. Consequently, estimates are subject to change as annual updates are made and more accurate evidence is included. It is entirely to be expected that most AMR predictions regarding estimated completion figures relating to several years ahead will usually come with some fairly strong health warnings given the inevitable levels of uncertainty that will exist when looking ahead over several time periods of several years. Future build out rates on larger sites are subject to fluctuations, and it is very difficult to predict the ups and downs of housing markets several years ahead.

Appendix C of the CS makes it clear that Medway Council have not thus far met the SEP requirement, let along the higher requirement identified by the SHMA. In addition it is clear that they will not meet the requirement until post 2016/17, and only then if the sites identified in the SHLAA and Lodge Hill are delivering as predicted.

Over the course of the current plan period, Medway is only 186 dwellings below the South East Plan housing requirement. The SHMA does not identify any separate higher housing requirement figure.

However, it does double-count underperformance from 2001-2006, which was already addressed in the South East Plan. It also applies the 816 annual dwelling requirement figure to this earlier period, which predates the current plan period. This figure being significantly higher than the actual housing requirement figures set at the time.

Even if, as some allege, windfalls/the waterside regeneration sites provide more and can thus accommodate the shortfall (a view we do not concur with), the housing needs identified by the SHMA, in terms of unit mix would not be met/policy CS15 (bullet point 6) would be prejudiced, and one has to ask whether this strategy prejudices future employment land supply, and thus in the long term will lead to the need to release greenfield employment sites.

No allowance has been made so far for a small windfall allowance. Paragraph 48 of the NPPF states that such an allowance can now be considered on PDL. The Council considers that if such an allowance were made, it would have evidence to support a small site allowance just in excess of 100 dwellings p.a.

Policy CS15 (bullet point 6) refers to executive style housing being supported as part of housing schemes offering a range of housing types and in other suitable locations. The Council considers that the Lodge Hill development, together with other development sites, will be capable
of providing a significant amount of new executive housing provision within Medway.

In relation to prejudicing future employment land supply, the Council points out that the SLAA looks at other land uses in addition to housing. Consequently, a large supply of employment sites have already been identified.

In the context of the above, we note that Medway Council themselves have promoted very mixed messages about the level of supply. On the one hand they suggest in the CS (para 5.10) that they have ample supply to meet the SEP requirement and more; whilst, in the SA (Dec 2011) they suggest at para 4.11 that ‘some key regeneration sites are difficult in terms of delivery’, a sentiment reiterated in para 3.15 of the Housing Background Paper. Either the supply is suitable, available and achievable or it is not. Medway need to clarify this point/ likewise policy CS13 needs to be amended to make it clear that just because a site has been excluded from the SHLAA thus far that does not necessarily excluded it from inclusion in the site allocations DPD/ as a future development site.

The Council acknowledges that some of its major regeneration sites will be difficult to develop. That is why the SLAA has listed them to be developed later on in the plan period (which still has a further 16 years to run).

The Council does not see any need for policy CS13 to be amended. It considers that the current text does not in any way imply that just because a site has been excluded from the SLAA thus far, it would be excluded from inclusion in the site allocations DPD as a future development site.

The SLAA is only an assessment of available sites. It is not, itself, a policy document. However, it does demonstrate the pool of sites that are available to be developed. If for any particular reason, the delivery of the Lodge Hill development or other delivery sites should become a problem, the SLAA can be updated to reassess the pool of currently rejected sites. Furthermore, the Council has already said that work is intended to start imminently on its Land Allocations and Development Management Policies DPD. This will include a ‘call for sites’. Therefore, landowners and developers will very soon have an opportunity to seek the allocation of their sites in this new DPD.

Given the LPA’s past failure to deliver and the continued inability to deliver, we would suggest the LPA fall within the category of an authority with a ‘record of persistent under delivery’ and that the CS should, given para 47 of the NPPF, be looking to provide for a p5 year supply +20%.

Disagree. The current plan period started in 2006. Since then, the Council has twice exceeded the delivery rate. Over the 6 years so far of the plan period, the overall housing supply is only 186 dwellings below
target. Furthermore, over the most recent 5 years the Council has a surplus in delivery of 38 dwellings. Consequently, it cannot see how recent delivery rates could seriously be argued to represent ‘persistent under-delivery’ that would merit a 20% buffer being made to the 5 year housing land supply.

Having regard to all of the above we remain of the view that the plan should provide for a contingency to meet this potential under delivery.

Disagree. The Land Allocations and Development Management Policies DPD is the appropriate vehicle for ensuring that sufficient suitable land allocations are made to make sure that the overall housing requirement will be achieved.

We have suggested either a policy as per Tandridge DC CS- see para 2.21 of Oct 2011 reps, or an alternative policy approach linked to under delivery- see para 2.10 of reps on matter 2. The alternative is to allocate an additional strategic site through the CS (such as the reduced extended Hoo we have been promoting), and to promote a more positive approach to alternative, sustainable, greenfield releases as per the NPPF.

Whilst the LPA would need to undertake additional SA work and further consultation, if an additional strategic allocation were felt necessary, these matters are in our opinion capable of being addressed through main modifications, and world facilitate a flexible, positively planned CS.

The Extended Hoo Option was considered as part of the Core Strategy. Issues and Options document (MC04). The assessment of this and other sites is discussed in pages 92-106 of that document. The Sustainability Appraisal [incorporating SEA] (MC07) provides additional information regarding the appraisal of the alternatives (see pages 16-19 & Appendix 4).

The Council considers that it has already produced a flexible and positively planned Draft Core Strategy. Therefore, it sees no need for any additional strategic allocation(s), which would inevitably introduce considerable delay and uncertainty into the process. Instead, it considers that all potential allocations are assessed together as part of the forthcoming Land Allocations and Development Management Policies DPD.