
MEDWAY COUNCIL LOCAL PLAN
2012 - 2035
REGULATION 18 CONSULTATION

Response to Public Consultation

On behalf of
Gleeson Strategic Land Ltd

March 2017

**MEDWAY COUNCIL LOCAL PLAN
2012 – 2035 REGULATION 18 CONSULTATION**

RESPONSE TO PUBLIC CONSULTATION

**ON BEHALF OF
GLEESON STRATEGIC LAND LTD**

MARCH 2017

Project Ref:	27239/A5
Status:	FINAL
Issue/Rev:	01
Date:	23 March 2017
Prepared by:	Emma Wreathall
Checked by:	Andrew Wilford
Authorised by:	Andrew Wilford

Barton Willmore LLP
The Observatory
Southfleet Road
Ebbsfleet
Dartford
Kent
DA10 0DF

Tel: [REDACTED]
E-mail: [REDACTED]

Ref: 27239/A5/EW/kf
Date: 23 March 2017

COPYRIGHT

The contents of this document must not be copied or reproduced in whole or in part without the written consent of the Barton Willmore LLP.

All Barton Willmore stationery is produced using recycled or FSC paper and vegetable oil based inks.

CONTENTS

PAGE NO.

1.0 INTRODUCTION	01
i) Purpose of these Representations	01
ii) Purpose of the LPDO	01
iii) Content of Representations	02
2.0 NATIONAL PLANNING POLICY CONTEXT	04
i) National Policy and Plan Making	04
ii) National Policy and Housing Need	06
iii) Duty to Co-operate	07
3.0 OBJECTIVELY ASSESSED HOUSING NEED	10
i) Medway Council OAN Work	10
ii) Starting Point Estimate	10
iii) Affordable Housing Need	12
iv) Unmet Housing Needs	13
v) Under Delivery of Housing	14
vi) Conclusions on OAN	15
4.0 DEVELOPMENT STRATEGY AND OPTIONS	16
i) Identified Supply of Development Land	16
ii) Development Strategy	18
iii) Development Options	18
iv) Conclusions on the Development Scenarios	22
5.0 OTHER POLICY APPROACHES	23
i) Housing Mix	23
ii) Rural Economy Policy Approach	23
iii) Securing Strong Green Infrastructure	24
iv) Heritage	25
v) Transport	26
6.0 BERENGRAVE NURSERY, RAINHAM	27
i) The Site and its Surroundings	27
ii) Previous SLAA Conclusions	28
iii) Proposed Development	29
iv) Sustainable Development	29
7.0 CONCLUSIONS	31

APPENDICES

Appendix A: Site Location Plan

Appendix B: SLAA January 2015 Extract

1.0 INTRODUCTION

i) Purpose of these Representations

- 1.1 These representations are submitted on behalf of Gleeson Strategic Land Ltd in response to Medway Council's (MC) Local Plan Development Options 2012-2035 (Regulation 18) consultation (LPDO, January 2017). Gleeson Strategic Land Ltd has land interest at 'Berengrave Nursery, Rainham' (hereafter referred to as 'the Site'). A Site Location Plan is included at **Appendix A**.
- 1.2 The Site is located to the west of Berengrave Lane and to the north of the Chatham Main railway line and comprises approximately 6 hectares with a variety of existing land uses. Further detail on the Site is provided in Section 6.0 of these representations.
- 1.3 Notwithstanding our Client's specific land interests, these representations have been prepared in objective terms and in recognition of prevailing planning policy – in particular Government guidance as set out in the National Planning Policy Framework (NPPF) (March 2012) and National Planning Practice Guidance (PPG) (March 2014).
- 1.4 On 07 February 2017, the Government published the Housing White Paper (February 2017), which sets out a programme of reform to tackle long-standing problems in the housing market and ensure homes are built in the right locations. These representations make reference to the Government's proposed planning changes, where relevant, and which are now subject to consultation until 02 May 2017.

ii) Purpose of the LPDO

- 1.5 MC previously undertook a period of public consultation on its Local Plan Issues and Options (LPIO) document between January and February 2016. The LPIO consultation was in advance of the preparation of a new Local Plan under the Local Planning Regulations. It sought representations on key contextual matters and potential approaches for the new Local Plan strategy, and did not set out detailed policies or identify specific development sites.
- 1.6 This current LPDO consultation document sets out potential development options available to meet Medway's identified needs over the Plan period 2012-2035, which are sought to be in line with a draft vision and strategic objectives for the area.

1.7 The four development options that are considered within the LPDO are as follows:

1. Maximising urban regeneration opportunities;
2. Supporting suburban expansion at a significant scale;
3. Promoting development on the Hoo Peninsula; and
4. Securing urban regeneration and a rural town.

1.8 The LPDO consultation document is accompanied by evidence base work that has been prepared to inform the new Local Plan strategy, namely the Strategic Housing Market Assessment (2015) and Strategic Land Availability Assessment (2017). Ongoing and additional technical work is still underway to assess the sustainability of the different development options and policy approaches being explored in the LPDO document.

iii) Content of Representations

1.9 These representations are structured as follows:

- Section 2.0: National Planning Policy Context;
- Section 3.0: Objectively Assessed Need;
- Section 4.0: Development Strategy;
- Section 5.0: Other Policy Approaches; and
- Section 6.0: Berengrave Nursery, Rainham.

1.10 In summary, these representations set out the following comments:

- The North Kent SHENA identifies the Objectively Assessed Need (OAN) for Medway as being 1,281 dwellings per annum (dpa) over the period 2012-2037, which does not represent the full OAN for Medway over the Plan period (2012-2035);
- Medway's OAN figure is below the starting point estimate of the 2012-based projections and further below the 2014-based projections. No justification has been provided for this reduction;
- The latest starting point estimate for Medway is 1,388 dpa for the Plan period 2012-2035. In accordance with the PPG, this should be adjusted to take account of factors not captured in past trends, namely to address worsening market signals, suppressed household formation rates, historical under-supply and the 2015 SHMA identified affordable need of 744 affordable dwellings per annum;
- The Local Plan should seek to meet unmet requirements from neighbouring LPAs where it is reasonable and consistent with National policy. Clarity is required on the position between Medway Council and Gravesham Borough Council to ensure the respective Local Plans meet the level of growth required;

- The development strategy for the new Local Plan needs to provide circa 16,500 dwellings to meet Medway's current identified supply. It is considered that a combination of 4 no. development scenarios explored in the consultation document will need to be taken forward to meet Medway's development needs in full;
- All of the 4 no. scenarios in the consultation document envisage development being directed to wards Rainham. This approach is supported in that it recognises the sustainable location adjacent to Rainham;
- Berengrave Nursery is sustainably located in relation to existing services and facilities, and an appropriate location to accommodate growth;
- The January 2017 SLAA has identified the Site (Ref: 0817) to be suitable and available for residential development; and
- The future development strategy for the Medway area should make a provision for development at the Site in the new Local Plan in the short term (0-5 years).

2.0 NATIONAL PLANNING POLICY CONTEXT

2.1 This section sets out the content of National planning policy and guidance relevant to the LPDO and the new Local Plan strategy, and elsewhere referred back to in these representations.

2.2 The NPPF places a strong 'presumption in favour of sustainable development' in all planning related matters and places a responsibility on Local Planning Authorities (LPAs) to encourage and support sustainable growth and to plan positively for new development. There are three dimensions to sustainable development in relation to the planning system as outlined in the NPPF (para 7). These include:

- **An economic role** – contributing to building a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth and innovation; and by identifying and coordinating development requirements, including the provision of infrastructure;
- **A social role** – supporting strong, vibrant and healthy communities, by providing the supply of housing required to meet the needs of present and future generations; and by creating a high quality built environment, with accessible local services that reflect the community's needs and support its health, social and cultural well-being; and
- **An environmental role** – contributing to protecting and enhancing our natural, built and historic environment; and, as part of this, helping to improve biodiversity, use natural resources prudently, minimise waste and pollution, and mitigate and adapt to climate change including moving to a low carbon economy.

2.3 The presumption in favour of sustainable development, as set out in the NPPF, should be seen as a golden thread, running through both plan-making and decision-taking. Paragraph 14 directs for plan-making this means that:

- LPAs should positively seek opportunities to meet the development needs of their area;
- Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change, unless:
 - Any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in the NPPF taken as a whole; or
 - Specific policies in the NPPF indicate development should be restricted.

i) National Policy and Plan Making

2.4 Paragraph 182 of the NPPF advises that LPAs should "*submit a plan for examination which it considers is "sound" – namely that it is*":

- **Positively prepared** – the plan should be prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development;
 - **Justified** – the plan should be the most appropriate strategy, when considered against the reasonable alternatives, based on proportionate evidence;
 - **Effective** – the plan should be deliverable over its period and based on effective joint working on cross-boundary strategic priorities; and
 - **Consistent with national policy** – the plan should enable the delivery of sustainable development in accordance with the policies in the NPPF.
- (Para. 182).

2.5 Paragraph 156 of the NPPF states that LPAs should set out the strategic priorities for the area in the Local Plan. This should include strategic policies to deliver:

- The homes and jobs needed in the area;
- The provision of retail, leisure and other commercial development;
- The provision of infrastructure for transport, telecommunications, waste management, water supply, wastewater, flood risk and coastal change management, and the provision of minerals and energy (including heat);
- The provision of health, security, community and cultural infrastructure and other local facilities; and
- Climate change mitigation and adaptation, conservation and enhancement of the natural and historic environment, including landscape.

2.6 The NPPF (para 157) advocates that crucially Local Plans should:

- Plan positively for the development and infrastructure required in the area to meet the objectives, principles and policies of this Framework;
- Be drawn up over an appropriate time scale, preferably a 15-year time horizon, take account of longer term requirements, and be kept up to date;
- Be based on co-operation with neighbouring authorities, public, voluntary and private sector organisations;
- Indicate broad locations for strategic development on a key diagram and land-use designations on a proposals map;
- Allocate sites to promote development and flexible use of land, bringing forward new land where necessary, and provide detail on form, scale, access and quantum of development where appropriate;

- Identify areas where it may be necessary to limit freedom to change the uses of buildings, and support such restrictions with a clear explanation;
- Identify land where development would be inappropriate, for instance because of its environmental or historic significance; and
- Contain a clear strategy for enhancing the natural, built and historic environment, and supporting Nature Improvement Areas where they have been identified. (Para. 157)

2.7 The NPPF (para 158) directs that LPAs should use a proportionate evidence base in plan-making. LPAs should ensure that the Local Plan is based on adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area. LPAs should ensure that their assessment of and strategies for housing, employment and other uses are integrated, and that they take full account of relevant market and economic signals.

2.8 The NPPF (para 159) directs LPAs to prepare an evidence base which indicates that objectively assessed needs for market and affordable housing are met. LPAs should plan for a housing mix which takes into account *"housing demand and the scale of housing supply necessary to meet this demand."* Household and population projections should also be a key consideration, taking into account of migration and demographic change.

ii) National Policy and Housing Need

2.9 The NPPF (para 47) requires LPAs to use their evidence base to ensure that their Local Plan meets the full, 'Objectively Assessed Needs' (OAN) for market and affordable housing in the housing market area, as far as is consistent with the policies set out in the Framework, including identifying key sites which are critical to the delivery of the housing strategy over the Plan period.

2.10 LPAs must plan for a mix of housing that *"meets housing and population projections, taking account of migration and demographic change"* (para 159). Significant weight should also be placed on the need to support economic growth through the planning system (para 19).

2.11 With regards to the methodology of assessing housing need and establishing a future housing requirement, the PPG (March 2014) states the following:

Household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need.
(Reference ID: 2a-015-20140306)

- 2.12 Although the official CLG household projections should therefore be considered, they only represent the starting point for assessing need. This is due to a number of reasons as the PPG explains:

The household projections are trend based, i.e. they provide the household levels and structures that would result if the assumptions based on previous demographic trends in the population and rates of household formation were to be realised in practice. They do not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour.

(Reference ID: 2a-015-20140306)

- 2.13 The Housing White Paper (February 2017) reaffirms the Government's commitment to significantly increase levels of housing delivery to meet widely recognised acute housing shortfall. The Paper refers to Britain's broken housing market as *"a national issue that touches every one of us"*, which needs to be tackled head on by everyone involved in politics and the housing industry.

iii) Duty to Co-operate

- 2.14 The 'Duty to Co-operate' as provided for in Section 110 of the Localism Act 2011, came into effect on 15 November 2011. The Duty was introduced under the 2011 Act to address the impact of the loss of the "top-down" effect from the Regional Spatial Strategy (The South East Plan) and to offer a transparent way in which authorities should relate to one another on cross boundary issues. The Duty is now shared between authorities requiring them to collaborate on cross-boundary matters and issues of sub-regional and regional importance, especially housing provision and related infrastructure issues.
- 2.15 Section 33A(2)(a) requires that local authorities "engage constructively, actively and on an ongoing basis" in the plan-making process. The NPPF refers to the 'Duty to Co-operate' in paragraphs 157 and 178-181. Crucially, paragraph 157 of the NPPF states that *"Local plans should be based on cooperation with neighbouring authorities..."*.
- 2.16 Paragraphs 178-181 are clear in directing LPAs as to the importance of the 'Duty to Co-operate' and the proactive approach necessary to ensure a collaborative approach to reflect individual Local Plans. Paragraph 179 states *"joint working should enable local planning authorities to work together to meet development requirements which cannot wholly be met within their own areas – for instance, because of a lack of physical capacity or because to do so would cause significant harm to the principles and policies of this Framework"*.

- 2.17 Paragraph 182, as above, provides that an Inspector should assess *"whether the plan has been prepared in accordance with the Duty to Cooperate"* such that compliance with the Duty must also be reflected in the assessment of soundness.
- 2.18 In addition, the PPG contains considerable guidance on the Duty to Co-operate. This is largely due to the fact that the Duty to Co-operate has proved to be a contentious part of the NPPF, with numerous Local Plans being scrutinised at examination due to failure to fulfil the Duty.
- 2.19 The guidance emphasises the importance for LPAs to work together; stressing that *"Cooperation between local planning authorities, county councils and other public bodies should produce effective policies on strategic cross boundary matters. Inspectors testing compliance with the duty at examination will assess the outcomes of cooperation and not just whether local planning authorities have approached others"* (Reference ID: 9-010-20140306).
- 2.20 The PPG also states that LPAs must *"engage constructively, actively and on an ongoing basis to maximise the effectiveness of the plan-making process"* (Reference ID: 9-001-20140306). The ultimate outcome of the engagement should be the production of effective policies on cross boundary strategic matters.
- 2.21 In summary, there are two aspects to the 'Duty to Co-operate':
- 'Duty to Co-operate' – the s33A legal test is a 'process' preparation test. The Duty is incapable of modification at an Examination. Therefore, this is one of the first things that has to be examined because, if the legal requirement is not met, then the Inspector must recommend non adoption of the Plan;
 - Collaborative Joint Working – an aspect of soundness. It is primarily concerned with the 'positively prepared' and 'effectiveness' soundness test set out in paragraph 182 of the NPPF. This relates to outcome rather than process.
- 2.22 The 'Duty to Co-operate' between LPAs is a clear requirement of national planning policy, ensuring a proactive approach is taken to enable a collaborative way forward with plan-making. The NPPF directs that public bodies should work together to address planning issues that cross administrative boundaries, particularly such issues that relate to 'strategic priorities' as set out in paragraph 156 (para 178).
- 2.23 In addition, paragraph 179 requires LPAs to practice joint working to work together to meet development requirements which cannot wholly be met within their own areas. Consideration should be given to producing joint planning policies on strategic matters and informal strategies

such as joint infrastructure and investment plans. Collaborative working between LPAs and private sector bodies, utility and infrastructure providers to deliver sustainable development with regards to strategic planning priorities is also encouraged (para 180). LPAs are required to demonstrate how they have met the requirements of the 'Duty to Co-operate' during the plan-making process (para 181).

- 2.24 The Housing White Paper (February 2017) re-emphasises the legal requirement of the Duty to Co-operate for LPAs to work collaboratively on cross-boundary issues during plan-making. The Government wish to see more and better joint working between LPAs, and sets out proposed measures to build on the existing Duty. This includes a requirement for LPAs to prepare a Statement of Common Ground, setting out how they intend to work together to meet housing requirements across authority boundaries.

3.0 OBJECTIVELY ASSESSED HOUSING NEED

- 3.1 The LPDO sets out a housing requirement of 29,463 dwellings over the Plan period 2012-2035, equating to 1,281 dwellings per annum (dpa).
- 3.2 This section of the representations considers the proposed housing target against National requirements, notably paragraph 47 of the NPPF (2012) which directs LPAs to use their evidence base to ensure that their Local Plan meets the full OAN for market and affordable housing in the Housing Market Area (HMA), as far as is consistent with the NPPF policies.

i) Medway Council OAN Work

- 3.3 The NPPF (para 159) requires LPAs to prepare a Strategic Housing Market Assessment to identify the scale and mix of housing and range of tenures that the local population is likely to need over the Plan period, working with neighbouring LPAs where HMAs cross administrative boundaries.
- 3.4 MC jointly prepared a North Kent Strategic Housing and Economic Needs Assessment (SHENA) with Gravesham Borough Council, comprising a Baseline Report (March 2015) and Strategic Housing Market Assessment (SHMA) (November 2015).
- 3.5 The North Kent SHENA identifies the OAN for Medway as being 1,281 dpa over the period 2012-2037 based on the results of the CLG 2012-based household projections adjusted to take account of 2013 and 2014 Mid-year Population Estimates. This level of housing need has been taken forward in the LPDO to represent the Plan period of 2012-2035.
- 3.6 There has been no justification for this deviation from the Evidence Base.

ii) Starting Point Estimate

- 3.7 The PPG (Reference ID: 2a-017-20140306) directs LPAs to take account of the most recent household projections, in line with the NPPF (para 157) requirement that Local Plans are kept up-to-date.
- 3.8 Since the publication of the 2015 SHMA, the ONS 2014-based Sub-National Population Projections and CLG 2014-based household projections have been published (25 May and 12 July 2016 respectively). These new data releases provide an updated starting point estimate for assessing overall housing need.

- 3.9 MC has not undertaken an updated assessment or published an Addendum to its 2015 SHMA to take account of the new starting point estimate.
- 3.10 The PPG (Reference ID: 2a-016-20150227) advises that housing assessments are not automatically rendered outdated by the publication of new projections, however assessments should be informed by the latest available information wherever possible. We would stress the PPG's use of "wherever possible", notably as MC is still at an early stage of its Plan-making process.
- 3.11 The LPDO (page 5) advises that the anticipated timescale for the Local Plan's submission is Spring 2018. Based on the timetable for new National projections, it is likely that new projections (providing a new starting point estimate) will be released at the same time of the Local Plan's submission, or whilst the Local Plan is subject to Examination.
- 3.12 The subsequently appointed Local Plan Inspector will be required to explore the implications of new data releases on the proposed housing target, to ensure that the housing assessment(s) submitted for Examination are appropriate and that the Local Plan is seeking to meet full OAN in accordance with the NPPF (para 47).
- 3.13 The 2014-based projections, providing the latest starting point estimate, are set out below against the Plan period 2012-2035 and SHMA period 2012-2037.

Table 3.1: CLG Projections for Medway

Series	2012-2035 Plan period	2012-2037 SHMA period
2012-based	1,323 dpa	1,317 dpa
2014-based	1,388 dpa	1,380 dpa
Difference from 2012 to 2014 projections	+4.9% +4.7%	

- 3.14 All variations of the starting point estimate (Table 3.1 above) are above MC's identified OAN figure. MC's identified OAN figure is below the 2012-based starting point, upon which the 2015 SHMA was based, and further below the latest 2014-based starting point. No justification has been provided for the reduction to the starting point estimate.
- 3.15 The 2014-based projections generate a starting point (1,388 dpa) which is 8.3% above MC's identified OAN figure of 1,281 dpa for the Plan period 2012-2035. For the SHMA period 2012-2037, the 2014-based projections starting point (1,323 dpa) is 7.73% above Medway's OAN figure.

- 3.16 The PPG (Reference ID: 2a-015-20140306) directs that the CLG projections only provide the “starting point estimate” of overall housing need, and adjustment may be required to reflect factors affecting local demography and household formation rates not captured in past trends. Notably, formation rates may have been suppressed by historic under-supply.
- 3.17 This is a pertinent issue for Medway, in that the Council has failed to achieve its housing target in the last 5 years and has only met/exceeded its target 3 out of the last 24 years. MC accepts that this represents persistent under-delivery and therefore a 20% buffer is required to provide a realistic prospect of achieving planned supply, and ensure choice and competition in the market for land (NPPF, para 47).

iii) Affordable Housing Need

- 3.18 Local Plans are required to meet the full OAN for both market and affordable housing.
- 3.19 The 2015 SHMA calculated a need of 744 affordable dpa, which is a significant level of affordable housing need. This equates to 58% of MC’s current housing target of 1,281 dpa.
- 3.20 The LPDO (para 4.11) advises that initial analysis indicates that a provision of 25% affordable housing could be achieved. Based on a provision of 25%, a full OAN of circa 3,000 dpa for 2012-2035 would be required to deliver affordable housing need in full.
- 3.21 There are a number of High Court Judgments¹ that provide guidance on the proper exercise that needs to be undertaken to assess affordable need as part of OAN. Notably, ELM Park v Kings Lynn and West Norfolk BC High Court Judgment directs that affordable housing need did not have to be met in full, but rather affordable need should have an important influence in increasing the full OAN since it is a significant factor in providing housing need within an area.
- 3.22 It is clear that where there is significant affordable housing need, although it is not required to be met in full, an increase should be considered.
- 3.23 It is accepted that a housing requirement of 3,000 dpa is unrealistic, but a figure in excess of the Council’s current target is considered appropriate to help meet some of this affordable need as an important factor of full OAN.

¹ Satnam Millennium Limited v Warrington Borough Council (19 February 2015) [2015] EWHC 370 (Admin) & Borough Council of Kings Lynn and West Norfolk v SSCLG, ELM Park Holdings Ltd (09 July 2015) [2015] EWHC 2464 (Admin)

iv) Unmet Housing Needs

- 3.24 For a Local Plan to be 'Positively Prepared', the Local Plan strategy should seek to meet unmet requirements from neighbouring LPAs under the Duty to Co-operate, where it is reasonable to do so and consistent with achieving sustainable development (NPPF, para 182). However, LPAs are not obliged to accept unmet needs of other LPAs if they have robust evidence that this would be inconsistent with the NPPF (PPG Reference ID: 9-001-20140306).

North Kent HMA

- 3.25 The 2015 SHMA (para 2.16) defines the Medway Council HMA to encompass Medway, Gravesham, Swale, Maidstone and Tonbridge and Malling.
- 3.26 Gravesham Borough Council (GBC) submitted representations (letter dated 29 February 2016) to the LPIO consultation. It advises that, due to Green Belt constraints in the Borough, it may not be possible for GBC to identify sufficient land to meet its own identified OAN and discussions are/have been undertaken with MC in this regard. It is stated that MC and GBC are together intending to meet the full OAN for the joint HMA.
- 3.27 The LPDO however does not make any reference to meeting unmet needs from GBC or any other neighbouring LPA. Clarity is therefore required to ensure that the LPDO effectively plans to meet the level of growth required and is 'Positively Prepared'.
- 3.28 This issue is particularly pertinent in the context of St Albans City and District Council's (SACDC) Strategic Local Plan, which was submitted for Examination in August 2016. The appointed Inspector (letter dated 28 November 2016) concluded that the Duty to Co-operate has not been met, as it was not demonstrated that SACDC gave satisfactory consideration to strategic cross-boundary matters and priorities under the Duty. The Inspector had particular regard to representations from nearby LPAs, which outlined concerns that SACDC had not considered its potential ability to meet unmet needs from other LPAs and an outstanding request from Luton Borough Council to help meet its unmet needs.
- 3.29 In the case of MC, there appears to be potential unmet housing needs arising from Gravesham Borough, which GBC understand are to be met in the Medway area. MC should seek to meet such unmet needs, in accordance with National policy, or demonstrate robust evidence that such provisions would be inconsistent with achieving sustainable development (NPPF, para 182).

London City

- 3.30 The LPDO (paras 2.22 and 2.23) notes the relationship between Medway and London, in that there are commuting and migration links with the capital city. Notably, the 2015 SHMA (paras 2.23 and 2.28) highlights that four of the top 10 LPAs in terms of total flows into Medway are London Boroughs, reflecting the strength of London's influence on Medway in relation to migration contribution, and also the strong trends of people relocating from the capital to the Medway area.
- 3.31 The London Plan is unable to accommodate its housing need in full. There is a potential shortfall of circa 7,000 dwellings a year; comprising the difference between the identified capacity target of 42,000 dpa and the lower end of London's OAN which is 49,000 dpa.
- 3.32 It is considered appropriate that regard is given to the unmet needs of London and that the Council considers the potential of helping to meet some of the capital's unmet needs given the strong relationship between Medway and London set out above.

v) Under Delivery of Housing

- 3.33 The NPPF (para 47) requires LPAs to identify and update annually a supply of deliverable sites to provide 5-years of housing against their housing target with an additional 5% buffer, or a 20% buffer for LPAs who have a history of under delivery.
- 3.34 The Housing White Paper (February 2017) states that the Government intends to introduce a new housing delivery test to ensure that LPAs and wider interests are held accountable for their role in ensuring new homes are delivered in the area. The test will highlight whether the number of homes being built is below target, provide a mechanism for establishing the reasons why and where necessary, trigger policy responses that will ensure further land comes forward.
- 3.35 The proposed housing delivery test is particularly pertinent for Medway as the LPA is subject to a 20% buffer as it has persistently under-delivered against its housing target. This has been confirmed by S78 Planning Inspectors (e.g. APP/A2280/W/15/3002877) and is acknowledged by the Council (Statement of Common Ground for APP/A2280/W/15/3132141).
- 3.36 This position has been reaffirmed in a recent Secretary of State (SoS) Decision (APP/A2280/W/16/3143600) in which it is noted that the backlog since the start of the Plan period already amounts to 2,688 dwellings (with completions of 2,436 dwellings against a requirement of 1,281 dpa between 01 April 2012 – 31 March 2015).

3.37 It is therefore necessary that MC identifies sufficient land in sustainable locations to ensure land is available to address previous under delivery rates in Medway.

vi) Conclusions on OAN

3.38 On this basis, we do not consider that the housing needs calculated for Medway have been appropriately assessed. It is considered necessary that the CLG projections are regarded as the starting point estimate, with appropriate adjustment to take account of:

- Appropriate uplift to address worsening market signals (i.e. affordability);
- Alleviation of the suppressed household formation rates in the 25-44 age group;
- Affordable housing needs; and
- Historic under-supply.

3.39 Overall it is considered that the LPDO does not seek to meet the full and correct OAN for Medway and is therefore not "sound".

4.0 DEVELOPMENT STRATEGY AND OPTIONS

- 4.1 This section of the representations considers the potential development options set out in the LPDO and MC's existing identified supply of development land.
- 4.2 The LPDO (para 31) sets out the level of growth required for the Plan period. This includes a need for 29,463 dwellings, 49,943m² of B1 office space, 34,900m² of comparison retail space and 10,500m² of convenience.
- 4.3 The Council considers this scale of growth to be challenging and meeting this challenge of achieving successful growth in Medway as the central focus for the new Local Plan (LPDO, para 3.3). This approach is welcomed and accords with the NPPF (para 14) in seeking positive opportunities to meet development needs of the area.

i) Identified Supply of Development Land

- 4.4 The LPDO (para 3.7) sets out the Council's current anticipated supply of development land, copied below for reference.

Table 4.1: Medway's Current Supply of Development Land

	Status	Number of Dwellings
A	Completions 2012-2016	2,180
B	Sites with planning permission	6,251
C	Medway Local Plan 2003 Allocations	356
D	SLAA Pipeline sites	8,813
E	Windfalls (Years 3-5 only)	606
F	Total	18,206

Row D: SLAA Pipeline Sites

- 4.5 The Annual Monitoring Report (AMR) 2016 (Volume 2, Section 8) provides the list of SLAA residential pipeline sites, totalling 8,813 units for the Plan period. This list includes a number of Medway Local Plan 2003 Allocations, which are however listed as a separate source of supply above (Row C). As a result, it appears that such sites (i.e. Medway Local Plan 2003 Allocations) are accounted for as both a separate source of supply and a SLAA pipeline site i.e. have been double counted in the overall supply (Row F).

- 4.6 It is recommended that the Council revisits the inclusion of Medway Local Plan 2003 Allocations to ensure such sites are only accounted for once, to ensure MC's position is robust.
- 4.7 It is also noted that the January 2017 SLAA only identifies a potential capacity of 5,980 dwellings on sites deemed to be suitable, available and achievable for residential development; thereby conflicting with MC's figure of 8,813 units (Row D), published in the LPDO at the same time of the SLAA's release.
- 4.8 The 2016 AMR list of SLAA pipeline sites also includes Lodge Hill for 5,000 dwellings in the Plan period. This conflicts with the LPDO position (para 3.39) in which the development site is phased in the second half of the Plan period (2025-2035) given the present uncertainty. This will allow for consideration of the outcome of the Public Inquiry and allow time for alternative sources of land supply to be planned, if required.
- 4.9 The reliance on Lodge Hill for 5,000 units in the Plan period (in Row D) is not considered to be appropriate or realistic. It is contrary to the content and intentions of the LPDO to address future uncertainties by phasing development later in the Plan period. Notwithstanding the site's continued uncertainty, it is also wholly unrealistic to anticipate 5,000 dwellings to be delivered in 2025-2035, which would require 500 dwellings to be built per annum.
- 4.10 The total supply of SLAA pipeline sites should be amended to be in accordance with the LPDO's position, which will significantly reduce the total supply of current development land in Medway. Additional land is therefore required to provide an identified supply of land to meet the development needs of circa 30,000 dwellings for the Plan period.
- 4.11 It is also noted that additional sources of supply may in future be required to address the potential exclusion of Lodge Hill.

Row F: Total Supply

- 4.12 Table 4.1 above sets out Medway's current identified supply of 18,206 units. This generates a total of 11,257 units remaining unidentified for the Plan period.
- 4.13 Taking account of comments above, the unidentified supply figure could increase to circa 16,500 dwellings through the exclusion of Lodge Hill (5,000) and Medway Local Plan 2003 Allocations (356 units).

- 4.14 There could also have been double-counting between the SLAA pipeline sites and the 4 no. development scenarios in the LPDO, i.e. if the capacities of the SLAA pipeline sites have also been included in the estimated yields of the different scenarios (Appendices 1B to 1E of the LPDO).

ii) Development Strategy

- 4.15 The LPDO (para 3.9) acknowledges that the Council cannot meet its full development needs solely on brownfield land. The development of greenfield sites is required in suburban and rural areas as part of the Council's development strategy for the new Local Plan. We support the Council's approach to plan positively to meet its full development needs in full.
- 4.16 The Council seek to make use of greenfield land that is "free" from environmental constraints, of lesser value for landscape and agricultural purposes, and well related to services and infrastructure (LPDO, para 3.9).
- 4.17 The NPPF (para 110) advises that Local Plans should allocate land with the least environmental or amenity value, where consistent with other policies in the NPPF. Notably, the NPPF advocates the use of "least" value, therefore instilling a comparative exercise, rather than directing development to where land is wholly free of environmental, acknowledging that such land may not be available in the District or Borough.
- 4.18 It is therefore considered appropriate that the development strategy (notably LPDO, para 3.9) is amended to direct development where land is of the least environmental or amenity value, taking account of other policies in the NPPF, to be consistent with paragraph 110.

iii) Development Options

- 4.19 The LPDO identifies a range of development scenarios, accompanied by indicative diagrams, showing potential growth patterns that could form part of the new Local Plan development strategy. These are namely as follows:
- Scenario 1 – Maximising the potential of urban regeneration;
 - Scenario 2 – Suburban expansion;
 - Scenario 3 – Hoo Peninsula focus/Rural focus;
 - Scenario 4 – Urban Regeneration and a Rural Town.

- 4.20 The scenarios explore potential growth that could take place at a combination of different strategic locations, each making assumptions about the capacity of the strategic locations.
- 4.21 All of the scenarios envisage at least some growth being directed towards Rainham. This approach is supported in that it recognises the sustainable location adjacent to Rainham and the suitability of Rainham to accommodate growth.

Scenario 1: Maximising the potential of urban regeneration

- 4.22 Scenario 1 is focused on the delivery of brownfield sites, the continued and enhanced regeneration of waterfront sites, and a major transformation in the urban centre. It is suggested that this approach could deliver some 10,500 dwellings, however it is unclear the level of growth anticipated through the intensification of sites that already benefit from planning permission and how many units could come forward on entirely new sites. Notably, Scenario 4 suggests that regeneration sites, of similar locations to Scenario 1, could accommodate some 6,500 units.
- 4.23 The LPDO (para 3.8) notes that there is limited capacity to accommodate additional development on brownfield sites, due to the Medway's existing programme of regeneration. Scenario 1 acknowledges that a radical approach for brownfield development would be required, however there is no detail presented on this new approach and therefore it is not possible to consider the robustness of such a development option.
- 4.24 It is important that MC is realistic about the deliverability and capacity of the urban area. In addition, and as already set out in Scenario 1 commentary, there are challenges with large scale brownfield development, particularly high density development, which would be necessary to deliver the substantial volumes of growth required.
- 4.25 A proportion of development under this Scenario is required at suburban and rural locations to complement the regeneration approach. For Rainham, incremental levels of expansion is envisaged.
- 4.26 Given the issues identified above regarding the regeneration approach, it is considered that a greater proportion of development is required at suburban and rural locations under this Scenario, with a particular focus on suburban locations to take account of the settlement hierarchy. This includes a greater level of growth at Rainham, and including the Site, beyond 'incremental expansion' as currently envisaged.

Scenario 2: Suburban Expansion

- 4.27 Scenario 2 is based on an approach of urban regeneration and sustainable urban extensions in suburban areas. Suburban growth is envisaged at Rainham, Capstone and Strood to deliver 10,700 dwellings with accompanying mixed use development. Notably, mixed use development is identified to the north of Rainham, where the Site is located.
- 4.28 It is considered appropriate that a significant proportion of development needs are met at suburban locations. As noted in Scenario 2 commentary, there is an availability of land in these locations and situated next to urban settlements, where there is an existing supply of services and facilities.
- 4.29 The Scenario highlights that consideration will need to be given to infrastructure upgrades and the natural environment to determine the capacity of these areas to accommodate growth. Such elements can be explored and determined through the progression of the suburban extension development approach, through the identification of site allocations, and does not prohibit development in these locations.
- 4.30 A suburban extension to Strood would require amendments to Green Belt boundaries. It is noted that such amendments would require a Green Belt Review to be undertaken, and for such land at Strood to be considered against the statutory Green Belt purposes (NPPF, para 80). In addition, a demonstration of exceptional circumstances would be required to release Green Belt land (NPPF, para 83). Case Law² confirms that exceptional circumstances require a thorough assessment and must be clearly and ambiguously identified and explained.
- 4.31 It will therefore be necessary for MC to first undertake a Green Belt Review and subsequently set out its exceptional circumstances, before the suburban extension of Strood could be realised.

Scenario 3: Hoo Peninsula focus/Rural focus

- 4.32 Scenario 3 is focused on the urban regeneration of waterfront sites and the potential of rural areas and expanded villages to contribute in meeting development needs.

² R (Hunston Properties Ltd) v SSCLG and St Albans City and District Council [2013] EWHC 2678 (Admin) and [2013] EWHC Civ 1610; Gallagher Estates Ltd and Lioncourt Homes Ltd v Solihull Metropolitan Borough Council [2014] EWHC 1283 (Admin) and [2014] EWHC Civ 1610; R(IM Properties) v Lichfield District Council and others [2014] EWHC 2440 (Admin); Calverton Parish Council v Nottingham City Council, Broxtowe Borough Council and Gedling Borough Council and others [2015] EWHC 1078 (Admin)

- 4.33 As noted above, there is limited availability of remaining brownfield sites to provide large scale regeneration development in Medway. MC should take a precautionary approach before placing any great reliance on this source of supply to meet a significant level of the development needs.
- 4.34 The Scenario identifies a potential capacity of 2,600 dwellings at the expanded villages of Cliffe, Cliffe Woods, High Halstow, Lower Stoke, Allhallows and Grain. It is noted that Scenarios 2 and 4 also identify the potential expansion of rural villages, but at a significantly lower capacity.
- 4.35 The NPPF (paras 17 and 28) acknowledges the need to support rural communities and take a positive approach to sustainable new development in these locations. However, the existing sustainability of villages and rural areas needs to be considered in determining the appropriate levels of growth. These villages are relatively small, with only limited services and facilities available and also relatively remote. In addition, the capacity of local infrastructure and the environment to accommodate growth at these villages would be a critical issue.
- 4.36 Whilst it is appropriate that development is accommodated at village locations to provide a wide choice of homes and meet local needs (NPPF, para 9), the overall level of rural growth should be relative to the overall sustainability and settlement hierarchy in Medway. This means that growth should first be directed, and at a greater scale, to larger existing settlements (e.g. at suburban locations surrounding larger urban areas) in comparison to rural areas.
- 4.37 Scenario 3 does identify suburban development at Rainham and Capstone Valley, with a potential provision of 2,280 dwellings, new primary and secondary schools, community facilities, and parks and open spaces. However, this level of growth is below that envisaged for the Medway villages, which are less sustainable.
- 4.38 As noted in Scenario 2 commentary, there is an availability of land located in suburban locations; and coupled with the relative sustainability of these locations, being situated in close proximity to existing services and facilities available in an urban area, it is considered that greater levels of growth should be focused here, in comparison to expanded villages.

Scenario 4: Urban Regeneration and a Rural Town

- 4.39 Scenario 4 brings together components of urban regeneration, suburban expansion and rural development scenarios.

- 4.40 In terms of suburban expansion, a level is supported that would be considered to be sustainable and healthy patterns of growth, but restricted from levels that would promote urban sprawl and unsustainable modes of transport.
- 4.41 The Scenario includes for the smaller scale urban expansion of Rainham and Capstone, for up to 2,000 dwellings and associated transport, services and green infrastructure.
- 4.42 As noted above, whilst there are no objections raised to the inclusion of urban regeneration and rural development in the final Local Plan strategy, there are reservations regarding the realistic capacity of brownfield sites and the appropriateness of significant growth at rural villages.
- 4.43 The approach for suburban extensions is considered appropriate to provide sustainable growth at urban settlements with existing facilities and services, and where there is a readily available supply of potential development sites.

iv) Conclusions on the Development Scenarios

- 4.44 The LPDO (paras 3.4 and 3.5) advises that further work and supporting technical studies will be carried out to determine the development capacities of the areas and the ability to deliver growth, taking account of infrastructure requirements, viability testing and environmental and economic considerations, in addition to representations to this consultation.
- 4.45 Given the shortfall between the housing requirement and identified supply, coupled with the constraints to development in Medway, it is considered appropriate that a combination of the different development scenarios will need to be taken forward to meet the development needs in full.
- 4.46 As noted above, all of the scenarios envisage development at Rainham. It is therefore expected that the final development strategy for Medway will include development in this location.
- 4.47 The Site itself is considered an appropriate location for residential development, and can assist in meeting the identified development needs of Medway. Notably, the January 2017 SLAA has identified the Site (Ref: 0817) to be suitable and available for residential development. Further detail on the Site is contained Section 6.0, which demonstrate the Site's suitability as a n allocation.

5.0 OTHER POLICY APPROACHES

i) Housing Mix

- 5.1 The LPDO (page 30) sets out the Council's intended policy approach to the mix of housing for residential developments, including the provision of affordable housing.
- 5.2 It is stated that accommodation requirements detailed in the 2015 SHMA (or any future updates) will be used to inform which house sizes and mixes are delivered. This approach is in accordance with the NPPF (para 159) in which LPAs are directed to utilise a prepared SHMA to identify the scale, mix and tenure of housing that will be required over the Plan period.

ii) Rural Economy Policy Approach

- 5.3 The LPDO (page 50) provides the Council's future policy approach for the rural economy. With regards to the development of agricultural land, it is intended that development, where feasible, will be directed to land of lesser value.
- 5.4 The proposed policy approach is considered to be in line with National policy (NPPF, para 112) in that LPAs should seek to use areas of poorer quality land for significant development in preference to that of higher quality.
- 5.5 The 2015 SLAA identified the Site to be located on the best and most versatile agricultural land. It is however noted that nearby proposed developments at Land North of Moor Street (APP/A2280/W/15/3012034) and Land at Otterham Quay Lane (MC/16/2051) have been subject to further survey work and which established that the sites are predominantly Grade 2 agricultural land, not Grade 1 as originally envisaged. The Site itself has not yet been subject to a detailed agricultural land classification study.
- 5.6 The NPPF (para 112) does not preclude development on the best and most versatile land, but a preference is stated for development on poorer quality land where possible.
- 5.7 The Officer's Report for both Land to the East of Mierscourt Road (MC/15/4539) and Land at Otterham Quay Lane (MC/16/2051) notes that Natural England's 1:250,000 Agricultural Land Classification map indicates that large parts of land adjoining the Medway urban area are likely to be best and most versatile agricultural land. As such, it is considered unlikely that Medway's housing requirements can be accommodated on agricultural land of Grade 3a or lower and therefore the loss of such higher grade land does not conflict with the NPPF (para 112).

- 5.8 Therefore, notwithstanding that a detailed study of the Site has not been undertaken, a high-grade quality of the land does not preclude the allocation of the Site for development.
- 5.9 In addition, regard should be given to the context of sustainable locations to accommodate growth and the overriding presumption for sustainable development in the NPPF as a whole (para 14). As part of the new Local Plan, consideration must be given to the sustainable location of the Site and its contribution to the achievement of sustainable development (NPPF, para 151).

iii) Securing Strong Green Infrastructure

- 5.10 The LPDO (page 65) advises that MC will protect the network of green infrastructure across Medway. The highest protection will be given to securing the ecological and landscape interest of internationally designated sites, and the Council will also consider the need to protect features of regional importance.
- 5.11 Paragraph 113 of the NPPF directs that distinction should be made between the hierarchies of international, national and locally designated sites by setting criteria-based policies, so that protection is proportionate with such status and gives appropriate weight to their importance and the contribution that they make to wider ecological networks or landscape areas.
- 5.12 The proposed green infrastructure policy approach within the LPDO does make a distinction between the hierarchy of designated sites, which is in line with National policy above. However, the intended approach does not refer to an intended use of criterion in the future Local Plan policy, which will be required to be in line with the NPPF (para 113).
- 5.13 The Site is not subject to any International or National landscape designations and therefore its development should be considered proportionate to this context, in accordance with the NPPF.
- 5.14 The Site is however locally designated as an Area of Local Landscape Importance (ALLI) in the Medway Local Plan (2003). The designation is currently drawn tightly around the settlement boundaries of both Rainham and Gillingham, and under the terms of the policy, development will only be permitted if it does not materially harm the landscape character and function of the area; or the economic and social benefits of development outweigh the benefits of conserving the landscape.

- 5.15 It should be noted that in a recent Appeal Decision (APP/A2280/W/15/3002877), the Inspector noted that Medway Landscape Character Assessment (MLCA) (2011), in seeking to recognise and protect areas of recognised local landscape character, was not inherently inconsistent with the NPPF, however "the ALLI designations were not based upon a landscape character assessment" (paragraph 23) and therefore did not fully accord with the NPPF in this respect.
- 5.16 This position has also been recognised in a more recent SoS Decision (APP/A2280/W/16/3143600) in which the Inspector notes that the ALLI designation dates back to 1992, when local landscape designations were the standard approach. There has been no reassessment of the designation to take account of the current policy advice for a balanced and pragmatic criterion approach.
- 5.17 To be 'Consistent with National policy', the new Local Plan for Medway should set 'criteria based' policies against which proposals in protected landscape areas can be judged. In order for the new Local Plan to be 'Justified' in this respect, we recommend that a Medway-wide landscape review is undertaken to inform both the spatial strategy for the area and landscape based policies.
- 5.18 In this respect, it is noted in the recent SoS Decision (APP/A2280/W/16/3143600) that the Council is already aware of the need to assess the quality of the current ALLI designated areas. In particular, the Inspector stated that (para 257):

I am mindful that ALLI designations cover a significant part of the undeveloped land in accessible locations in this Council's area, so that it is inevitable that to fulfil housing requirements ALLI land will need to be developed.

- 5.19 Notwithstanding the above recommendation, the Site is capable of providing an appropriate area of open space as part of the development proposals and provide on-site mitigation measures to protect the most sensitive parts of the Site.

iv) Heritage

- 5.20 The LPDO (page 74) advises that the Council will support the conservation and appropriate enhancement of the historic environment. It is stated that the Council will restrict development that could have an unacceptable impact on designated heritage assets and their setting.

- 5.21 The subsequent Local Plan policy will need to take account of the relevant tests within the NPPF. Notably, the NPPF (para 132) requires the consideration of development proposals to take account of the significance of a designated heritage asset, in that the more important the asset, the greater the weight the asset's conservation should be given.
- 5.22 Paragraphs 133 and 134 of the NPPF set out the relevant requirements of decision-taking for development proposals taking account of the harm or loss of a designated heritage asset.
- 5.23 Paragraphs 133 and 134 of the NPPF set out the relevant tests of decision-taking for development proposals that would lead to harm or loss of a designated heritage asset, namely whether the harm is substantial or a total loss of an asset's significance (para 133), or less than substantial (para 134). Such tests should be reflected in the future heritage policy for the Local Plan.

v) Transport

- 5.24 The LPDO (page 94) advises that the Council will work with relevant LPAs and transport providers to ensure development is located and designed to enable sustainable transport. This is in line with NPPF (para 29) which highlights the importance for the transport system to be balanced in favour of sustainable transport modes and provide users with a choice on how they travel, whilst acknowledging that different opportunities and measures will be required from urban to rural areas.
- 5.25 The new Local Plan for Medway should support the achievement of sustainable development by locating new development within or adjacent to existing built up areas where existing infrastructure is in place.
- 5.26 The Site is located adjacent to the boundary of the Medway urban area and is therefore in a sustainable location with good access to existing services and public transport opportunities, as acknowledged within the November 2015 SLAA. This is therefore in line with paragraph 29 of the NPPF.
- 5.27 The Site is served by a variety of modes of transport, including cycle and public transport, in addition to the private motor car. Bus Route 190 passes north of the Site along Lower Rainham Road and National Cycle Network Route 1 extends north of Lower Rainham Road to the north east of the Site.

6.0 BERENGRAVE NURSERY, RAINHAM

i) The Site and its Surroundings

- 6.1 The Site is irregular in shape and totals approximately 6 hectares, located to the east of Lower Bloors Lane and the west of Berengrave Lane. The Chatham Main railway line is adjacent to the southern boundary of the Site and Bloors Lane Community Woodland is located adjacent to the western Site boundary.
- 6.2 There are a variety of existing land uses on the Site, including agricultural and commercial uses largely associated with the Nursery usage.
- 6.3 To the south of the Site is the Rainham Cricket Ground, which is the grounds for the well-established Rainham Cricket Club. Thames View Primary School and Rainham Mark Grammar School are located in close proximity to the west of the Site.
- 6.4 The eastern and southern boundaries of the Site follow the existing settlement boundary of Rainham. As such, whilst the Site is currently outside but adjacent to the Rainham settlement, it is in very close proximity to both existing residential and employment development.
- 6.5 The town centre of Rainham is located approximately 0.8 km to the south of the Site, and provides a range of services and facilities including a supermarket, GP practice and medical centre, hotel and library.
- 6.6 Rainham Railway Station is located 0.5km to the south-east of the Site, which provides 5 no. direct trains per hour to London (Victoria, Cannon Street and St Pancras International stations) in approximately 1 hours travel, increasing to 8 no. trains in peak hours.
- 6.7 The Site is not subject to any International or National landscape designations and therefore its development should be considered proportionate to this context, in accordance with the NPPF (para 113). The Site is however locally designated as an Area of Local Landscape Importance (ALLI) in the adopted Medway Local Plan (2003).
- 6.8 To the north of the Site is the Medway Estuary, which is covered by multiple environmental designations, namely a Site of Special Scientific Interest (SSSI), a Special Protection Area and a Ramsar site.

6.9 It is noted that MC has not yet established a draft Local Plan policy regarding the treatment of the natural environment. A policy approach is set out in the LPDO (page 65) and on which comments are provided in Section 5.0 of these representations.

6.10 The Site is considered to be sustainably located in relation to existing services and facilities, and an appropriate location to accommodate growth.

ii) Previous SLAA Conclusions

6.11 The Site was assessed in both the November 2015 SLAA (**Appendix B**) and the most recent January 2017 SLAA (Site Reference: 0817).

6.12 The November 2015 SLAA concluded that the Site is unsuitable for housing development unless the identified constraints could be addressed. It is noted that the Site received only 1 no. "red" rating due to it comprising best and most versatile agricultural land, addressed in Section 5.0. In addition to this, it received 6 no. "green" ratings and 6 no. "amber" ratings.

6.13 In summary, the Site was assessed as follows:

- Good access to public transport opportunities, and moderate access to services and facilities;
- Likely that a suitable vehicular access could be created via Berengrave Lane;
- Development is unlikely to have an impact upon any designated heritage assets;
- Mitigation is likely to be deliverable to overcome any air pollution constraints;
- Contamination is not suspected on the Site;
- The Site is free from known development 'abnormals'; and
- Further assessment required on the ecological potential of the Site and any potential impacts on the SSSI.

6.14 As noted above, the Site is located in an ALLI designated area. However, the November 2015 SLAA concluded that the Site's landscape is less sensitive and to have some potential to accommodate change, subject to further landscape evaluation. As noted in Section 5.0, a S78 Inspector has concluded that the ALLI designation was not based upon a landscape character assessment and therefore did not fully accord with National policy (NPPF, para 113).

6.15 The subsequent January 2017 SLAA has concluded the Site to be suitable and available for residential development, with a potential capacity of 151 dwellings in the short (0-5 years) and medium (6-10 years) term.

- 6.16 The January 2017 SLAA has not been accompanied by individual site assessment proformas. It is therefore assumed that either the Site is no longer considered to be located on the best and most versatile agricultural land, or that this factor is not deemed to be a constraint to development.

iii) Proposed Development

- 6.17 The Site is being promoted for residential use comprising a mix of dwelling types and sizes, including an element of affordable housing. It is anticipated that approximately 100-150 dwellings could be delivered on the Site.

iv) Sustainable Development

- 6.18 The NPPF and PPG both put sustainable development at the heart of the planning system (NPPF, para 7) for both plan-making and decision-taking, and describes it as covering three main aspects namely economic, social and environmental.
- 6.19 Development of the Site would constitute a sustainable form of development. The NPPF (para 151) is clear that Local Plans must be prepared with the objective of contributing to the achievement of sustainable development and should be consistent with the presumption in favour of sustainable development.
- 6.20 The Site is assessed to be sustainable, located adjacent to existing built residential development. The Site is accessible, located adjacent to an existing local road network and in close proximity to the strategic highway network and railway, with the High Street/A2 located approximately 0.6km to the south of the Site and Rainham Railway Station approximately 0.5km to the south-east of the Site.
- 6.21 The Site's development is considered to form a relatively minor expansion to the existing built development of Rainham.
- 6.22 The development would meet the three strands of sustainable development, as set out in the NPPF (para 7). Enabling residential development would support economic growth in Medway and surrounding areas, providing employment opportunities through the construction phase. The Site has the potential to contribute towards the delivery of much needed housing within Medway and deliver a mix of housing types in accordance with the NPPF (para 47).

- 6.23 The Site is currently available for development, would offer a suitable location for development and has a realistic prospect of housing being delivered on the Site within 5 years to meet short term development needs. It is available to come forward now.

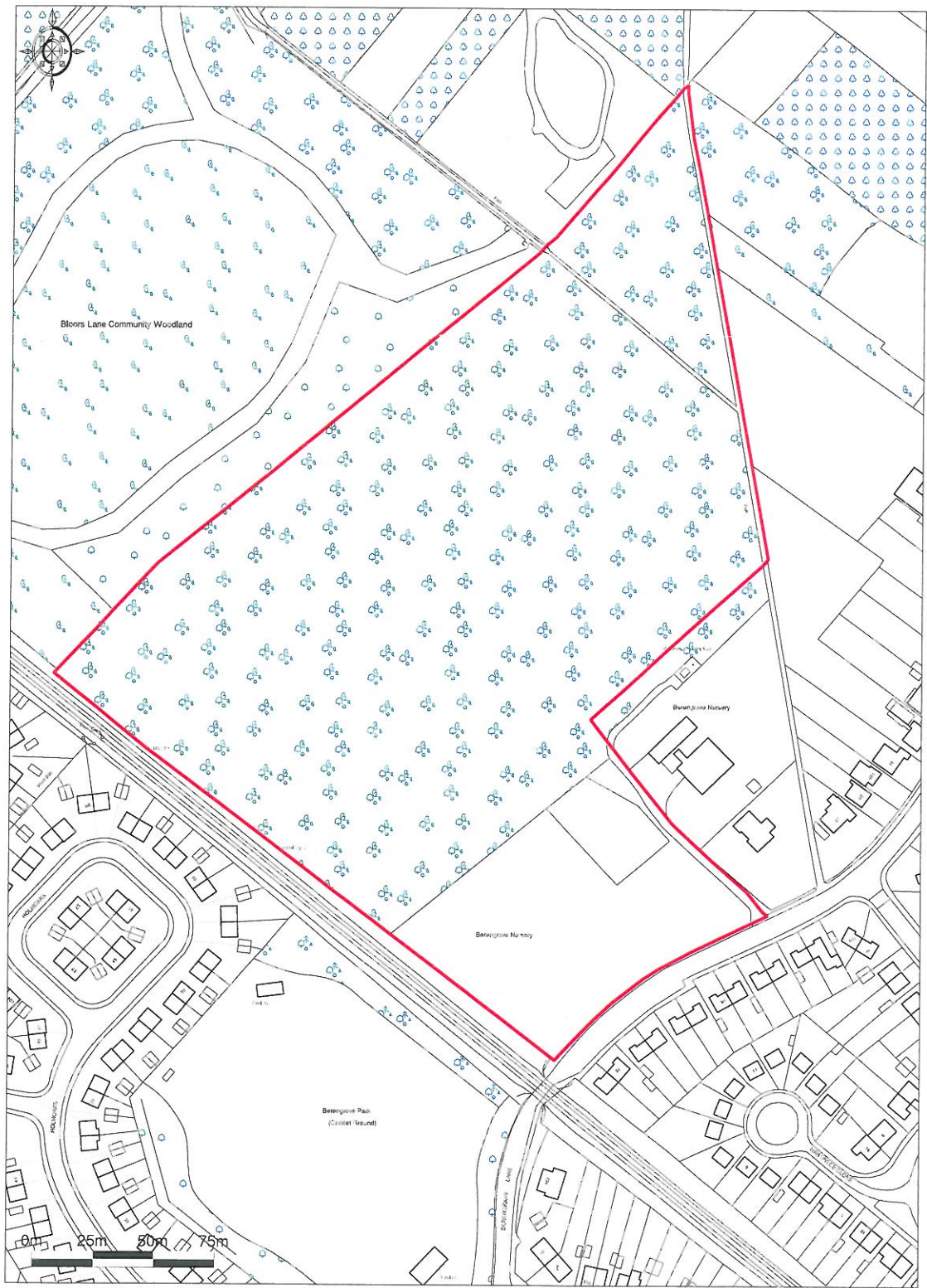
7.0 CONCLUSIONS

- 7.1 We consider that there is further work to be done in order to ensure MC is working towards a “sound” Local Plan. Notably, the current identified housing figure needs to be revisited to identify the full OAN, as required by National policy.
- 7.2 The latest starting point estimate for Medway is 1,388 dpa for the Plan period 2012-2035. In accordance with the PPG, this should be adjusted to take account of factors not captured in past trends, namely to address worsening market signals, suppressed household formation rates and the 2015 SHMA identified affordable need of 744 affordable dwellings per annum.
- 7.3 The Local Plan should seek to meet unmet requirements from neighbouring LPAs where it is reasonable and consistent with National policy. Clarity is required on the position between Medway Council and Gravesham Borough Council to ensure the respective Local Plans meet the level of growth required.
- 7.4 The NPPF is clear that Local Plans must be prepared with the objective of contributing to the achievement of sustainable development and should be consistent with the presumption in favour of sustainable development (NPPF, para 151).
- 7.5 The development strategy for the new Local plan needs to provide circa 16,500 dwellings to meet Medway’s current identified supply. It is considered that a combination of 4 no. development scenarios explored in the consultation document will need to be taken forward to meet Medway’s development needs in full.
- 7.6 All of the 4 no. scenarios in the consultation document envisage development being directed towards Rainham. This approach is supported in that it recognises the sustainable location adjacent to Rainham to accommodate growth.
- 7.7 Berengrave Nursery is sustainably located in relation to existing services and facilities, and an appropriate location to help meet Medway’s identified needs. The January 2017 SLAA concluded the Site to be suitable and available for residential development. Accordingly, the Site should be allocated in the new Local Plan.

APPENDIX A

Site Location Plan

BERENGRAVE NURSERY BERENGRAVE LANE
RAINHAM KENT ME8 7NL




Ordnance Survey © Crown Copyright 2016. All rights reserved.
Licence number 100022432. Plotted Scale - 1:2500

WALTER & RANDALL
CHARTERED SURVEYORS

APPENDIX B

SLAA January 2015 Extract

Site	
Reference	0817
Address	Berengrave Nursery, Rainham
Description	A flat site with a range of buildings, both agricultural and residential. The land is used for agricultural, recreational and commercial uses.
Size (ha)	6.03
Relevant policy guidance	
Location Plan	

Development Potential		
Residential (units)	145	
Employment (m ²)	Office	60,320
	Industrial	24,130
	Storage	24,130
Main Town Centre Uses (m ²)		
Other Uses	Nature Reserve or activities centre	

Suitability - General		
Facilities & Services Accessibility	Site has moderate access to services and facilities.	
Public Transport Accessibility	Site has good access to public transport opportunities.	
Highway Network Capacity	<p>Access to the strategic highway network (M2/A2), and around the Medway urban distributor network generally, is likely to be constrained by a number of identified congestion hotspots including in particular:</p> <ul style="list-style-type: none"> • A2 <p>Whilst it is possible that strategic infrastructure upgrades may address these congestion issues, improving capacity on</p>	

Suitability - General		
	<p>the network, there are no upgrades planned or identified at present.</p> <p>Further detailed assessment would need to be undertaken (as part of the Local Plan or development management process) to demonstrate how traffic generated by the development could be accommodated on the network.</p> <p>Developer contributions may be required to fund any infrastructure upgrades necessary to address network capacity constraints.</p>	
Site Access	Site has an existing suitable vehicular access via Berengrave Lane.	
Ecological Potential	<p>An ecological survey of the site has not been investigated as part of this high level assessment and as such the presence or absence of protected species and/or habitats cannot be established at this stage.</p> <p>Further assessment would therefore need to be undertaken through the Local Plan or Development Management process, before development could be supported or rejected.</p>	
Designated Habitats	<p>Natural England guidance (Impact Risk Zones) indicates that development of this site poses a potential risk to a SSSI.</p> <p>Further assessment of the potential impacts of development upon designated habitats would therefore need to be undertaken through the Local Plan or Development Management process, before development could be supported or rejected.</p>	
Landscape	<p>Whilst the site is situated outside of the built up area, the landscape is considered less sensitive and to have some potential to accommodate change.</p> <p>Further assessment of the potential impacts of development upon the local landscape would need to be undertaken</p>	

Suitability - General		
	through the Local Plan or Development Management process, before development could be supported or rejected.	
Heritage	Development is unlikely to have an impact upon any designated heritage assets.	
Air Quality	Site may be constrained by air pollution but mitigation likely to be deliverable.	
Contamination	Contamination is not suspected on the site.	
Site Developability	The site is free from known development 'abnormals'.	
Agricultural Land	The site is situated on the best and most versatile agricultural land.	
Open Space	Site is not designated open space.	

Suitability – Housing		
Flood Risk	Site is at low risk of flooding.	
Noise	Noise pollution may affect the site, but it is likely that this could be mitigated.	
Amenity/Overlooking	There are a limited number of residential properties adjacent to the site. It is expected that a site layout could be designed to prevent layout/overlooking impacts.	
Land Use	Site is not designated employment land.	
Overall	The site is considered unsuitable for development unless identified constraints can be addressed.	

Suitability – Economic Development		
Flood Risk	Level of flood risk on the site is considered acceptable for commercial uses.	
Noise	The site may be affected by noise pollution, but it is likely that this could be mitigated for commercial uses.	
Amenity	Mainly residential or rural area with no other commercial uses.	
Overall	The site is considered unsuitable for development unless identified constraints can be addressed.	

Suitability – Mixed Use		
Overall	The site is considered unsuitable for development unless identified constraints can be addressed.	

Availability	
Landowner has promoted the site previously and was happy to promote it again when met on site.	



MEDWAY COUNCIL LOCAL PLAN
2012 - 2035
REGULATION 18 CONSULTATION

Response to Public Consultation

On behalf of
Taylor Wimpey UK Ltd
and
Persimmon Homes

April 2017

**MEDWAY COUNCIL LOCAL PLAN
2012 – 2035 REGULATION 18 CONSULTATION**

RESPONSE TO PUBLIC CONSULTATION

**ON BEHALF OF
TAYLOR WIMPEY UK LTD
AND
PERSIMMON HOMES**

Project Ref:	22372/A5
Status:	FINAL
Issue/Rev:	01
Date:	03 April 2017
Prepared by:	Emma Wreathall
Checked by:	Tom Ashley
Authorised by:	Huw Edwards

Barton Willmore LLP
The Observatory
Southfleet Road
Ebbsfleet
Dartford
Kent
DA10 0DF

Tel: [REDACTED]
E-mail: [REDACTED]

Ref: 22372/A5/EW/kf
Date: 03 April 2017

COPYRIGHT

The contents of this document must not be copied or reproduced in whole or in part without the written consent of the Barton Willmore LLP.

All Barton Willmore stationery is produced using recycled or FSC paper and vegetable oil based inks.

CONTENTS

PAGE NO.

1.0 INTRODUCTION	01
i) Purpose of these Representations	01
ii) Purpose of the LPDO	01
iii) Content of Representations	02
2.0 LAND AT MILL HILL, GILLINGHAM	04
i) The Site and its Surroundings	04
ii) Previous SLAA Conclusions	05
iii) Proposed Development	06
iv) Sustainable Development	06
3.0 OBJECTIVELY ASSESSED HOUSING NEED	08
i) Medway Council OAN Work	08
ii) Starting Point Estimate	08
iii) Affordable Housing Need	10
iv) Barton Willmore OAN Work	11
v) Unmet Housing Needs	13
vi) Under Delivery of Housing	15
4.0 DEVELOPMENT STRATEGY AND OPTIONS	16
i) Identified Supply of Development Land	16
ii) Development Strategy	18
iii) Development Options	18
5.0 OTHER POLICY APPROACHES	20
i) Housing Mix	20
ii) Rural Economy Policy Approach	20
iii) Securing Strong Green Infrastructure	21
iv) Heritage	23
v) Transport	23
6.0 CONCLUSIONS	25

APPENDICES

Appendix A: Site Location Plan (M01)

Appendix B: National Planning Policy Context

Appendix C: Critical Review of Medway Council OAN Evidence Base (Barton Willmore Research, February 2016)

Appendix D: Objectively Assessed Housing Need Dashboard (Barton Willmore Research, February 2016)

1.0 INTRODUCTION

i) Purpose of these Representations

- 1.1 These representations are submitted on behalf of Taylor Wimpey UK Ltd and Persimmon Homes in response to Medway Council's (MC) Local Plan 2012-2035 Development Options (Regulation 18) consultation (LPDO, January 2017). Taylor Wimpey and Persimmon Homes, both large National housebuilders, own equally the Site known as 'Land at Mill Hill, Gillingham' (hereafter referred to as 'the Site'). A Site Location Plan is included at **Appendix A**.
- 1.2 The Site comprises two land parcels located to the east of A289 Yokosuka Way and to the east of Gillingham. In total, the parcels comprise 3.78 hectares. Further detail on the Site is provided in Section 6.0 of these representations.
- 1.3 Notwithstanding our Clients specific land interests, these representations have been prepared in objective terms and in recognition of prevailing planning policy – in particular Government guidance as set out in the National Planning Policy Framework (NPPF) (March 2012) and National Planning Practice Guidance (PPG) (March 2014).
- 1.4 On 07 February 2017, the Government published the Housing White Paper (February 2017) which sets out a programme of reform to tackle long-standing problems in the housing market and ensure homes are built in the right locations. These representations make reference to the Government's proposed planning changes, where relevant, which are now subject to consultation until 02 May 2017.

ii) Purpose of the LPDO

- 1.5 MC previously consulted on its Local Plan Issues and Options (LPIO) document between January and February 2016. The LPIO consultation was in advance of the preparation of a new Local Plan under the Local Planning Regulations. It did not set out detailed policies or identify specific development sites, rather it sought representations on key contextual matters and potential approaches that could be taken forward in the new Local Plan strategy.
- 1.6 The current LPDO (Regulation 18) consultation progresses forward from the LPIO, by setting out potential development options available to meet Medway's identified needs over the Plan period (2012-2035), which sought to be in line with a draft vision and strategic objectives for the area. The four options that are considered within the LPDO are as follows:

1. Maximising urban regeneration opportunities;
2. Supporting suburban expansion at a significant scale;
3. Promoting development on the Hoo Peninsula; and
4. Securing urban regeneration and a rural town.

1.7 The document is accompanied by an Evidence Base that has been prepared to inform the production of the new Local Plan, including the Strategic Housing Market Assessment (2015) and Strategic Land Availability Assessment (2017). It is however noted that additional technical work is still underway to assess the sustainability of the different development options and policies being explored in the LPDO document.

iii) Content of Representations

1.8 The content of National planning policy and guidance relevant to the LPDO and the new Local Plan strategy is contained in **Appendix B**, and referred to throughout these representations.

1.9 These representations are structured as follows:

- Section 2.0: Land at Mill Hill, Gillingham;
- Section 3.0: Objectively Assessed Need;
- Section 4.0: Development Strategy;
- Section 5.0: Other Policy Approaches; and
- Section 6.0: Conclusions.

1.10 In summary, these representations set out the following comments:

- The North Kent SHENA identifies the Objectively Assessed Need (OAN) for Medway as being 1,281 dwellings per annum (dpa) over the period 2012-2037, which does not represent the full OAN for Medway over the Plan period (2012-2035);
- Medway's OAN figure is below the starting point estimate of the 2012-based projections and further below the 2014-based projections. No justification has been provided for this reduction;
- The latest starting point estimate for Medway is 1,388 dpa for the Plan period 2012-2035. In accordance with the PPG, this should be adjusted to take account of factors not captured in past trends, namely to address worsening market signals, suppressed household formation rates, historical under-supply and the 2015 SHMA identified affordable need of 744 affordable dwellings per annum;

- The Local Plan should seek to meet unmet requirements from neighbouring LPAs where it is reasonable and consistent with National policy. Clarity is required on the position between Medway Council and Gravesham Borough Council to ensure that the respective Local Plans meet the level of growth required;
- The development strategy for the new Local Plan needs to provide circa 16,500 dwellings to meet Medway's current identified supply. It is considered that a combination of 4no. development scenarios explored in the consultation document will need to be taken forward to meet Medway's development needs in full;
- All of the 4no. scenarios in the consultation document envisage development at 'Land at Mill Hill, Gillingham'. This approach is supported in that it recognises that land to the east of Gillingham, including the Site, comprises a sustainable location for development.
- The Site itself is particularly suitable for development, given the absence of overriding constraints and its location at the urban edge.
- The Site is suitable, deliverable, achievable and therefore developable for residential development and should be allocated accordingly in the new Local Plan.

2.0 LAND AT MILL HILL, GILLINGHAM

i) The Site and its Surroundings

- 2.1 The Site comprises two land parcels located in North Rainham to the east of A289 Yokosuka Way that forms the current eastern extent of Gillingham. In total, the parcels comprise 3.78 hectares (9.34 acres).
- 2.2 Immediately to the west of A289 Yokosuka Way lies Grange Farm, which is a relatively recent residential development built by Taylor Wimpey. To the south of the Site is Invicta Business Centre, the northern boundary of which is the North Kent (Canterbury to London) railway line.
- 2.3 Parcel A as shown on the Site Location Plan (**Appendix A**) comprises an almost triangular piece of land immediately to the south of B2004 Lower Rainham Road and to the east of A289 Yokosuka Way. The land parcel is currently in agricultural use with a number of farm buildings in the southern part of the site.
- 2.4 Land Parcel B lies to the south of Land Parcel A and also comprises an almost triangular piece of land also in agricultural use and adjacent to A289 Yokosuka Way. Mature planting forms the boundary between the Site and Yokosuka Way.
- 2.5 Parcels A and B are separated by Grange Road which terminates close to the boundary with A289 Yokosuka Way.
- 2.6 As such, whilst the Site is currently outside but adjacent to the settlement boundary of the Medway urban area, it is very close to both existing residential and employment development. It is situated in an existing sustainable location, which will be further enhanced by any potential new surrounding development.
- 2.7 The Site was previously considered (as part of a larger area) as a potential option for strategic development. As part of the now withdrawn Core Strategy, Medway Council produced 'Further Considerations of Strategic Mixed Use Development Options' (September 2013) to assess the potential development options for the area. MC through its own assessment considered that Option 5 (North Rainham, including the Site) would have no direct impact on the AONB, Ancient Woodland, Scheduled Ancient Monuments, Public Open Space or SPA, Ramsar and SSSI designated sites. It is noted that a Riverside Country Park is adjacent to the Site, which performs an important role in mitigating recreational pressures on the Medway Estuary and Marshes SSSI, SPAA and Ramsar as necessary.

- 2.8 The Site is not subject to any International or National landscape designations and therefore its development should be considered proportionate to this context, in accordance with the NPPF.

ii) Previous SLAA Conclusions

- 2.9 Parcel B was assessed in the November 2010 SLAA as part of a wider site extending to south and east (Site Reference: 0774). The Site was rejected, along with others in the North Rainham area, on planning policy grounds and because it is greenfield (Parcel A, containing some previously developed land, was not part of the assessed site).
- 2.10 The Site was assessed in both the November 2015 SLAA and January 2017 SLAA (Site Reference: 1073).
- 2.11 The November 2015 SLAA concluded that the Site is unsuitable for housing development unless the identified constraints could be addressed.
- 2.12 In summary, the Site was assessed as follows:
- Good access to public transport opportunities;
 - Likely that a suitable vehicular access could be created on to Featherby Road, Grange Road or Lower Rainham Road, directly adjacent to the Site;
 - Development is unlikely to have an impact upon any designated heritage assets;
 - Mitigation likely to be deliverable to overcome any air pollution constraints;
 - Contamination is possible due to past uses, but mitigation is capable if found;
 - Site is not designated open space or employment land; and
 - Level of flood risk on site is considered acceptable.
- 2.13 The constraint to development identified in the SLAA, that led to the conclusion that it is unsuitable for development, was due to the Site's location on the best and most versatile agricultural land and its inclusion in the Area of Local Landscape Value (ALLI) (Lower Rainham Farmland), which is considered sensitive to change and thereby development on the Site is "likely" to have a detrimental impact upon such a designation. Both policy considerations are commented upon in Section 5.0 of these representations.
- 2.14 In landscape terms, the Site is located next to the existing urban area and adjacent to main roadways (A289 Yokosuka Way and B2004 Lower Rainham Road). It is therefore subject to a number of existing urban influences, which impact upon its landscape value and quality.

- 2.15 It is noted that MC's has not yet established a draft Local Plan Policy regarding the treatment of the natural environment. A policy approach is set out in the LPDO (page 65) and on which comments are provided in Section 5.0.
- 2.16 The subsequent January 2017 SLAA has not been accompanied by individual site assessment proformas. Appendix 4 of the document indicates that the Site was excluded at Stage 4 of the assessment as it was not considered to be suitable. The SLAA methodology advises that a site's suitability is assessed against a number of factors (18no. in total), however as the individual proformas are not available the exact conclusions on these factors are unknown and therefore not possible to comment upon.
- 2.17 As noted in Section 4.0, the January 2017 SLAA has only identified a potential capacity of 5,980 dwellings on sites deemed to be suitable, available and achievable. This quantity of supply is not sufficient to meet the housing requirement for Medway, and therefore a further re-evaluation of the SLAA is necessary. It is possible that MC already recognises this, given that it has identified the Site for development within all 4no. development scenarios in the LPDO, which is encouraging.

iii) Proposed Development

- 2.18 The Site is being promoted for residential use comprising a mix of dwelling types and sizes, including an element of affordable housing. It is anticipated that approximately 100 dwellings could be delivered on the Site.

iv) Sustainable Development

- 2.19 The NPPF and PPG both put sustainable development at the heart of the planning system (NPPF, para 7) for both plan-making and decision-taking, and describes it as covering three main aspects namely economic, social and environmental.
- 2.20 Development of the Site would constitute a sustainable form of development. The NPPF (para 151) is clear that Local Plans must be prepared with the objective of contributing to the achievement of sustainable development and should be consistent with the presumption in favour of sustainable development.
- 2.21 The Site is assessed to be suitable for development, given the absence of overriding constraints, and would deliver sustainable development, located adjacent to the existing urban edge. The Site is accessible, being adjacent to an existing local road network and in close proximity to the strategic highway network and railway, with the M2 located approximately

4.8km to the south of the Site and Rainham Railway Station approximately 2.7km to the south-east of the Site. The Site's development would form a relatively minor expansion to the existing built development to the east and west of the Site. It would also support the ongoing regeneration of Medway, by delivering growth and contributing to the viability of Gillingham.

- 2.22 The development would meet the three strands of sustainable development, as set out in the NPPF (para 7). Enabling residential development would support economic growth in Medway and surrounding areas, providing employment opportunities through the construction phase. The Site has the potential to contribute towards the delivery of much needed housing within Medway and deliver a mix of housing types in accordance with the NPPF (para 47).
- 2.23 The Site is currently available for development, equally owned by Taylor Wimpey and Persimmon Homes both being large National housebuilders, and has a realistic prospect of housing being delivered within 5 years to meet short term development needs.

3.0 OBJECTIVELY ASSESSED HOUSING NEED

- 3.1 The NPPF seeks to boost significantly the supply of housing. Paragraphs 47 and 159 require LPAs to identify and meet the full OAN for market and affordable housing in the Housing Market Area (HMA), including identifying key sites which are critical to the delivery of the housing strategy over the Plan period.
- 3.2 The PPG (Reference ID: 2a-015-20140306 & 2a-017-20140306) directs LPAs to take account of the most recent household projections and that these should provide the “starting point” estimate of overall housing need.
- 3.3 As noted above, the “starting point” only addresses demographic led need as the first step in establishing the OAN. The PPG directs that this should be adjusted to reflect economic forecasts and market signals.
- 3.4 Our previous representations to the LPIO consultation contained a Critical Review of MC’s identified OAN figure of 1,281 dpa for the Plan period 2012-2035 and a Dashboard assessment of the full OAN figure for Medway. Both reports are contained again in these representations at **Appendix B** and **Appendix C** respectively, and referred to below.

i) Medway Council OAN Work

- 3.5 MC has jointly prepared a North Kent Strategic Housing and Economic Needs Assessment (SHENA) with Gravesham Borough Council, comprising a Baseline Report (March 2015) and Strategic Housing Market Assessment (SHMA) (November 2015).
- 3.6 The North Kent SHENA identifies the OAN for Medway as being 1,281 dpa over the period 2012-2037 based on the result of the CLG 2012-based household projections adjusted to take account of 2013 and 2014 Mid-year Population Estimates. This level of housing need has been taken forward in the LPDO (January 2017) to represent the period 2012-2035, with no justification for the deviation from the Evidence Base.

ii) Starting Point Estimate

- 3.7 Since the publication of the 2015 SHMA, the ONS 2014-based Sub-National Population Projections and CLG 2014-based household projections have been published (25 May and 12 July 2016 respectively). These new data releases provide an updated starting point estimate for assessing housing need.

- 3.8 MC has not under taken an updated assessment its housing need based on the new starting point estimate, which is set out in Table 3.1 below.

Table 3.1: CLG Projections for Medway

Series	2012-2035 Plan period	2012-2037 SHMA period
2012-based	1,323 dpa	1,317 dpa
2014-based	1,388 dpa	1,380 dpa
Difference from 2012 to 2014 projections	+4.9% +4.7%	

- 3.9 The 2014-based projections identify a requirement in projected dwellings 8.3% above MC's identified OAN figure of 1,281 dpa for the Plan period 2012-2035. For the SHMA period 2012-2037, the 2014-based projections are 7.73% above Medway's figure.
- 3.10 All variations of the starting point estimate listed in the Table above (i.e. both the 2012-based and 2014-based projections, and for both periods) are above MC's identified OAN figure. The PPG directs that the CLG projections only provide the "starting point estimate" of overall housing need, and a adjustment may be required to reflect factors affecting local demography and household formation rates not captured in past trends (Reference ID: 2a-015-20140306). The PPG notes that formation rates may have been suppressed historically by under-supply, which is a pertinent issue for MC as a 20% buffer Authority (NPPF, para 47).
- 3.11 As raised in our previous representations, no justification has been provided for the reduction to the starting point estimate (**Appendix B**, para 3.5). This was relevant to the 2012-based projections at the time, but has been stressed further by the latest 2014-based projections, which show a greater dwelling requirement than the 2012-based projections and MC's OAN figure.
- 3.12 Notwithstanding the above, the PPG advises that housing assessments are not automatically rendered outdated by the publication of new projections, however assessments should be informed by the latest available information wherever possible (Reference ID : 2a-016-20150227). We would stress the PPG's use of "wherever possible", notably as MC is still at an early stage of its Plan-making process.

- 3.13 The LPDO (page 5) advises that the anticipated timescale for the Local Plan's submission is Spring 2018. Based on this timetable, and the timetable for new National projections, it is likely that new projections (i.e. a new starting point for assessing housing need) will be released at the time of the Local Plan's submission, or whilst the Local Plan is subject to Examination.
- 3.14 The appointed Local Plan Inspector will need to be satisfied that the housing assessments submitted for Examination are appropriate and that MC's identified OAN represents the full OAN for Medway across the Plan period, taking account of the latest starting point estimate for assessing housing need.

iii) Affordable Housing Need

- 3.15 The NPPF (para 47) directs that LPAs should ensure that their Local Plans meet the full OAN for both market and affordable housing.
- 3.16 There are a number of High Court Judgments¹ that provide useful guidance on the proper exercise that needs to be undertaken to assess affordable need as part of OAN (referred to in **Appendix B**, paras 4.67-4.68). Notably, the *ELM Park v Kings Lynn and West Norfolk BC* High Court Judgment provides guidance on the role of affordable need with OAN, determining that affordable need did not have to be met in full, but rather:

This consideration of an increase to help deliver the required number of affordable homes, rather than an instruction that the requirement be met in total, is consistent with the policy in paragraph 159 of the Framework requiring that the SHMA "addresses" these needs in determining the FOAN². They should have an important influence increasing the derived FOAN since they are significant factors in providing for housing needs within an area.

- 3.17 It is clear that where there is significant affordable housing need, although it is not required to be met in full, an increase should be considered.
- 3.18 In the context of Medway, the LPDO (para 4.10) states the following in respect of affordable housing need:

¹ *Satnam Millennium Limited v Warrington Borough Council* (19 February 2015) [2015] EWHC 370 (Admin) & *Borough Council of Kings Lynn and West Norfolk v SSCLG, ELM Park Holdings Ltd* (09 July 2015) [2015] EWHC 2464 (Admin)

² Full Objectively Assessed Need for Housing

[t]he Strategic Housing and Economic Needs Assessment identified a need for 17,112 affordable dwellings over the plan period. However the Local Plan needs to be deliverable, and must demonstrate that the policies are viable. Initial analysis indicates a percentage of 25% affordable housing could be achieved on development over 15 units.
[our emphasis]

- 3.19 The 2015 SHMA (para 6.53) also identified that the affordable housing 'need' is greater than the identified affordable housing 'supply' over: the projection period 2012-2037; the Local Plan period (which the SHMA references as 2017-2035); and on an annual basis.
- 3.20 The 2015 SHMA calculated a need of 744 affordable dwellings per annum, which is a significant level of affordable housing need. This would constitute 58% of MC's identified OAN figure of 1,281 dpa.
- 3.21 To deliver the affordable housing need for 744 affordable dpa in full, at a provision of 25% which initial analysis indicates could be achieved (LPDO, para 4.11), a full OAN of circa 3,000 dpa for 2012-2035 would be required. It is accepted that 3,000 dpa is unrealistic, but a figure in excess of the Council's current target would help to meet some of this affordable need.

iv) Barton Willmore OAN Work

Critical Review

- 3.22 As noted above, Barton Willmore Research undertook a critique of MC's OAN of 1,281 dpa (**Appendix B**) and did not consider it to represent the full OAN for Medway over the Plan period (2012-2035).
- 3.23 Notwithstanding the release of the 2014-based projections, which provide an updated starting point estimate, MC's OAN figure is based upon the 2015 SHMA and 2012-based projections and therefore the concerns set out in the Critical Review remain valid in this regard.
- 3.24 In summary, the issues raised are as follows:
- The starting point estimate is based on a 23-year projection of suppressed household formation in the 25-44 age group, the age group most likely to be first time buyers. This suppression will lead to a significant increase in concealed households in this age group unless the OAN adjusts the household formation rates in this age group. The North Kent SHENA proposes no adjustment to account for this suppression. To comply

with the NPPF requirement (para 182) to ensure Local Plans are 'Positively Prepared', an upward adjustment should be applied for the 25-44 age group. This would lead to an OAN in excess of the starting point estimate.

- The 2012-based CLG household projection is underpinned by the 2012-based SNPP which is considered to provide the very minimum projection of future population growth in Medway due to the low international migration assumptions they are underpinned by and in light of recent data suggesting that net migration to Medway is in fact significantly higher than the trends underpinning the 2012-based SNPP.
- The North Kent SHENA considers alternative long-term migration trends but fails to pay regard to a more recent 5-year migration trend. The SHENA adopts the use of a long-term migration trend to reflect demographic-led need in Medway which projects lower population growth than the 2012-based SNPP and for the reasons outlined (**Appendix B**) is considered inappropriate.
- The North Kent SHENA's approach to addressing an uplift to OAN to accommodate economic growth is considered relatively robust. However, we would suggest the use of three sources of job growth forecasts to ensure as robust an assessment as possible.
- The North Kent SHENA identifies a number of market signals that have worsened to a greater extent than neighbouring authorities, the south-east region, and the National average. The SHENA considers that an upward adjustment to the demographic-led OAN is required in order to alleviate the identified market pressure. Barton Willmore support this conclusion. However, it is considered that the market signals uplift that is applied in the SHENA is insufficient given that it results in OAN that is still below the starting point estimate.

Dashboard Assessment

- 3.25 Given the fundamental flaws identified in MC's own OAN assessment (as above), Barton Willmore Research undertook an assessment of MC's full OAN figure (**Appendix C**).
- 3.26 In the context of the 2012-based projections as the starting point estimate, it was considered that the figure of 1,489 dpa for the Plan period 2012-2035 would represent the full OAN for Medway.
- 3.27 As set out above, the release of the 2014-based projections provide the latest starting point estimate. For Medway, this equates to 1,388 dpa for the Plan period 2012-2035.

- 3.28 The CLG projections should only be regarded as the starting point estimate, but may require adjustment to reflect factors not captured in past trends (PPG Reference ID: 2a-015-20140306).
- 3.29 The Dashboard Assessment highlights the following factors which would require an adjustment to the starting point estimate:
- Appropriate uplift to address worsening market signals (i.e. affordability);
 - Alleviation of the suppressed household formation rates in the 25-44 age group; and
 - Affordable housing needs.
- 3.30 On this basis, we do not consider that the housing needs calculated for Medway over the Plan period have been appropriately assessed. Overall it is considered that the LPDO does not seek to meet the full and correct OAN for Medway and is therefore not "sound".
- 3.31 The content of the Housing White Paper (February 2017) is also noted, in that the Government will be consulting on a potential standardised approach to assessing housing requirements this year. Whilst the content of this approach, and the timescales for the consultation, is currently unknown, MC need to remain aware of this and any potential implications on the new Local Plan.

v) Unmet Housing Needs

- 3.32 In order for a Local Plan to be 'Positively Prepared', the Local Plan strategy should seek to meet unmet requirements from neighbouring LPAs under the Duty to Co-operate, where it is reasonable to do so and consistent with achieving sustainable development (NPPF, para 182). Nonetheless, the Duty to Co-operate is not a Duty to agree and LPAs are not obliged to accept unmet needs of other LPAs if they have robust evidence that this would be inconsistent with the NPPF (PPG Reference ID: 9-001-20140306).

North Kent HMA

- 3.33 The 2015 SHMA defines the Housing Market Area to comprise Medway, Gravesham, Swale, Maidstone and Tonbridge and Malling.
- 3.34 Gravesham Borough Council (GBC) in its representations (dated 29 February 2016) to the LPIO consultation advised that, due to Green Belt constraints on the Borough, it may not be possible for GBC to identify sufficient land to meet its own identified OAN. Discussions are/have been undertaken with MC in this regard and GBC's representations advises that, together MC and GBC are intending to meet the full OAN for the joint housing market area.

- 3.35 It is however noted that the LPDO does not make any reference to meeting any unmet needs from GBC. Clarity is therefore required to ensure that the LPDO effectively plans to meet the level of growth required and fulfil the test of being 'Positively Prepared'.
- 3.36 This issue is particularly pertinent in the context of St Albans City and District Council's (SACDC) Strategic Local Plan, which was submitted for Examination in August 2016. The appointed Inspector (letter dated 28 November 2016) concluded that the Duty to Co-operate has not been met, as it was not demonstrated that SACDC gave satisfactory consideration strategic cross-boundary matters and priorities under the Duty. The Inspector had particular regard to representations from nearby LPAs, which outlined concerns that SACDC had not considered its potential ability to meet unmet needs from other LPAs and an outstanding request from Luton Borough Council to help meet its unmet needs.
- 3.37 In the case of MC, there appears to be potential unmet housing needs arising from Gravesham Borough, which GBC understand are to be met in Medway. MC should seek to meet such unmet needs in accordance with National policy, or demonstrate robust evidence that such provisions would be inconsistent with the Framework, in accordance with the test of 'soundness' (NPPF, para 182).

London City

- 3.38 The LPDO (paras 2.22 and 2.23) notes the relationship between Medway and London, in that there are commuting and migration links with the capital. Notably, the 2015 SHMA (paras 2.23 and 2.28) highlights that four of the top 10 LPAs in terms of total flows into Medway are London Boroughs, reflecting the strength of London's influence on Medway's migration contribution, and also the strong trends of people relocating from the capital to the Medway Authority.
- 3.39 The London Plan is unable to accommodate its housing need in full. There is a potential shortfall of circa 7,000 dwellings a year; comprising the difference between the identified capacity target of 42,000 dpa and the lower end of London's OAN which is 49,000 dpa.
- 3.40 It is considered appropriate that regard is given to the unmet needs of London and that the Council considers the potential of helping to meet some of this need given the strong relationship between Medway and London set out above.

vi) Under Delivery of Housing

- 3.41 The NPPF (para 47) requires LPAs to identify and update annually a supply of deliverable sites to provide 5-years of housing against their housing target with an additional 5% buffer, or a 20% buffer for LPAs who have a history of under delivery.
- 3.42 The Housing White Paper (February 2017) states that the Government intend to introduce a new housing delivery test to ensure that LPAs and wider interests are held accountable for their role in ensuring new homes are delivered in the area. The test will highlight whether the number of homes being built is below target, provide a mechanism for establishing the reasons why and where necessary, trigger policy responses that will ensure further land comes forward.
- 3.43 The proposed housing delivery test is particularly pertinent for Medway as the LPA is subject to a 20% buffer as it has persistently under-delivered against its housing target. This has been confirmed by S78 Planning Inspectors (e.g. APP/A2280/W/15/3002877) and is acknowledged by the Council (Statement of Common Ground for APP/A2280/W/15/3132141).
- 3.44 It is therefore necessary that MC identifies sufficient land in sustainable locations to ensure land is available to address previous under delivery rates in Medway.

4.0 DEVELOPMENT STRATEGY AND OPTIONS

- 4.1 The LPDO (para 31) sets out the level of growth required for the Plan period. This includes a need for 29,463 dwellings, 49,943m² of B1 office space, 34,900m² of comparison retail space and 10,500m² of convenience.
- 4.2 The Council notes that this scale of growth is challenging, and therefore meeting this challenge and achieving successful growth in Medway is the central focus for the new Local Plan (LPDO, para 3.3). This approach is welcome and accords with the NPPF (para 14) in seeking positive opportunities to meet development needs of the area.

i) Identified Supply of Development Land

- 4.3 The LPDO (para 3.7) sets out the Council's currently anticipated supply of development land, and which is repeated below for ease.

Table 4.1: Medway's Current Supply of Development Land

	Status	Number of Dwellings
A	Completions 2012-2016	2,180
B	Sites with planning permission	6,251
C	Medway Local Plan 2003 Allocations	356
D	SLAA Pipeline sites	8,813
E	Windfalls (Years 3-5 only)	606
F Total	I	18,206

Row D: SLAA Pipeline Sites

- 4.4 The Annual Monitoring Report (AMR) 2016 (Volume 2, Section 8) lists the residential pipeline sites totalling 8,813 units for the Plan period. These pipeline sites include a number of Medway Local Plan 2003 Allocations, which are listed as a separate source of supply above (Row C). It therefore appears that such sites (i.e. Medway Local Plan 2003 Allocations) are accounted for as both a separate source supply and a SLAA pipeline site i.e. have been double counted.
- 4.5 The Council should review the inclusion of Medway Local Plan 2003 Allocations to ensure such sites are only accounted for once and therefore MC's position is robust.

- 4.6 It is also noted that the January 2017 SLAA only identifies a potential capacity of 5,980 dwellings on sites deemed to be suitable, available and achievable for residential development. thereby, conflicting with MC's figure of 8,813 units (Row D) above.
- 4.7 The 2016 AMR SLAA pipeline sites also includes Lodge Hill for 5,000 dwellings in the Plan period. However, the LPDO (para 3.39) acknowledges the uncertainty of Lodge Hill given the forthcoming Public Inquiry, and therefore states that development is to be phased in the second half of the Plan period (2025-2035). This will allow for consideration of the Public Inquiry's outcome and plan for alternative sources of land supply, if required.
- 4.8 The reliance of Lodge Hill for 5,000 units in the Plan period (Row D) is not considered to be appropriate or realistic. It is contrary to the content and intentions of the LPDO to address future uncertainties by phasing development later in the Plan period. It is also wholly unrealistic to anticipate 5,000 dwellings to be delivered in 2025-2035 which would require 500 dwellings to be built per annum, regardless of the site's continued uncertainty.
- 4.9 The total supply of SLAA pipeline sites should be amended to be in accordance with the LPDO's position, which as a result will significantly reduce the total supply of current development land in Medway. Additional land will therefore be required to provide an identified supply of land for circa 30,000 dwellings for the Plan period.
- 4.10 It is also noted that additional sources of land supply may in future be required to address the potential exclusion of Lodge Hill.

Row F: Total Supply

- 4.11 Table 4.1 above sets out Medway's current identified supply of 18,206 units. This generates a total of 11,257 units remaining unidentified for the Plan period.
- 4.12 Taking account of comments above, the unidentified supply figure could increase to circa 16,500 dwellings through the exclusion of Lodge Hill (5,000) and Medway Local Plan 2003 Allocations (356 units), if assumed to have been double-counted.
- 4.13 There is also considered to be potential for double-counting between the SLAA pipeline sites and the 4no. development scenarios, i.e. if the capacities of the SLAA pipeline sites have been considered in the estimated yield of the potential scenarios (Appendices 1B to 1E of the LPDO).

ii) Development Strategy

- 4.14 The LPDO (para 3.9) acknowledges that the Council cannot meet its full development needs solely on brownfield land. The development of greenfield sites is required in suburban and rural locations, and will therefore form part of the Council's development strategy for the new Local Plan. We support the Council's approach to plan positively to meet its development needs in full.
- 4.15 The Council seek to make use of greenfield land that is free from environmental constraints, of lesser value for landscape and agricultural purposes, and well related to services and infrastructure.
- 4.16 Paragraph 110 of the NPPF advises that Local Plans should allocate land with the least environmental or amenity value, where consistent with other policies in the NPPF. The NPPF advocates the use of "least" value, therefore a comparative exercise, rather than directing development that is wholly free of environmental constraints, as this may not be available in the District or Borough.
- 4.17 It is therefore considered appropriate that the development strategy is amended to direct development where land is of the least environmental or amenity value, taking account of other policies in the NPPF, to be consistent with paragraph 110.

iii) Development Options

- 4.18 The LPDO identifies a range of development scenarios as potential patterns for growth that could form part of a development strategy for the new Local Plan. These are namely as follows:
- Scenario 1 – Maximising the potential of urban regeneration;
 - Scenario 2 – Suburban expansion;
 - Scenario 3 – Hoo Peninsula focus/Rural focus;
 - Scenario 4 – Urban Regeneration and a Rural Town.
- 4.19 The scenarios explore potential development at a combination of different strategic locations, which each make assumptions about the capacity of these strategic locations.
- 4.20 All of the scenarios envisage at least some growth being directed towards the Gillingham/Rainham area. Notably, all four development scenario maps identify mixed-use development to the east of Gillingham, including the Site. This approach is supported in that it recognises the sustainable location adjacent to Gillingham and the suitability of the Site for development.

- 4.21 The LPDO (paras 3.4 & 4.5) advises that further work and supporting technical studies will be carried out to determine the development capacities of the areas and the ability to deliver growth, taking account of infrastructure requirements, viability testing and environmental and economic considerations, in addition to representations to this consultation.
- 4.22 Given the shortfall in the housing requirement and identified supply, coupled with the constraints to development in Medway, it is considered that a combination of the different development scenarios will need to be taken forward to meet the development needs in full.
- 4.23 As noted above, all of the scenarios envisaged development of the Site. It is therefore expected that the final development strategy for Medway will include the Site's allocation for residential development, to assist in meeting the identified development needs of Medway.
- 4.24 Further detail on the Site is contained in Section 6.0, which demonstrates the Site's suitability as an allocation.

5.0 OTHER POLICY APPROACHES

i) Housing Mix

- 5.1 The LPDO (page 30) sets out the Council's intended policy approach to the mix of housing for residential developments, including the provision of affordable housing.
- 5.2 It is stated that accommodation requirements detailed in the 2015 SHMA (or any future updates) will be used to inform which house sizes and mixes are delivered. This approach is in accordance with the NPPF (para 159) in which LPAs are directed to utilise a prepared SHMA to identify the scale, mix and tenure of housing that will be required over the Plan period.

ii) Rural Economy Policy Approach

- 5.3 The LPDO (page 50) provides the Council's future policy approach for the rural economy. With regards to the development of agricultural land, it is intended that development, where feasible, will be directed to land of lesser value.
- 5.4 The proposed policy approach is considered to be in line with National policy (NPPF, para 112) in that LPAs should seek to use areas of poorer quality land for significant development in preference to that of higher quality.
- 5.5 The 2015 SLAA identified the Site to be located on the best and most versatile agricultural land. It is however noted that nearby proposed developments at Land North of Moor Street (APP/A2280/W/15/3012034) and Land at Otterham Quay Lane (APP/A2280/W/15/3139962) have been subject to further survey work which established that the sites are predominantly Grade 2 agricultural land, not Grade 1 as originally envisaged. The Site itself has not yet been subject to a detailed agricultural land classification study.
- 5.6 The NPPF (para 112) does not preclude development on the best and most versatile land, but a preference is stated for development on poorer quality land where possible.
- 5.7 The Officer's Report for both Land to the East of Mierscourt Road (MC/15/4539) and Land at Otterham Quay Lane (MC/16/2051) notes that Natural England's 1:250,000 Agricultural Land Classification map indicates that large parts of land adjoining the Medway urban area are likely to be best and most versatile agricultural land. It is considered unlikely that Medway's housing requirements can be accommodated on agricultural land of Grade 3a or lower, and therefore the loss of higher grade land for development does not conflict with the NPPF (para 112).

- 5.8 Therefore, notwithstanding that a detailed study of the Site has not been undertaken, a high-grade quality of the land does not preclude the allocation of the Site for development, and the development of such land is inevitable to meet Medway's future development needs.
- 5.9 In addition, regard should be given to the context of sustainable locations to accommodate growth and the overriding presumption for sustainable development in the NPPF as a whole (para 14). As part of the new Local Plan, consideration must be given to the sustainable location of the Site and its contribution to the achievement of sustainable development (NPPF, para 151).
- 5.10 In the context of the Council's current lack of a 5-year housing land supply, it has been acknowledged by S78 Inspectors (APP/A2280/W/15/3012034) to outweigh the presence of best and most agricultural land. This emphasises the suitability of the Site for development which is available now.

iii) Securing Strong Green Infrastructure

- 5.11 The LPDO (page 65) advises that MC will protect the network of green infrastructure across Medway. The highest protection will be given to securing the ecological and landscape interest of internally designated sites, and the Council will also consider the need to protect features of regional importance.
- 5.12 Paragraph 113 of the NPPF directs that distinction should be made between the hierarchies of international, national and locally designated sites by setting criteria-based policies, so that protection is proportionate with such status and gives appropriate weight to their importance and the contribution that they make to wider ecological networks or landscape areas.
- 5.13 The proposed green infrastructure policy approach within the LPDO does make a distinction between the hierarchy of designated sites, which is in line with National policy above. However, the intended approach does not refer to an intended use of criterion in the future Local Plan policy, which will be required to be in line with the NPPF (para 113).
- 5.14 The Site is not subject to any International or National landscape designations and therefore its development should be considered proportionate to this context, in accordance with the NPPF.
- 5.15 The Site is however locally designated as an ALLI in the Medway Local Plan (2003). The designation is currently drawn tightly around the settlement boundaries of both Rainham and Gillingham, and under the terms of the policy development will only be permitted if it does not

materially harm the landscape character and function of the area; or the economic and social benefits of development outweigh the benefits of conserving the landscape.

- 5.16 It should be noted that in a S78 Appeal Decision (APP/A2280/W/15/3002877), the Inspector noted that the Medway Landscape Character Assessment (MLCA) (2011), in seeking to recognise and protect areas of recognised local landscape character, was not inherently inconsistent with the NPPF, however “the ALLI designations were not based upon a landscape character assessment” (paragraph 23) and therefore did not fully accord with the NPPF in this respect.
- 5.17 This position has also been recognised in a more recent SoS Decision (APP/A2280/W/16/3143600) in which the Inspector notes that the ALLI designation dates back to 1992, when local landscape designations were the standard approach. There has been no reassessment of the designation to take account of the current policy advice for a balanced and pragmatic criterion approach.
- 5.18 To be ‘Consistent with National policy’, the new Local Plan for Medway should set ‘criteria based’ policies against which proposals in protected landscape areas can be judged. In order for the new Local Plan to be ‘Justified’ in this respect, we recommend that a Medway-wide landscape review is undertaken to inform both the spatial strategy for the area and landscape based policies.
- 5.19 In this respect, it is noted in the recent SoS Decision (APP/A2280/W/16/3143600) that the Council is aware of the need to assess the quality of the current ALLI designated areas. In particular, the Inspector states (para 257):

I am mindful that ALLI designations cover a significant part of the undeveloped land in accessible locations in this Council’s area, so that it is inevitable that to fulfil housing requirements ALLI land will need to be developed.

- 5.20 The new Local Plan will therefore be required to allocate currently designated ALLI land for development, and as such, consideration should be given to the sustainable location of such land adjacent to existing urban areas.
- 5.21 In addition, it is noted that MC cannot currently demonstrate a 5-year supply of housing land and therefore, in accordance with the NPPF (para 49), relevant policies for the supply of housing should not be considered up-to-date and the presumption (NPPF, para 14) is applied.

- 5.22 In this context, various S78 Inspectors have concluded that 'Saved' Policy BNE34, which is applicable to development in designated ALLIs, is relevant to the supply of housing and not up-to-date. As such, the ALLI designation covering the Site would not prohibit development taking place in current circumstances, and notably such land is required to be allocated in the new Local Plan to meet development needs.

iv) Heritage

- 5.23 The LPDO (page 74) advises that the Council will support the conservation and appropriate enhancement of the historic environment. It is stated that the Council will restrict development that could have an unacceptable impact on a designated heritage assets and its setting.
- 5.24 The subsequent Local Plan policy will need to take account of the relevant tests within the NPPF. Notably, the NPPF (para 132) requires the consideration of development proposals to take account of the significance of a designated heritage asset, in that the most important the asset, the greater the weight to the asset's conservation should be.
- 5.25 Paragraphs 133 and 134 of the NPPF set out the relevant requirements of decision-taking for development proposals taking account of the harm or loss of a designated heritage asset.
- 5.26 Paragraphs 133 and 134 of the NPPF set out the relevant tests of decision-taking for development proposals that would lead to harm or loss of a designated heritage asset, namely whether the harm is substantial or a total loss of an asset's significance (para 133), or less than substantial (para 134). Such tests should be reflected in the future heritage policy for the Local Plan.
- 5.27 Bay Tree Villa, a Grade II Listed Building, is located to the east of Parcel A, along the B2004/Lower Rainham Road. Any subsequent development proposals will take into the presence of the Listed Buildings, and should be considered in accordance with National policy above.

v) Transport

- 5.28 The LPDO (page 94) advises that the Council will work with relevant LPAs and transport providers to ensure development is located and designed to enable sustainable transport. This is in line with NPPF (para 29) which highlights the importance for the transport system to be balanced in favour of sustainable transport modes and provide users with a choice on how they travel, whilst acknowledging that different opportunities and measures will be required from urban to rural areas.

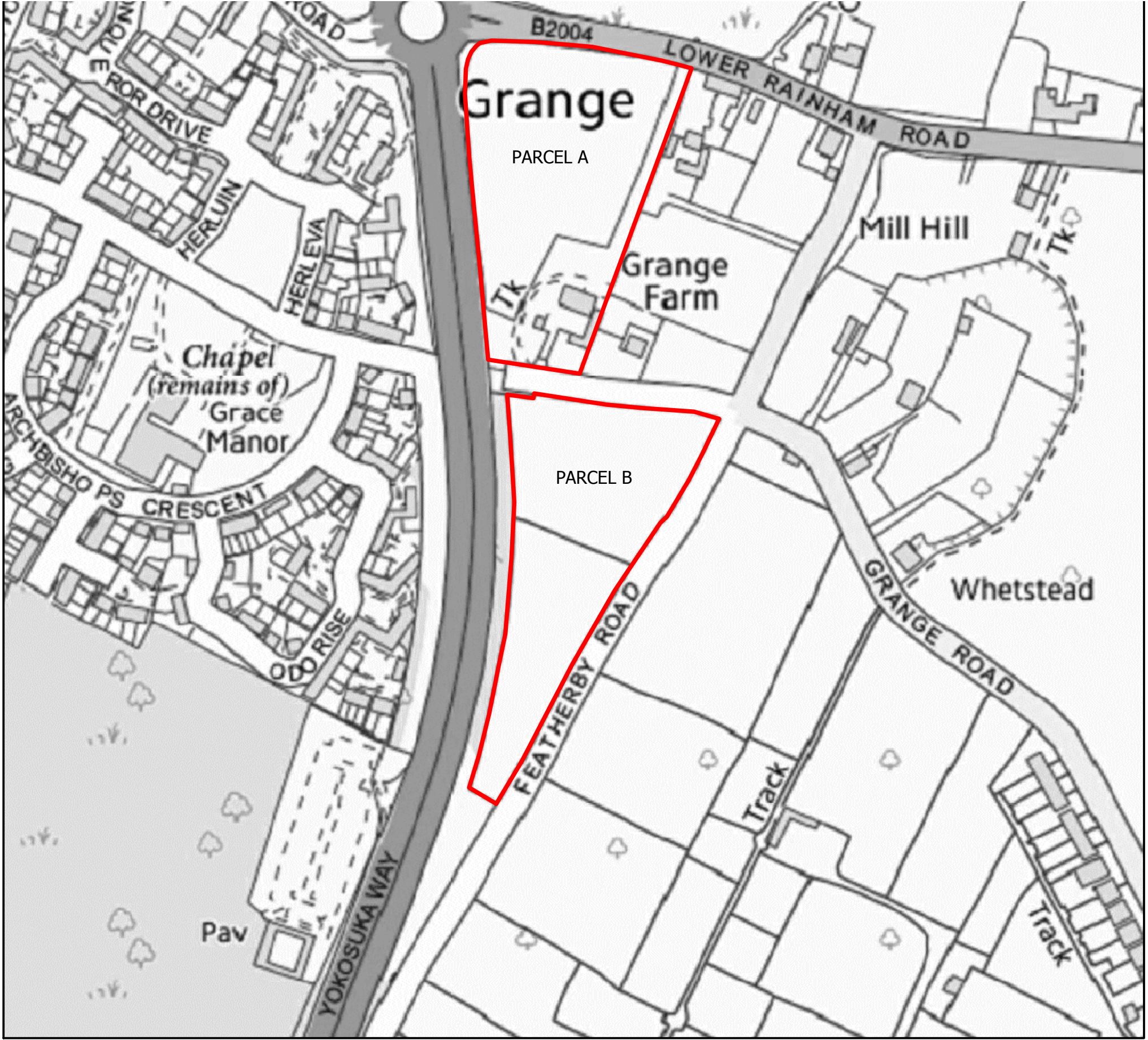
- 5.29 The new Local Plan for Medway should support the achievement of sustainable development by locating new development within or adjacent to existing built up areas where existing infrastructure is in place.
- 5.30 The Site is located adjacent to the boundary of the Medway urban area and is therefore in a sustainable location with good access to existing services and public transport opportunities, as acknowledged within the November 2015 SLAA. This is therefore in line with paragraph 29 of the NPPF.
- 5.31 The Site is served by a variety of modes of transport, including cycle and public transport, in addition to the private motor car. Bus Route 190 passes north of the Site along Lower Rainham Road and National Cycle Network Route 1 extends north of Lower Rainham Road to the north east of the Site.

6.0 CONCLUSIONS


- 6.1 We consider that there is further work to be done in order to ensure MC is working towards a “sound” Local Plan. Notably, the current identified housing figure needs to be revisited to identify the full OAN, as required by National policy.
- 6.2 The latest starting point estimate for Medway is 1,388 dpa for the Plan period 2012-2035. In accordance with the PPG, this should be adjusted to take account of factors not captured in past trends, namely to address worsening market signals, suppressed household formation rates and the 2015 SHMA identified affordable need of 744 affordable dwellings per annum.
- 6.3 The Local Plan should seek to meet unmet requirements from neighbouring LPAs where it is reasonable and consistent with National policy. Clarity is required on the position between Medway Council and Gravesham Borough Council to ensure the respective Local Plans meet the level of growth required.
- 6.4 The NPPF is clear that Local Plans must be prepared with the objective of contributing to the achievement of sustainable development and should be consistent with the presumption in favour of sustainable development (NPPF, para 151).
- 6.5 The development strategy for the new Local plan needs to provide circa 16,500 dwellings to meet Medway’s current identified supply. It is considered that a combination of 4 no. development scenarios explored in the consultation document will need to be taken forward to meet Medway’s development needs in full.
- 6.6 All of the 4no. scenarios in the consultation document envisage development at ‘Land at Mill Hill, Gillingham’. This approach is supported in that it recognises the sustainable location to the east of Gillingham and the suitability of the Site for sustainable development.
- 6.7 The Site is suitable, deliverable, achievable and therefore developable for residential development and should be allocated accordingly in the new Local Plan.

APPENDIX A

Site Location Plan (M01)



LEGEND

 Site Boundary



Project
**Mill Hill
Gillingham**
Drawing Title
Site Location Plan

Date 29.04.14	Scale 1:2500@A3	Drawn by HS	Check by KD
Project No 22372	Drawing No M01	Revision -	



Planning • Master Planning & Urban Design
Architecture • Landscape Planning & Design • Project Services
Environmental & Sustainability Assessment • Graphic Design

bartonwillmore.co.uk



APPENDIX B

National Planning Policy Context

1.0 NATIONAL PLANNING POLICY CONTEXT

1.1 The NPPF places a strong 'presumption in favour of sustainable development' in all planning related matters and places a responsibility on Local Planning Authorities (LPAs) to encourage and support sustainable growth and to plan positively for new development. There are three dimensions to sustainable development in relation to the planning system as outlined in the NPPF (para 7). These include:

- **An economic role** – contributing to building a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth and innovation; and by identifying and coordinating development requirements, including the provision of infrastructure;
- **A social role** – supporting strong, vibrant and healthy communities, by providing the supply of housing required to meet the needs of present and future generations; and by creating a high quality built environment, with accessible local services that reflect the community's needs and support its health, social and cultural well-being; and
- **An environmental role** – contributing to protecting and enhancing our natural, built and historic environment; and, as part of this, helping to improve biodiversity, use natural resources prudently, minimise waste and pollution, and mitigate and adapt to climate change including moving to a low carbon economy.

1.2 The presumption in favour of sustainable development, as set out in the NPPF, should be seen as a golden thread, running through both plan-making and decision-taking. Paragraph 14 directs for plan-making this means that:

- LPAs should positively seek opportunities to meet the development needs of their area;
- Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change, unless:
 - Any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in the NPPF taken as a whole; or
 - Specific policies in the NPPF indicate development should be restricted.

i) National Policy and Plan Making

1.3 Paragraph 182 of the NPPF advises that LPAs should *"submit a plan for examination which it considers is "sound" – namely that it is"*:

- **Positively prepared** – the plan should be prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development;
- **Justified** – the plan should be the most appropriate strategy, when considered against the reasonable alternatives, based on proportionate evidence;
- **Effective** – the plan should be deliverable over its period and based on effective joint working on cross-boundary strategic priorities; and
- **Consistent with national policy** – the plan should enable the delivery of sustainable development in accordance with the policies in the NPPF.

1.4 Paragraph 156 of the NPPF states that LPAs should set out the strategic priorities for the area in the Local Plan. This should include strategic policies to deliver:

- The homes and jobs needed in the area;
- The provision of retail, leisure and other commercial development;
- The provision of infrastructure for transport, telecommunications, waste management, water supply, wastewater, flood risk and coastal change management, and the provision of minerals and energy (including heat);
- The provision of health, security, community and cultural infrastructure and other local facilities; and
- Climate change mitigation and adaptation, conservation and enhancement of the natural and historic environment, including landscape.

1.5 The NPPF (para 157) advocates that crucially Local Plans should:

- Plan positively for the development and infrastructure required in the area to meet the objectives, principles and policies of this Framework;
- Be drawn up over an appropriate time scale, preferably a 15-year time horizon, take account of longer term requirements, and be kept up to date;
- Be based on co-operation with neighbouring authorities, public, voluntary and private sector organisations;
- Indicate broad locations for strategic development on a key diagram and land-use designations on a proposals map;

- Allocate sites to promote development and flexible use of land, bringing forward new land where necessary, and provide detail on form, scale, access and quantum of development where appropriate;
- Identify areas where it may be necessary to limit freedom to change the uses of buildings, and support such restrictions with a clear explanation;
- Identify land where development would be inappropriate, for instance because of its environmental or historic significance; and
- Contain a clear strategy for enhancing the natural, built and historic environment, and supporting Nature Improvement Areas where they have been identified.

1.6 The NPPF (para 158) directs that LPAs should use a proportionate evidence base in plan-making. LPAs should ensure that the Local Plan is based on adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area. LPAs should ensure that their assessment of and strategies for housing, employment and other uses are integrated, and that they take full account of relevant market and economic signals.

1.7 The NPPF (para 159) directs LPAs to prepare an evidence base which indicates that objectively assessed needs for market and affordable housing are met. LPAs should plan for a housing mix which takes into account *"housing demand and the scale of housing supply necessary to meet this demand."* Household and population projections should also be a key consideration, taking into account of migration and demographic change.

ii) National Policy and Housing Need

1.8 The NPPF (para 47) requires LPAs to use their evidence base to ensure that their Local Plan meets the full, 'Objectively Assessed Needs' (OAN) for market and affordable housing in the housing market area, as far as is consistent with the policies set out in the Framework, including identifying key sites which are critical to the delivery of the housing strategy over the Plan period.

1.9 LPAs must plan for a mix of housing that *"meets housing and population projections, taking account of migration and demographic change"* (para 159). Significant weight should also be placed on the need to support economic growth through the planning system (para 19).

1.10 With regards to the methodology of assessing housing need and establishing a future housing requirement, the PPG (March 2014) states the following:

Household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need.

(Reference ID: 2a-015-20140306)

- 1.11 Although the official CLG household projections should therefore be considered, they only represent the starting point for assessing need. This is due to a number of reasons as the PPG explains:

The household projections are trend based, i.e. they provide the household levels and structures that would result if the assumptions based on previous demographic trends in the population and rates of household formation were to be realised in practice. They do not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour.

(Reference ID: 2a-015-20140306)

- 1.12 The Housing White Paper (February 2017) reaffirms the Government's commitment to significantly increase levels of housing delivery to meet widely recognised acute housing shortfall. The Paper refers to Britain's broken housing market as "*a national issue that touches every one of us*", which needs to be tackled head on by everyone involved in politics and the housing industry.

iii) Duty to Co-operate

- 1.13 The 'Duty to Co-operate' as provided for in Section 110 of the Localism Act 2011, came into effect on 15 November 2011. The Duty was introduced under the 2011 Act to address the impact of the loss of the "top-down" effect from the Regional Spatial Strategy (The South East Plan) and to offer a transparent way in which authorities should relate to one another on cross boundary issues. The Duty is now shared between authorities requiring them to collaborate on cross-boundary matters and issues of sub-regional and regional importance, especially housing provision and related infrastructure issues.
- 1.14 Section 33A (2)(a) requires that local authorities "engage constructively, actively and on an ongoing basis" in the plan-making process. The NPPF refers to the 'Duty to Co-operate' in paragraphs 157 and 178-181. Crucially, paragraph 157 of the NPPF states that "*Local plans should be based on cooperation with neighbouring authorities...*".

- 1.15 Paragraphs 178-181 are clear in directing LPAs as to the importance of the 'Duty to Co-operate' and the proactive approach necessary to ensure a collaborative approach to reflect individual Local Plans. Paragraph 179 states *"joint working should enable local planning authorities to work together to meet development requirements which cannot wholly be met within their own areas – for instance, because of a lack of physical capacity or because to do so would cause significant harm to the principles and policies of this Framework"*.
- 1.16 Paragraph 182, as above, provides that an Inspector should assess *"whether the plan has been prepared in accordance with the Duty to Cooperate"* such that compliance with the Duty must also be reflected in the assessment of soundness.
- 1.17 In addition, the PPG contains considerable guidance on the Duty to Co-operate. This is largely due to the fact that the Duty to Co-operate has proved to be a contentious part of the NPPF, with numerous Local Plans being scrutinised at examination due to failure to fulfil the Duty.
- 1.18 The guidance emphasises the importance for LPAs to work together; stressing that *"Cooperation between local planning authorities, county councils and other public bodies should produce effective policies on strategic cross boundary matters. Inspectors testing compliance with the duty at examination will assess the outcomes of co operation and not just whether local planning authorities have approached others"* (Reference ID: 9-010-20140306).
- 1.19 The PPG also states that LPAs must *"engage constructively, actively and on an ongoing basis to maximise the effectiveness of the plan-making process"* (Reference ID: 9-001-20140306). The ultimate outcome of the engagement should be the production of effective policies on cross boundary strategic matters.
- 1.20 In summary, there are two aspects to the 'Duty to Co-operate':
- 'Duty to Co-operate' – the s33A legal test is a 'process' preparation test. The Duty is incapable of modification at an Examination. Therefore, this is one of the first things that has to be examined because, if the legal requirement is not met, then the Inspector must recommend non adoption of the Plan; and
 - Collaborative Joint Working – an aspect of soundness. It is primarily concerned with the 'positively prepared' and 'effectiveness' soundness test set out in paragraph 182 of the NPPF. This relates to outcome rather than process.

- 1.21 The 'Duty to Co-operate' between LPAs is a clear requirement of national planning policy, ensuring a proactive approach is taken to enable a collaborative way forward with plan-making. The NPPF directs that public bodies should work together to address planning issues that cross administrative boundaries, particularly such issues that relate to 'strategic priorities' as set out in paragraph 156 (para 178).
- 1.22 In addition, paragraph 179 requires LPAs to practice joint working to work together to meet development requirements which cannot wholly be met within their own areas. Consideration should be given to producing joint planning policies on strategic matters and informal strategies such as joint infrastructure and investment plans. Collaborative working between LPAs and private sector bodies, utility and infrastructure providers to deliver sustainable development with regards to strategic planning priorities is also encouraged (para 180). LPAs are required to demonstrate how they have met the requirements of the 'Duty to Co-operate' during the plan-making process (para 181).
- 1.23 The Housing White Paper (February 2017) re-emphasises the legal requirement of the Duty to Co-operate for LPAs to work collaboratively on cross-boundary issues during plan-making. The Government wish to see more and better joint working between LPAs, and sets out proposed measures to build on the existing Duty. This includes a requirement for LPAs to prepare a Statement of Common Ground, setting out how they intend to work together to meet housing requirements across authority boundaries.

APPENDIX C

**Critical Review of Medway Council OAN Evidence Base (Barton Willmore Research,
February 2016)**

MEDWAY COUNCIL

OBJECTIVE ASSESSMENT OF HOUSING
NEED

CRITICAL REVIEW

Prepared on behalf of Taylor Wimpey

February 2016

MEDWAY COUNCIL
OBJECTIVE ASSESSMENT OF HOUSING NEED
CRITICAL REVIEW
Prepared on behalf of Taylor Wimpey
February 2016

Project Ref:	20894/A5/DU/DM
Status:	Final
Issue/Rev:	02
Date:	29 February 2016
Prepared by:	DM DU
Checked by:	DU DM
Authorised by:	EW

Barton Willmore LLP
The Observatory
Southfleet Road
Ebbsfleet
Dartford
Kent
DA10 0DF

Tel: 01322 374660 Ref:
Fax: 01322 374661 Date:
Email: research@bartonwillmore.co.uk

20894/A5/DU/DM/kf
29 February 2016

COPYRIGHT

The contents of this document must not be copied or reproduced in whole or in part without the written consent of Barton Willmore LLP.

All Barton Willmore stationery is produced using recycled or FSC paper and vegetable oil based inks.

CONTENTS

PAGE NO

1.0 INTRODUCTION	01
2.0 PLANNING POLICY CONTEXT	02
A) NATIONAL PLANNING POLICY	02
i) Introduction	02
ii) National Planning Policy Framework (27 March 2012)	02
iii) Planning Practice Guidance (PPG, 06 March 2014)	03
B) LOCAL PLANNING POLICY	06
i) Medway Council Local Plan – Issues and Options 2012-2035 (January 2016)	06
C) SUMMARY	07
3.0 HOUSEHOLD DEMOGRAPHICS	09
i) Historic Population Growth – ONS Mid-Year Population Estimates	09
ii) Office for National Statistics (ONS) Population Projections	11
iii) Communities and Local Government (CLG) Household Projections	14
vi) Housing Completions	17
v) Summary	48
4.0 REVIEW AND CRITIQUE OF THE STRATEGIC HOUSING AND ECONOMIC NEEDS ASSESSMENT (SHENA)	20
A) INTRODUCTION	20
B) NORTH KENT STRATEGIC HOUSING AND ECONOMIC NEEDS ASSESSMENT (SHENA)	20
i) Housing Market Area (HMA)	20
ii) Starting Point Estimate	21
iii) Demographic Adjustments	21
iv) Adjustments to Support Economic Growth	27
v) Market Signals Adjustment	29
vi) Affordable Housing Need	32
vii) Summary	33
5.0 SUMMARY AND CONCLUSIONS	35

1.0 INTRODUCTION

- 1.1 This Technical Note has been prepared by Barton Willmore on behalf of Taylor Wimpey, in order to review the Objectively Assessed Housing Need (OAN) determined for Medway Council as set out in the Council's Strategic Housing and Economic Needs Assessment (SHENA). The SHENA has been prepared in partnership with Gravesham Borough Council, however in this review we focus on the OAN for Medway only.
- 1.2 The review presented here has been undertaken in the context of the policies of the National Planning Policy Framework (NPPF) and the supporting Planning Practice Guidance (PPG) requirements that a full, unconstrained OAN is prepared.
- 1.3 The review is structured as follows:

Section 2 provides an outline of the relevant National Planning Policy Framework (NPPF), the supporting Planning Practice Guidance (PPG), and Local Planning Policy.

Section 3 reviews the latest official demographic evidence for Medway, including:

- Latest ONS population and CLG household projections;
- ONS mid-year population estimates and past migration trends.

Section 4 provides a review of the SHENA in the context of the requirements of PPG's Housing and Economic Development Needs Assessment guidance (ID2a).

Section 5 summarises our critique of the SHENA to recommend an appropriate way forward in assessing overall housing need for Medway.

2.0 PLANNING POLICY CONTEXT

A) NATIONAL PLANNING POLICY

i) Introduction

- 2.1 The National Planning Policy Framework (NPPF, 27 March 2012) and the accompanying Planning Practice Guidance (PPG, 06 March 2014) set out the requirements within which local planning authorities should be setting their overall housing targets as part of a full objective assessment of overall need. These requirements are summarised below.

ii) National Planning Policy Framework (27 March 2012)

- 2.2 NPPF sets out the Government's planning policies for England and how these are expected to be applied. NPPF states that planning should proactively drive and support sustainable economic development to deliver the homes that the Country needs, and that every effort should be made to objectively identify and then meet housing needs, taking account of market signals (paragraph 17).
- 2.3 In respect of delivering a wide choice of high quality homes, NPPF confirms the need for local authorities to boost significantly the supply of housing. To do so, it states that local authorities should use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area (paragraph 47).
- 2.4 Furthermore, it states that local planning authorities should plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community (paragraph 50).
- 2.5 With regard to plan-making, local planning authorities are directed to set out strategic priorities for their area in the Local Plan, including policies to deliver the homes and jobs needed in the area (paragraph 156).
- 2.6 NPPF states that Local Plans should plan positively for the development and infrastructure required in the area to meet the objectives, principles and policies of the Framework (paragraph 157).

- 2.7 Further, Local Plans are to be based on adequate, up to date and relevant evidence, integrating assessments of and strategies for housing and employment uses, taking full account of relevant market and economic signals (paragraph 158).
- 2.8 For plan-making purposes, local planning authorities are required to clearly understand housing needs in their area. To do so they should:

“prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries; The SHMA should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which:

meets household and population projections, taking account of migration and demographic change;

addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes).”¹

iii) Planning Practice Guidance (PPG, 06 March 2014)

- 2.9 PPG was issued as a web based resource on 6th March 2014. Guidance on the assessment of housing development needs (PPG ID: 2a) includes the SHMA requirement set out in NPPF and supersedes all previous published SHMA practice guidance (CLG, 2007).
- 2.10 The primary objective of the housing development needs assessment (the SHMA) is to identify the future quantity of housing needed, including a breakdown by type, tenure and need (PPG ID2a 002)
- 2.11 Housing need refers to the scale of housing likely to be needed in the housing market area over the plan period, should cater for the housing demand in the area and identify the scale of housing supply necessary to meet that demand. (PPG ID2a 003)
- 2.12 The assessment of need is an objective assessment based on facts and unbiased evidence and constraints should not be applied (PPG ID2a 004).

¹ Paragraph 159, National Planning Policy Framework, 27 March 2012;

- 2.13 Use of the PPG methodology for assessing housing need is strongly recommended, to ensure that the assessment is transparent (ID2a 005). The area assessed should be the housing market area (ID2a 008), reflecting the key functional linkages between places where people live and work (ID2a 010).

PPG methodology for assessing housing need

- 2.14 The full methodology is set out at ID 2a 014 to 029 (overall housing need at ID2a 015 to 020), and is introduced as an assessment that should be based predominately on secondary data (ID2a 014).

Starting point estimate of need

- 2.15 The methodology states that the starting point for assessing overall housing need should be the household projections published by the Department for Communities and Local Government, but that they are trends based and may require adjustment to reflect factors, such as unmet or suppressed need, not captured in past trends (ID2a 015).

"The household projection-based estimate of housing need may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends. For example, formation rates may have been suppressed historically by under-supply and worsening affordability of housing." (2a-015) (Our emphasis)

Adjusting for demographic evidence

- 2.16 The PPG methodology advises that plan makers may consider testing alternative assumptions in relation to the underlying demographic projections and household formation rates. It also states that 'account should be taken of the most recent demographic evidence including the latest Office for National Statistics population estimates' (2a-017).

Adjusting for likely change in job numbers

- 2.17 In addition to taking into account demographic evidence the methodology states that job trends and or forecasts should also be taken into account when assessing overall housing need. The implication is that housing numbers should be increased where this will enable labour force supply to match projected job growth (2a-018).

"Where the supply of working age population that is economically active (labour force supply) is less than the projected job growth, this could result in unsustainable commuting patterns ... and could reduce the resilience of local businesses. In such circumstances, plan makers will need to consider how the location of new housing or infrastructure development could help address these problems."
(2a-018)

- 2.18 The PPG also confirms the importance of ensuring sufficient growth in the working age population (16-64), at paragraph 2a-018 and 2a-21:

"Plan makers should make an assessment of the likely change in job numbers based on past trends and /or economic forecasts as appropriate and also having regard to the growth of the working age population in the housing market area." (2a-018)

"When considering future need for different types of housing, plan makers will need to consider whether they plan to attract a different age profile e.g. increasing the number of working age people." (2a-021)

Adjusting for market signals

- 2.19 The final part of the methodology regarding overall housing need is concerned with market signals and their implications for housing supply (2a-019:020).

"The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings." (2a-019)

- 2.20 Assessment of market signals is a further test intended to inform whether the starting point estimate of overall housing need (the household projections) should be adjusted upwards. Particular attention is given to the issue of affordability (2a-020).

"The more significant the affordability constraints ... and the stronger other indicators of high demand ... the larger the improvement in affordability needed and, therefore, the larger the additional supply response should be." (2a-020)

Overall housing need

- 2.21 An objective assessment of overall housing need can be summarised as a test of whether the household projection based starting point can be reconciled with a) the latest demographic evidence, b) the ability to accommodate projected job demand, c) the requirement to address worsening market signals. If it cannot be reconciled, then an adjustment should be made.

2.22 The extent of any adjustment should be based on the extent to which it passes each test. That is:

- It will at least equal the housing need number implied by the latest demographic evidence,
- It will at least accommodate projected job demand; and,
- On reasonable assumptions, it could be expected to improve affordability.

Affordable housing need assessment

2.23 The methodology for assessing affordable housing need is set out at 2a-022 to 029 and is largely unchanged from the methodology it supersedes (SHMA 2007). In summary, total affordable need is estimated by subtracting total available stock from total gross need. Whilst it has no bearing on the assessment of overall housing need, delivering the required number of affordable homes can be used to justify an increase in planned housing supply (2a-029).

"The total affordable housing need should then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments ... An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes." (2a-029) (our emphasis)

B) LOCAL PLANNING POLICY

i) Medway Council Local Plan – Issues and Options 2012-2035 (January 2016)

2.24 The Medway Council Local Plan Issues and Options Plan (draft Plan) represents the first formal stage of the Local Plan process, and sets out a strategy for development in Medway up to 2035.

2.25 In respect of the OAN for Medway, the Plan states the following:

"The Government requires Local Planning Authorities to determine the objectively assessed needs (OAN) for housing in their strategic housing market areas. Work carried out for the North Kent Strategic Housing and Economic Needs Assessment (SHENA) in 2015 has analysed demographic, economic and market signal information to assess the quantity and types of housing that will be needed to meet the projected growth in households over the plan period. This concludes that the Local Plan needs to make provision for up to 29,463 new homes by 2035."²

² Paragraph 7.8, page 21, Medway Council Issues and Options Consultation Document, January 2016

- 2.26 The OAN determined by the Strategic Housing and Economic Needs Assessment (SHENA) equates to 1,281 dwellings per annum over the period 2012-2037, not the plan period (2012-2035). The Plan states how the Council is committed to planning positively to meet the development needs of Medway.
- 2.27 The study Barton Willmore presents here provides a full critique of the SHENA to evaluate whether the OAN is positively prepared in line with the requirement of the NPPF.
- 2.28 The Issues and Options Plan also identifies Medway as a major economic hub within the South East region and Medway's location within the Thames Gateway offers excellent opportunities to stimulate business growth.
- 2.29 A key issue for the Local Plan will be:

"To secure a successful economic base in Medway, providing a range of jobs for residents and securing sustainable growth without exacerbating the need to travel to access high quality job opportunities."³

- 2.30 Furthermore, the Issues and Options Plan outlines the scale of economic growth forecast for Medway as follows:

"To forecast the scale and nature of economic growth anticipated in Medway over the plan period, calculations have been carried out based on an assessment of the population growth projections, the strengths of the local economic, knowledge of growth sectors, and impacts of major strategic developments such as London Paramount. The research has forecast a growth of around 17,200 new jobs in Medway up to 2037. Over half of these jobs are expected in non-B class activities, such as retail and healthcare."⁴

C) SUMMARY

- 2.31 The NPPF and PPG requires that in planning for future levels of housing, local authorities should boost significantly the supply of housing in their area that meets in full, the objectively assessed need for market and affordable housing. In doing so local authorities should;
- identify a scale of housing that meets household and population projections;
 - account for migration and demographic change in formulating housing requirements;

³ Paragraph 8.18, page 32, Medway Council Issues and Options Consultation Document, January 2016

⁴ Paragraph 8.19, page 32, Medway Council Issues and Options Consultation Document, January 2016

- ensure that assessment of, and strategies for, housing, employment and other uses are integrated, and that they take full account of relevant market and economic signals; and
- work closely with the business community to understand their changing needs and identify and address barriers to investment, including a lack of housing.

2.32 The following sections of this report provide an analysis of the starting point in objectively assessing overall housing need according to PPG – official ONS and CLG projections and estimates – and a full review of the SHENA and the OAN it determines for Medway. This will enable us to reach a conclusion as to whether the SHENA provides for full OAN.

3.0 HOUSEHOLD DEMOGRAPHICS

- 3.1 The PPG advises that the starting point for estimating overall housing need should be the latest household projections produced by the Department for Communities and Local Government (CLG) and that account should be taken of the most recent demographic evidence, including Office for National Statistics (ONS) population estimates.
- 3.2 This section reviews the latest official ONS demographic and CLG household data for Medway. Comparisons are made alongside the South East region and the national average.
- 3.3 To align with the assessment of housing need in the Council's draft Plan and the SHENA, we provide our analysis in this section (where possible) based on the 23-year period 2012-2035.

i) Historic population growth – ONS Mid-Year Population Estimates

- 3.4 Medway is currently estimated to have a population of 274,000 according to the ONS 2014 Mid-Year Population Estimates. Since 2001 Medway's population has grown by 24,300 which is equivalent to a rate of 9.7%. Medway's rate of population growth is slightly lower than the national average (9.8%) and lower than the regional average (10.6%) as shown in Table 3.1.

Table 3.1: Historic population change (2001-2014)

	2001	2014	2001-2014 change	
			No.	%
Medway 249,70	0	274,000	24,300	9.7%
South East	8,023,400	8,873,800	850,400	10.6%
England 49,449,7	00	54,316,600	4,866,900	9.8%

Source: Mid-Year Population Estimates, Office for National Statistics

All figures have been individually rounded to the nearest one hundred and may not sum

Percentages have been calculated using unrounded numbers

- 3.5 Population changes as a result of net migration and natural change. Table 3.2 provides the detailed components of change for Medway.

Table 3.2: Components of population change – Medway

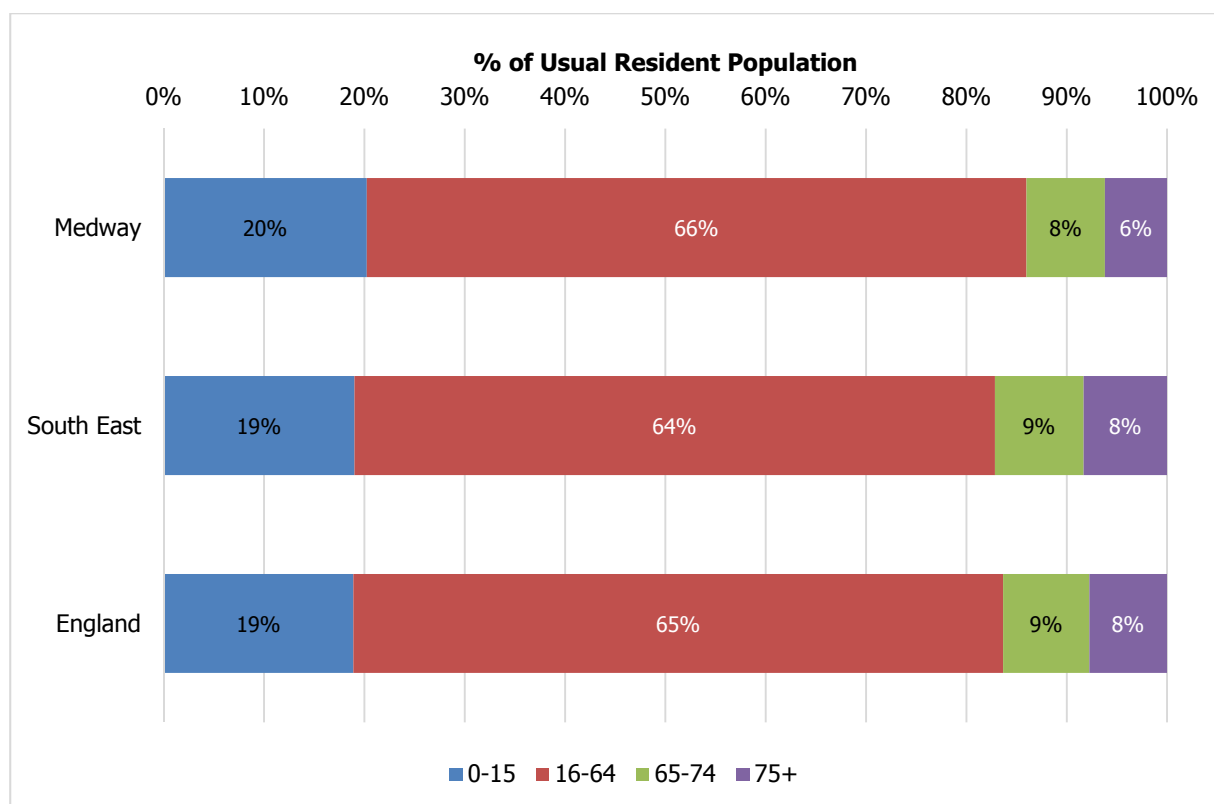
	Natural change	Net Migration	Other changes	Total change
2001/02 8	79	-250	-71	558
2002/03	1046	-270	121 897	
2003/04 9	88	-782	94	300
2004/05 1	,030	-691	300 639	
2005/06 1	,033	115	232 1,380	
2006/07 1	,247	969	130 2,346	
2007/08 1	,304	998	98	2,400
2008/09 1	,383	374	249 2,006	
2009/10 1	,450	776	282 2,508	
2010/11 1	,539	652	-44	2,147
2011/12 1	,546	1,793	-6	3,333
2012/13 1	,452	1,280	155 2,887	
2013/14 1	,510	1,296	104 2,910	
Average 2001/14	1,262	482	126 1,870	
Average 2007/12	1,444	919	116	2,479
Average 2009/14	1,499	1,159	98	2,757
Average 2004/14	1,349	756	150	2,256

Source: Mid-Year Population Estimates, Office for National Statistics

- 3.6 At the start of the decade Medway experienced net outward migration. However, since 2005 net migration to Medway has been positive meaning that more people have moved to Medway than moved out.
- 3.7 Medway has also experienced positive natural change (more births than deaths) which has increased between 2001 and 2014. In addition there is positive 'other' change (change that is not possible to identify as either migration or natural change) equating to 1,640 people, or an average of 130 people per annum over the period 2001-2014.
- 3.8 Over the period 2001 and 2014, population change in Medway has largely been as a result of natural change (67%). However more recent trends reflect a shift in the components of population change as a result of net migration increasing considerably since 2011.

- 3.9 Medway has a younger age profile than the regional and national averages, with a larger proportion of the population aged 0-15 years and 16-64 years, as shown in Figure 3.1.

Figure 3.1: Age profile, 2011



Source: 2011 Census

ii) Office for National Statistics (ONS) population projections

- 3.10 The ONS produces population projections for all local authority areas in England. These are referred to as the Sub National Population Projections (SNPP) and are published by the ONS usually every two years.
- 3.11 The ONS SNPP are trend-based projections. That is, they project forward past demographic trends in births, deaths and migration. They do not take account of any future changes to government policy which may affect these past trends.
- 3.12 Table 3.3 sets out the official ONS SNPP in chronological order from the 2008-based series to the most recent 2012-based SNPP (29 May 2014). The 'interim' 2011-based SNPP and 2012-based SNPP take account of findings from the 2011 Census of the population. Growth is considered over the period 2012-2033 (2008-based) and 2012-2037 (2012-based). However, in line with the Medway Plan period, growth has also been considered over the period 2012-2035. The shorter period presented in respect of the 2008-based series is due to the projections finishing in 2033.

Table 3.3: ONS Population Projection series for Medway

Series	2012	2021	2033/35	2037		2012-21 (per annum)	2012-33/35 (per annum)	2012-37 (per annum)
2012-based	268,200	290,500	322,700*	326,800		22,300 (2,480)	54,500 (2,370)	58,600 (2,340)
2011-based (interim)	267,300	290,300				23,000 (2,560)		
2008-based	257,600	269,700	286,300**			12,100 (1,340)	28,700 (1,370)	

Source: Office for National Statistics (rounded to nearest 100) Note: Figures may not sum due to rounding

*2035;

**2033.

- 3.13 The latest 2012-based SNPP project significantly higher population growth than the previous full 25-year projection series (the 2008-based SNPP) and marginally higher growth than the interim 2011-based series. This is expected given the analysis presented earlier in this chapter which shows net migration to Medway increasing in recent years.
- 3.14 Despite the 2012-based SNPP projecting the highest population growth, it is important to note that the 2012-based SNPP are underpinned by trends captured over the 2007-2012 period. This period was characterised by an economic recession and for this reason, resulted in atypical migration trends in some areas.
- 3.15 From reference to the 2012-based ONS SNPP components of change, the 2012-based ONS SNPP is underpinned by average net in-migration of 840 people per annum, 2012-2035. However, analysis of net migration trends from the period 2007-2012 from which the 2012-based SNPP trends are drawn puts average net migration at 919 people per annum. This compares to the most recent long-term trend (2004/5-2013/14) of 760 people per annum and the most recent 5-year trend (2009/10-2013/14) of 1,160 people per annum.
- 3.16 The analysis of migration trends for Medway therefore suggests a short-term trend in Medway is a prudent base from which to plan. However, whilst the most recent 5-year migration trend suggests higher net migration to Medway (largely influenced by the three most recent years) than the 2012-based SNPP, it is not possible to say with any certainty whether Medway will see a continued rise in migration. On this basis, the 2012-based SNPP are considered to provide a reasonable demographic projection for Medway.
- 3.17 However, the 2012-based SNPP are considered to represent the very minimum of future population growth in Medway given the 2012-based SNPP are considered to be conservative due to the national projections which underpin them. The 2012-based SNPP are constrained to the 2012 National Projections published in 2013. The national projection is based on an

assumption of 165,000 net international migrants coming into the UK per annum, and this assumption is projected forward per annum over the full 25 years of the 2012-based SNPP period. However net international migration of 165,000 people per annum conflicts significantly with the latest migration statistics report by the ONS, which shows net international migration of 336,000 people in the year ending June 2015, over double the 2012-based SNPP assumption.

- 3.18 The ONS appear to have noted this significant increase in net international migration, recently publishing the 2014 National Projections and assuming 185,000 net international migrants per annum. However this remains significantly lower than has been seen in the recent past. Although the forthcoming 2014-based ONS SNPP (expected May 2016) will project higher population growth across the country on the basis of these revised 2014-based National Projections, the assumption of 185,000 net international migrants per annum remains a very conservative estimate on the basis of recently recorded trends.
- 3.19 In this context the 2012-based SNPP are considered to be underpinned by assumptions which lead to a minimum level of population growth over the Plan period (2012-2035). Therefore the projected population growth presented in Table 3.3 is very likely to be conservative given that Medway is historically a net receiver of international migrants.
- 3.20 It is important to be aware of the issues related to the SNPP because the CLG household projections underpinned by the 2012-based SNPP. The household projections are derived by applying household representative rates to the ONS population projections. Household projections will be discussed in the next section.
- 3.21 The 2012-based ONS SNPP project the working age population to grow at a much slower rate than the population as a whole as is shown in Table 3.4. Given the extension of State Pension Age, there will be an increasing number of people working beyond the age of 64 years and therefore it is also important to consider the projected growth of the 65-74 year old population.

Table 3.4: Working Age Population Change, 2012-2035

Age Group	Medway
16-64 18,0	50 (10.3%)
65-74 11,9	00 (53.5%)
Total (16-74 years)	29,950 (15.2%)
Total (all ages)	57,800 (21.8%)

Source: 2012-based SNPP, Office for National Statistics (rounded to nearest 100) Note: Figures may not sum due to rounding. Percentages calculated using unrounded numbers.

- 3.22 It is evident from Table 3.4 that the growth in the working age population (16-74 years) in Medway is heavily driven by the growth in the population aged 65-74 years (53.5% growth). Realistic assumptions need to be applied as to how greatly people over the age of 65 years can contribute to the resident labour force.
- 3.23 The PPG states 'where the supply of working age population that is economically active (labour force supply) is less than the projected job growth, this could result in unsustainable commuting patterns' (PPG, ID2a, 018). Whilst the 2012-based SNPP do project an increase in the working age population in Medway, further work is required in order to determine whether the level of workforce growth is sufficient to support the projected level of job growth.

iii) Communities and Local Government (CLG) household projections

- 3.24 Table 3.5 sets out the official CLG household projections in chronological order from the 2008-based series to the most recent 2012-based series (27 February 2015).

Table 3.5: CLG Household Projections for Medway

Series	2012	2021	2033/35	2037	2012-21 (per annum)	2012-33/35 (per annum)	2012-37 (per annum)
2012-based	108,190	120,470	137,640*	139,950	12,280 (1,360)	29,450 (1,280)	31,760 (1,270)
2011-based (interim)	107,970	119,320			11,350 (1,260)		
2008-based	107,470	116,090	125,890**		8,620 (960)	18,420 (880)	

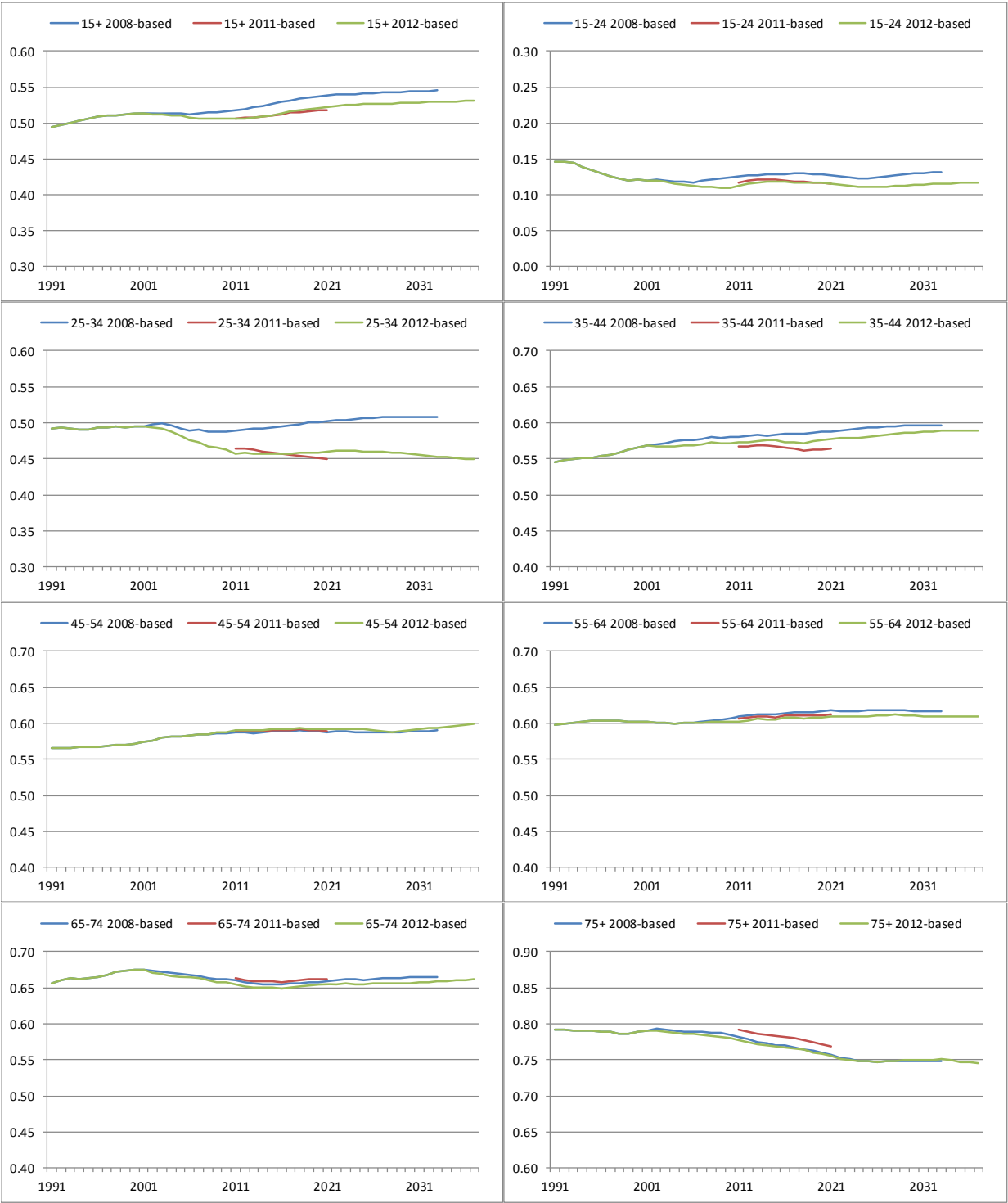
Source: (CLG) Communities and Local Government (rounded to nearest 100) Note: Figures may not sum due to rounding
 *2035; **2033

- 3.25 As the PPG states the CLG projections should form the 'starting point estimate' only of overall housing need as part of a full objective assessment of need. The latest CLG 2012-based household projections show growth of 1,280 households per annum in Medway over the Plan period (2012 and 2035). To reach a dwelling requirement, account needs to be taken of vacant and second homes. For Medway this rate is 3.27%⁵ resulting in a dwelling projection of 1,323 dwellings per annum, 2012 to 2035.
- 3.26 The growth projected by the CLG 2012-based household projections is higher than the growth projected by the previous two series of household projections (the 'interim' 2011 and 2008-based series), but this is expected given the 2012-based SNPP projected higher population growth than the other two series.

⁵ CLG, CTB 2014 (Second Homes); CLG Live Table 125/615 (Vacant)

- 3.27 However, like the 2012-based SNPP, the 2012-based household projections are also underpinned by recessionary trends in relation to household formation, whereas the 2008-based projections are underpinned by trends gathered prior to the recession and are therefore higher in terms of projected household formation, particularly in younger age groups.
- 3.28 The CLG have published household formation data for the 2012-based household projections (household formation rates by age and gender). The rates show that household formation in the 2012-based projection still projects a declining household formation rate trend in the 25-34 and 35-44 age groups (see Figure 3.2 below) when compared with the interim 2011-based and 2008-based projections.
- 3.29 The interim 2011-based household projections were widely regarded to project forward very low household formation in younger age groups. This was due to the trends underpinning the projections covering the period just prior to and including the recessionary period, when housing became rapidly less affordable for people in the younger age groups due to a lack of supply.
- 3.30 Figure 3.2 illustrates that the 2012-based rates for Medway follow a similar trajectory to that of the interim 2011-based projections before them. After 2025 the 2012-based projection shows a declining trend which results in the gap between the 2008 and 2012-based rates increasing, and suppression in the 2012-based rate worsening.

Figure 3.2: Household Formation Rates, Medway



Source: CLG

- 3.31 The trend for declining household formation in the 25-44 age group is likely to be caused in part by worsening affordability. Planning for housing on the basis of a continuation of these suppressed household formation rates is not supported by PPG which recommends adjustments to households formation rates to reflect factors not captured in past trends (ID 2a-015).
- 3.32 Furthermore, planning on the basis of the 2012-based household formation rates is not considered to be in accordance with the principles of positive planning, and would likely place significant pressure on housing supply. Recent Planning Inspectorate decisions concur with this view.⁶
- 3.33 In this context, and given that the 2012-based projections show slightly lower household formation particularly for 25-44 year olds than the pre-recessionary 2008-based projections, it is considered that an adjustment needs to be made to comply with the National Planning Policy Framework's (NPPF) clear policy to 'boost significantly' the supply of housing, 'promote economic growth' and 'positively prepare' Local Plans.
- 3.34 How this adjustment should be applied has been subject of much debate, and there is not considered to be one correct answer, as it is a matter of judgement. However Barton Willmore would suggest a blended approach whereby the 2012-based HFRs are applied in all age groups, as published, with the exception of the 25-44 age group. In this age group it is considered that a gradual return to the projected 2008-based HFRs by the end of the Plan period is applied. This is considered to comply with the NPPF requirement to ensure that Local Plans are positively prepared, and a significant boost is made to housing supply.

iv) Housing Completions

- 3.35 A lack of housing completions can have a significant impact on the ability for people to move into an area to live, and for existing residents to have the opportunity to purchase their own property. A lack of housebuilding can lead to existing residents having to migrate out of the area. Table 3.6 sets out net completions for Medway over the past 10 years.

⁶ Paragraph 3.8, page 7, Cornwall Local Plan Strategic Policies – Examination: Preliminary findings following the hearings in May 2015; Paragraph 29, page 6, Appeal Decision APP/G2435/W/15/3005052; Paragraph 1.28, page 6, Arun District Local Plan OAN Conclusions, 02 February 2016

Table 3.6: Net Completions, Medway

Year	Net Completions	Plan Target	Surplus/Deficit
05/06 562		700	-138
06/07 591		815	-224
07/08 761		815	-54
08/09 914		815	+99
09/10 972		815	+157
10/11 657		815	-158
11/12 809		1,000	-191
12/13 565		1,000	-435
13/14 579		1,000	-421
14/15 483		1,000	-517
Total	6,893	8,775	-1,882

Source: Annual Monitoring Report

- 3.36 As Table 3.6 shows, since 2005/06 the number of completions has consistently fallen below Development Plan targets, with the exception of two years (08/09 and 09/10). This has resulted in a deficit of -1,882 dwellings over 10 years, representing 20% of planned supply.
- 3.37 Furthermore when compared against the official CLG household projections set out above in Table 3.6, the starting point estimate of need has been at least 1,260 per annum, which suggests under-delivery has been even worse than the comparison against Plan targets.
- 3.38 Notwithstanding this it is considered that this persistent under-delivery in Medway will have had a significant impact on the propensity of people to migrate into the area over the last 10 years. The net-migration trends can therefore be considered to have been constrained by a lack of delivery.

v) Summary

- 3.39 In summary, this section has considered the most up-to-date official population and household projections published by CLG and ONS. The key headlines from this section are as follows:
- The PPG emphasises that CLG household projections should only form the 'starting point' in an objective assessment of the overall housing need, and that sensitivity testing based on alternative demographic and household formation assumptions may be considered;

- This 'starting point estimate' is currently growth of 1,281 households per annum in Medway, using the latest 2012-based CLG household projections over the period 2012-2035 (Medway's plan period). Applying a household/dwelling adjustment (to account for vacancy and second home rates) the overall housing need is 1,323 dwellings per annum;
- However, Barton Willmore consider that growth of 1,323 dwellings per annum could represent an underestimate of demographic-led housing need for a number of reasons:
- The 2012-based household projections are based on household formation rate trends observed over the recessionary period, when affordability worsened significantly. There remains suppression in the household formation rates for 25-34 year olds in Medway. PPG states that adjustments may be required to the household projection estimate of need if rates have suppressed historically (paragraph 15). An adjustment in Medway is considered necessary in the 25-34 age group to address this suppression;
- Analysis of net housing completions has highlighted that annual completions have consistently fallen below the level of need required by consecutive Development Plans, and below official CLG household projections, inhibiting the propensity of people to migrate into Medway. This would have directly influenced the net migration trends underpinning the 2012-based ONS SNPP and the 2012-based CLG household projection;
- The 2012-based ONS SNPP are also considered a conservative projection in respect of the international migration assumption they are underpinned by (165,000 people per annum). This is less than half the most recent trend data from ONS shows (336,000 people per annum).
- Analysis of migration trends has concluded that the 2012-based SNPP provide a reasonable basis on which to assess demographic-led need in Medway at this point in time. However, for the reasons set out above the 2012-based SNPP should be considered a very minimum and if subsequent releases of Mid-Year Population Estimates provide evidence of net migration to Medway continuing to increase, then an updated short term migration should be considered.

3.40 This section identifies how the starting point estimate of OAN (1,323 dpa, 2011-2031) for Medway should be considered a very minimum.

3.41 The following section of this study considers the evaluation of official ONS and CLG data in the context of the Council's OAN evidence.

4.0 REVIEW AND CRITIQUE OF THE STRATEGIC HOUSING AND ECONOMIC NEEDS ASSESSMENT (SHENA)

A) INTRODUCTION

- 4.1 The Strategic Housing and Economic Needs Assessment (SHENA) dated November 2015 provides the evidence base to support the Council's determination of Objectively Assessed Need (OAN) for housing in Medway. The report has been prepared by Bilfinger GVA.
- 4.2 In the context of our assessment of demographic data in the previous section of this study, the following section provides an analysis and evaluation of the SHENA's approach to OAN in Medway. The analysis we present follows the methodological requirements of section ID2a – 'Housing and Economic Development Need Assessments' (HEDNA) to determine whether the Council's proposed housing target (1,281 dwellings per annum) represents full, unconstrained OAN.
- 4.3 It is important to note that the SHENA has assessed OAN over the period 2012-2037 which is the time period considered by the latest 2012-based projection series. However, the draft Local Plan covers the period 2012-2035.

B) NORTH KE NT STRATEGIC HOUSING AND ECONOMIC NEEDS ASSESSMENT (SHENA)

- 4.4 The 2015 SHENA seeks to establish the OAN for Medway following the methodology outlined in PPG. We would comment on the SHENA as follows:

i) Housing Market Area (HMA)

- 4.5 The SHENA begins with an assessment of the appropriate HMA in which to assess housing needs for Medway as required by PPG (ID 2a-010-20140306). The assessment's analysis draws on research published by CLG in 2010 titled 'Geography of Housing Market Areas'. In essence this research is based on work undertaken by the Centre for Urban & Regional Development Studies (CURDS) at Newcastle University.
- 4.6 The CURDS analysis is correctly presented by the SHENA as identifying Medway as falling within the London Strategic Housing Market Area which contains over 70 local authority areas. The SHENA considers this HMA definition is unmanageable and impractical (paragraph 2.9). Barton Willmore concurs with this conclusion.

- 4.7 For this reason, the SHENA also considers travel to work and migration patterns, and house price data and concludes that Medway has strong relationships with a number of neighbouring local authority areas. On this basis, the SHENA identifies a wider HMA which includes: Medway; Gravesham; Swale; Maidstone; and Tonbridge & Malling. The housing needs of the wider HMA are assessed in the SHENA
- 4.8 Barton Willmore consider the HMA definition applied in the SHENA to be inconsistent with the approach adopted in several of the authorities included within the definition. For example, Swale's housing needs were considered in isolation at the recent (November 2015) Local Plan Examination after the evidence base suggested Swale formed a HMA on its own. Similarly, Maidstone Borough are assessing their housing needs in isolation. Although Maidstone's SHMA identifies functional relationships between Maidstone and Medway, the Maidstone SHMA concludes that there is justification to distinguish Maidstone from Medway in market terms⁷. On this basis, the Maidstone SHMA considers Maidstone represents a HMA on its own.
- 4.9 On the basis of Maidstone Council and Swale Council both assessing their needs in isolation, Barton Willmore, for the purposes of this critique, consider Medway's needs in isolation.

ii) Starting point estimate

- 4.10 The SHENA gives detailed consideration to the latest 2012-based ONS Sub National Population Projections (SNPP) and CLG household projections as representing the 'starting point' estimate of need. Growth of 1,270 households per annum over the period 2012-2037 is correctly presented. However, it is important to note that over the period covered by the draft Local Plan (as presented in the current Issues and Options consultation as being 2012-2035) growth is 1,280 households per annum. The SHENA does not present this.

iii) Demographic adjustments

- 4.11 The PP G (paragraph ID2a-017) states how plan makers may consider sensitivity testing, specific to their local circumstances, based on alternative assumptions in relation to underlying demographic projections and household formation rates. Account should also be taken of the most recent demographic evidence including the latest ONS population estimates.

⁷ Paragraph 2.39, page 29, Maidstone Strategic Housing Market Assessment – Maidstone Borough Council, Final report, January 2014, GL Hearn

Adjustment to household formation rates

- 4.12 The SHENA does not undertake any sensitivity testing in relation to household formation.
- 4.13 The analysis presented in Chapter 3 of this report has shown clear suppression in household formation for those people aged 25-44 years, which Barton Willmore considers should be addressed through making an adjustment to the rates.
- 4.14 The danger of planning on this basis of the 2012-based household formation rates would be to exacerbate this suppression over a 23-year Plan period, adding to the trend of worsening affordability in Medway, and the inability of first time buyers to form their own households. This is not considered to comply with the NPPF requirement to positively prepare Development Plans.
- 4.15 Recent appeal decisions⁸ have agreed that there remains an element of suppression in the 2012-based household formation rates. A more positive approach to household formation in this age group would increase the starting point estimate above 1,270 households per annum (2012-2037)/ 1,280 households per annum (2012-2035).

Adjustment to the demographic projections

- 4.16 The SHENA presents three sensitivity scenarios with regards to the underlying population projections as an alternative to the published 2012-based ONS SNPP.
- 4.17 The **first** demographic sensitivity scenario included by GVA incorporates the 2013 and 2014 Mid-Year Population Estimates (MYPE), published by the ONS after the 2012-based SNPP were published. Despite the 2013 and 2014 MYPE projecting higher population growth than projected in the 2012-based SNPP, the effect of the SHENA incorporating the 2013 and 2014 MYPE into the 2012-based SNPP is to reduce household growth from 1,270 to 1,235 households per annum (2012-2037).
- 4.18 This seems counterintuitive (a point which the SHENA also raises at paragraph 5.38). However, the SHENA states that the reduction in household growth is due to the different age/ gender profile applied as a result of taking account of the 2013 and 2014 MYPE. This requires further investigation through bespoke modelling to establish whether this statement is correct.

⁸ Coalville and Cornwall

- 4.19 The **second** is a long-term (2005-2014) net-migration scenario which results in household growth of 1,148 households per annum – again lower than the ‘starting point’ estimate for 1,270 households per annum (2012-2037) as indicated by the 2012-based CLG household projections. This scenario projects household growth that is 10% lower than the starting point estimate.
- 4.20 Lower household growth is the result of lower projected population. The long-term trend (2005-2014) projects lower population growth because net migration is assumed to be lower (756 net migrants per annum) compared to the average net migration assumption of the 2012-based ONS SNPP (840 people per annum based on trends from the period 2007-2012).
- 4.21 At paragraph 5.39 the SHENA states that the later years of the inter-Census period (2001-2011), and the last three years since the 2011 Census (2012-2014) show the highest levels of population growth in Medway since 2001. The SHENA then goes on to state how the 2012-based CLG household projections are underpinned by trends drawn “principally from this period of high growth”⁹, and it is therefore appropriate to consider longer term trends from 2004-2014.
- 4.22 In this regard the latest Planning Advisory Service (PAS) guidance on OAN summarises the problems of using the 2007-2012 period as follows:

“The base period used in the latest official projections, 2007-12, is especially problematic. The period covers all of the last recession, in which migration was severely suppressed as many households were unable to move due to falling incomes and tight credit. Therefore the official projections may underestimate future migration - so that they show too little population growth for the more prosperous parts of the country, which have been recipients of net migration in the past. If so, by the same token the projections will also overestimate population growth for areas with a history of net out-migration.”¹⁰

- 4.23 Whilst Barton Willmore do not disagree with the consideration of longer term trends, the PPG supports adjustments to the ‘starting point’ estimate of need in relation to the underlying demographic projections and household formation rates. However, PPG states that any local changes would need to be clearly explained and justified on the basis of the established sources of robust evidence (ID 2a-017-20140306). In this instance, consideration of longer term trends does not seem appropriate for Medway as a analysis of components of population change (see

⁹ Paragraph 5.39, page 93, North Kent Strategic Housing and Economic Needs Assessment: Strategic Housing Market Assessment, Final Report, Medway Council, November 2015, Bilfinger GVA

¹⁰ Paragraph 6.23, page 23, PAS OAN Technical Advice Note: Second Edition, July 2015

Table 3.2 presented in Chapter 3 of this report and Figure 29 of the SHENA) clearly identifies net migration to Medway increasing since 2011. Therefore to consider a level of net in-migration lower than the 2012-based ONS SNPP in Medway is considered to wholly contradict the advice of the PAS Guidance.

- 4.24 GVA have chosen not to analyse a more recent 5-year trend, a decision Barton Willmore do not consider to be justified.
- 4.25 Analysis of migration trends, presented in Chapter 3 of this report, has illustrated that a more recent 5-year migration trend (2009/10 – 2013/14), which incorporates the last few years of recession, and the recent economic upturn, suggests net migration of 1,159 per annum. This is higher than the assumptions which underpins the 2012-based SNPP (840 migrants per annum) based on trends from the period 2007-2012.
- 4.26 However, there is not sufficient data at this point in time to say with any certainty whether Medway is experiencing a reversal of trend in terms of net migration. For this reason, despite a more recent 5-year trend showing higher net migration than the 2012-based SNPP, it is considered that the 2012-based SNPP provide the most reasonable demographic projection at this point in time. However, the 2012-based SNPP should provide the very minimum projection of population growth given the issues highlighted in Chapter 3 of this report. Furthermore, we reserve the right to amend this approach if subsequent releases of Mid-Year Population Estimates indicate that net migration to Medway is continuing to increase.
- 4.27 A **third** sensitivity scenario is the long-term net-migration scenario (2005-2014) including the 'unattributable population change' (UPC) recorded by ONS for Medway. The UPC is an element of population change which the ONS cannot account for. There is the possibility that it may be due to under recorded levels of international migration, but it could equally be due to other reasons.
- 4.28 The effect of including UPC within the long-term migration trends scenario is to reduce household growth to 1,124 households per annum (compared to growth of 1,148 households per annum excluding UPC) over the period 2012-2037.
- 4.29 Barton Willmore's approach is to exclude UPC from demographic modelling scenarios. This is based on the following:
- ONS' confirmation that UPC has been excluded from the calculation of the 2012-based ONS SNPP;

- Advice sent by email from ONS to Barton Willmore that it would be 'sensible' to exclude UPC from the calculation of net-migration trends;
- The ONS statement that if UPC was due to international migration, its effect would have been in the first half of the decade, after which the recording of international migration was improved;
- Local Plan Examination decisions where UPC has been excluded (Aylesbury Vale, Eastleigh, Arun). In the case of the most recent decision in Arun (February 2016), UPC was significant, yet the Inspector noted that if UPC were to be attributed to migration, errors would have been earlier in the 2001-2011 period;
- The ONS' statement that UPC is only applicable to the 2001-2011 period and does not introduce a bias that will continue in future projections.

4.30 The UPC scenario is therefore not considered to be a robust scenario for growth in Medway.

4.31 The SHENA presents demographic-led need in Medway to be between 1,124 and 1,270 households per annum over the period 2012-2037 based on the results of the two long-term migration trend scenarios. Once an allowance for vacancy has been applied this results in dwelling growth of between 1,167 and 1,317 dwellings per annum.

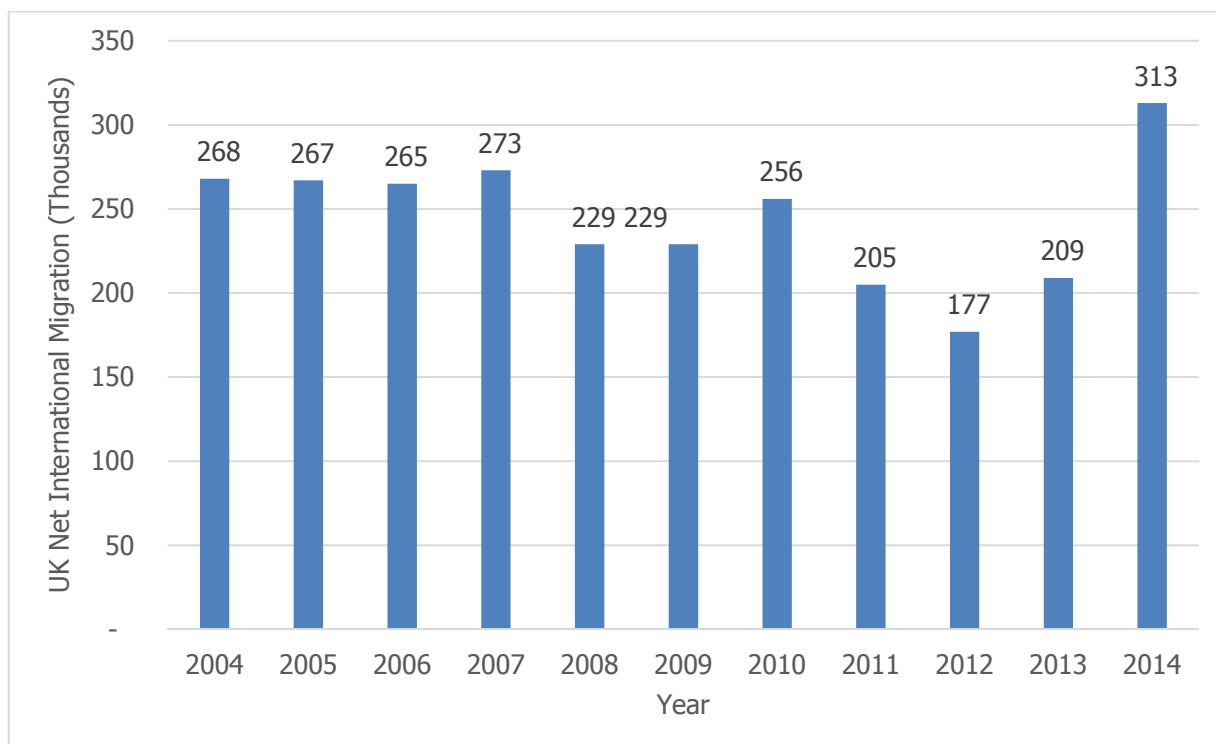
4.32 However, the SHENA acknowledges that due to the uncertainty of UPC, it is appropriate to consider an average of the two long-term migration scenarios (including and excluding UPC)¹¹. This results in growth of 1,136 households (1,179 dwellings) per annum over the period 2012-2037.

4.33 Barton Willmore consider that OAN of less than the 2012-based CLG household projection should not be considered, for the following reasons:

4.34 First, the 2012-based ONS SNPP were underpinned by net migration trends between 2007 and 2012, and as this analysis shows, they are underpinned by three years (2008-2011) when net in-migration fell significantly below two of the years prior to the 2007-2012 period. This contradicts GVA's statement that the later years of the 2001-2011 period show the highest levels of growth. This statement by GVA is not considered to be justified.

¹¹ Paragraph 5.47, Page 95, North Kent Strategic Housing and Economic Needs Assessment: Strategic Housing Market Assessment, Final Report, Medway Council, November 2015, Bilfinger GVA

- 4.35 The **second point** concerns the assumption of net international migration in the 2012-based ONS National Projections, which underpin the 2012-based ONS SNPP. The 2012-based ONS national population projections are based on net international migration of 165,000 people per annum continuing every year up to 2037.
- 4.36 The assumption of net international migration in the ONS 2012-based national projections is considered by Barton Willmore to be a significant underestimate. This view is based on more recent evidence from ONS which shows how international net-migration was 336,000 people in the most recently recorded year (ending June 2015) – over double the 2012-based ONS national projection assumption. The 10-year average has also been circa 240,000 people per annum (see Figure 4.1 below).
- 4.37 On this basis alone, it is considered the 2012-based ONS SNPP, and therefore the 2012-based CLG household projections, are based on conservative assumptions and for this reason should be considered a minimum projection of future growth.
- 4.38 This is emphasised further by the more recent 2014-based national projections (29 October 2015) which have increased the assumption to 185,000 people per annum. The effect of this increase will be seen in the 2014-based SNPP, which are due for release in the first half of 2016.
- 4.39 A further effect on in-migration is the delivery of housing. Table 3.6 in this study has shown how delivery has fallen below planned targets in all but two of the past ten years. The cumulative effect has been for a deficit in delivery of 1,882 dwellings (20% lower than planned supply). This will have constrained in-migration to Medway, and trends would have been higher if planned housing targets had been met and the homes were there to be filled.

Figure 4.1: UK Net International Migration, 2004-2014

Source: Migration Statistics Quarterly Report, November 2015

4.40 Finally it is considered the past three years net in-migration to Medway (1,280, 1,293, and 1,793 people per annum respectively) highlight how the 2012-based SNPP and CLG projections are based on a conservative net in-migration assumption of only 840 people per annum.

4.41 However, given there is no degree of certainty as to whether Medway is experiencing a reversal of trend in relation to net migration, it is considered that the 2012-based SNPP at the very least should provide the minimum projection of future population growth. On this basis, for the Medway SHMA to favour the long-term migration trend approach (which projects lower population growth) is considered inappropriate.

4.42 In summary, it is not considered justified to project lower population or housing growth than the starting point estimate.

iv) Adjustments to support economic growth

4.43 The approach applied by GVA in the SHENA to economic-led OAN is generally considered robust, save for the assumptions in respect of job growth forecasts. GVA use a single source, Experian Economics, from quarter 1 of 2015. Experian is considered a robust source of job growth forecasts, however it is Barton Willmore's view that an average forecast should be taken from three sources; Experian Economics, Cambridge Econometrics, and Oxford Economics. This

view has been taken following criticism of the use of using a single source in some Local Plan examinations, given the fluctuation in forecasts, which are often published on a quarterly basis. This triangulated approach was supported by the South Worcestershire Local Plan Inspector¹².

- 4.44 In terms of unemployment assumptions, Barton Willmore's approach would be to assume a return to pre-recessionary rates of unemployment over the first ten years of the Plan period. This is a similar approach to the GVA method although they do differ slightly.
- 4.45 Economic activity rate assumptions must also be entered into demographic modelling software to generate the labour force growth required to fill jobs. GVA's approach is to use the Kent County Council 'Technical Paper Activity Rate Projections to 2036' paper (October 2011). This is the same source used by Barton Willmore, and is considered to be a robust independent method which provides unbiased assumptions of how economic activity will increase in older age groups over the next 25 years. However it should be noted that a more recent (November 2014) paper is available and this should be used in preference to the October 2011 edition.
- 4.46 The SHENA also undertakes a sensitivity test of economic activity which incorporates assumptions from Experian's Report 'Employment Activity and the Ageing Population' which has the effect of increasing economic activity of women in line with past trends from 1981, along with significantly increase economic activity for older people.
- 4.47 The commuting ratio is the final assumption which can have a significant effect on economic-led housing need. GVA's approach is to use the 2011 Census ratio of 1.28, and for this to remain static over the Plan period. This is considered a robust approach to apply.
- 4.48 The SHENA considered three economic scenarios but only presented the results of two – the Sector Based Growth scenario and the Sector Based & London Paramount Indirect Scenario. Housing need to support both economic scenarios increases above the baseline demographic needs (1,179 dwellings per annum as indicated by the mid-point of the two long-term migration trends) if KCC economic activity rates are applied; to support the Sector Based Growth scenario 1,197 dwellings per annum are required and to support the London Paramount Indirect scenario a total of 1,213 dwellings per annum are required.
- 4.49 If Experian's economic activity rates are applied, housing need to support both economic scenarios is below the baseline demographic need (1,020 dpa required to support Sector Growth scenario and 1,036 dpa to support the London Paramount scenario).

¹² Stage 1 of the Examination of the South Worcestershire Development Plan; Inspector's Further Interim Conclusions on the Outstanding Stage 1 Matters, 31 March 2014

- 4.50 It is important to note that the level of housing need identified from both economic scenarios and both economic sensitivity tests, is below the 'starting point' estimate of 1,270 households/1,317 dwellings per annum (2012-2037) as indicated by the CLG 2012-based household projections.

v) **Market signals adjustment**

- 4.51 The GVA report provides a summary of median **house price** increases in Medway between 2000 and 2013. The source used by GVA in obtaining this information (CLG) is considered robust. As GVA summarise, between 2000 and 2013, values in Medway increased by 128.6%; the second fastest rate observed out of seven authorities analysed. The rate also exceeded inflation in the south east region as a whole (96%).¹³
- 4.52 The SHENA's summary of rental prices shows a significant worsening in the lower quartile **rental prices** in Medway. Over the short period analysed (2010-2014), lower quartile rents increased by 10%; the second highest of the seven authorities analysed. This represents an increase of double that experienced in the south east region (4.3%), and triple the increase across England (3.3%). There is a clear affordability problem in respect of lower quartile rents in Medway when compared to surrounding areas.
- 4.53 The change in the **affordability ratio** is often the most crucial of market signals indicators, and the GVA report provides a summary of the lower quartile and median affordability ratios in Medway, compared to seven Kent authorities, the south east region, and nationally. The GVA report highlights how the lower quartile affordability ratio in Medway had increased by 65% between 2000 and 2013, and that this increase represents a more acute increase than the region (51%) and nationally (65%).¹⁴ This highlights how affordability has significantly worsened in Medway over the thirteen years analysed.
- 4.54 This study (section 3) identifies how household formation is suppressed in the 25-34 age group in the most recent 2012-based CLG household projections. The result of assuming the formation rates as published, and planning for growth based on them, will be a failure to address the significant increase in **concealed households** in Medway between the 2001 and 2011 Censuses. This increase across the country has been due to the significant worsening affordability of housing, leading to two or more adult households living with one another rather than forming their own households.

¹³ Paragraph 5.90, SHENA

¹⁴ Paragraph 5.97, SHENA

- 4.55 This trend is evidenced in Medway by the 68% increase in concealed households between the 2001 and 2011 Census'. This is broadly comparable to the regional and national averages (71%) although the SHENA states that concealment is not deemed to be worsening at a significant rate. However, the rate of increase in Medway is higher than in Canterbury (66%), Sevenoaks (56%), and Tonbridge and Malling (54%).
- 4.56 Furthermore the SHENA acknowledges a 13.03% increase in concealed households in the under 25 age group (13%). This is higher than the national average (12.76%) and several other Kent local authorities (Canterbury, Dartford, Maidstone, and Swale).¹⁵ Despite this, the SHENA concludes that the market signals information in respect of concealed families does not provide strong evidence of supplied pressures in Medway¹⁶. Barton Willmore disagree and a response in establishing the OAN for Medway is needed to alleviate this worsening trend.
- 4.57 The **rate of development** is also considered as a market signal, with the PPG stating how future supply should be increased to reflect the likely under-delivery of a Plan, if the rate of development has been lower than the planned number. A meaningful period must be assessed in line with PPG, and as this study has shown (Chapter 3), delivery in Medway has been 20% lower than the planned number over the past 10 years.
- 4.58 The GVA report also identifies this lack of delivery, but over the intercensal period (2001-2011) rather than the last 10 years considered in this study (2005-2014). Notwithstanding this difference, GVA identify growth in Medway's housing stock of 7.3%; lower than the sub-regional, regional, and national averages. Furthermore GVA identify how completions have exceeded planned targets in only three of the 12-year period between 2001/02 and 2012/13¹⁷.
- 4.59 In summary, it is important to note the PPG, which states the following in respect of market signals:

"The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings."¹⁸

"Appropriate comparisons of indicators should be made. This includes comparison with longer term trends (both in absolute levels and rates of change) in the: housing market area; similar demographic and economic areas; and nationally. A worsening trend in any of these indicators will require upward adjustment to planned housing numbers compared to ones based solely on household projections."¹⁹ (Our emphasis)

¹⁵ Table 5.1, SHENA

¹⁶ Paragraph 5.108, SHENA

¹⁷ Paragraph 5.118, SHENA

¹⁸ ID2a-019, Housing and Economic Development Needs Assessments, PPG

¹⁹ ID2a-020, Housing and Economic Development Needs Assessments, PPG

- 4.60 In the context of the PPG, and the analysis set out by GVA, it is clear that an upward adjustment to the CLG household projection for Medway is required. Failure to do so will only serve to exacerbate the conditions which have led to the affordability problems experienced in Medway over the past 10 to 15 years.
- 4.61 The PPG does not quantify the market signals uplift, other than to say how “planmakers should set this adjustment at a level that is reasonable” and “on reasonable assumptions could be expected to improve affordability.”²⁰ Local Plan Examination decisions are the only source in which market signals adjustments have been quantified. At the Eastleigh Local Plan Examination, the Inspector recommended a 10% uplift to demographic-led projections in order to alleviate market pressure considered as “modest”. This level of uplift was considered “cautious” by the Inspector.²¹ The same level of uplift was also considered applicable by the Uttlesford Local Plan Inspector.
- 4.62 An equally cautious uplift of 10% to the 2012-based CLG household projection in Medway would result in an increase to at least **1,456 dwellings per annum**.
- 4.63 The SHENA considers the level of uplift the economic-led scenarios with KCC economic activity rates applied would make to the baseline demographic level of need (mid-point between the two long term migration trends). This is presented as between a 1.5% and 2.9% uplift which is not considered sufficient to respond to the local market signals.²² Barton Willmore agree.
- 4.64 As an alternative, the SHENA also considers the level of uplift the CLG 2012-based household projections, updated to take account of the 2013 and 2014 MYPE, provides to the mid-point of the two long-term migration trends. This is presented as being equivalent to an 8.6%, which the SHENA considers a significant uplift.²³
- 4.65 On this basis the **SHENA concludes on OAN for Medway of 1,281 dwellings per annum** (2012-2037) as indicated by the CLG 2012-based household projections updated to take account of the 2013 and 2014 MYPE.
- 4.66 Barton Willmore do not consider the market signals uplift applied in the SHENA to be sufficient. The SHENA’s ‘uplift’ is applied to the SHENA’s long-term migration trend which is already below the starting point estimate according to PPG. Therefore even applying the market signals ‘uplift’ results in OAN that is still below the starting point estimate (1,281 dpa compared to 1,323 dpa).

²⁰ ID2a-020, Housing and Economic Development Needs Assessments, PPG

²¹ Paragraphs 39-41, Eastleigh Borough Local Plan, Inspector’s Report, February 2015

²² Paragraph 5.129, SHENA

²³ Paragraph 5.130, SHENA

vi) Affordable housing need

- 4.67 As stated in the NPPF, LPAs are required to ensure their local plans meet OAN for both market and affordable housing. The *Satnam v Warrington BC* High Court Judgment provides useful guidance on the proper exercise that needs to be undertaken to assess affordable need as part of OAN. That is:

“(a) having identified OAN for affordable housing, that should then be considered in the context of its likely delivery as a proportion of mixed market/affordable housing development; an increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes; (our emphasis)

(b) the Local Plan should then meet the OAN for affordable housing, subject only to the constraints referred to in NPPG, paragraphs 14 and 47.”²⁴

- 4.68 The *ELM Park v Kings Lynn and West Norfolk BC* High Court Judgment (July 2015) provides a more recent judgement on the role of affordable housing need within OAN, determining that affordable need did not have to be met in full when determining OAN but rather:

“This consideration of an increase to help deliver the required number of affordable homes, rather than an instruction that the requirement be met in total, is consistent with the policy in paragraph 159 of the Framework requiring that the SHMA “addresses” these needs in determining the FOAN. They should have an important influence increasing the derived FOAN since they are significant factors in providing for housing needs within an area.”²⁵

- 4.69 It is therefore clear that where there is significant affordable housing need, although it is not required to be met in full, an increase should be considered.

- 4.70 In the context of this, the Council’s draft Plan states the following in respect of affordable housing need in Medway:

“The Strategic Housing Market Assessment (SHMA) carried out in 2015 for Medway identified a high level of demand for affordable housing, at 17,112 over the plan period. The Local Plan needs to be deliverable, and must demonstrate that the policies are viable. Initial analysis indicates that a percentage of 25 % affordable housing would be deliverable on developments of over 15 units, taking into account land values and development costs.”²⁶ (our emphasis)

²⁴ Paragraph 43 (iv) (a) and (b), High Court Judgement CO/4055/2014, *Satnam Millennium Limited v Warrington Borough Council*, 19/02/2015

²⁵ Paragraph 33, page 11, High Court Judgement CO/914/2015, *Borough Council of Kings Lynn and West Norfolk v Secretary of State for Communities and Local Government*, *ELM Park Holdings Ltd*, 09/07/2015

²⁶ Paragraph 7.12, page 21, Medway Council Issues and Options Consultation Document, January/February 2016

- 4.71 This is a significant level of affordable housing need, equating to 744 affordable dwellings per annum. To deliver this level of affordable housing in full, at provision of 25%, would require full OAN of circa 3,000 dwellings per annum, 2012-2035. It is accepted that 3,000 dwellings per annum is unrealistic, but a figure in excess of the Council's existing target would help to meet some of this affordable need.

vii) Summary

- 4.72 In summary, the SHENA identifies OAN for Medway as being 1,281 dwellings per annum over the period 2012-2037 based on the results of the CLG 2012-based household projection adjusted to take account of 2013 and 2014 Mid-Year Population Estimates.
- 4.73 This level of housing need has been taken forward in the draft Local Plan to represent need over the period 2012-2035.
- 4.74 OAN of 1,281 dwellings per annum is not considered to represent full OAN for Medway over the plan period (2012-2035) for the following reasons:
- There is not considered to be any justification for a reduction to the starting point estimate (2012-based CLG household projection) of OAN in Medway. This starting position is for provision of 1,323 dwellings per annum, 2012-2035;
 - The starting point estimate is based on a 23-year projection of suppressed household formation in the 25-44 age group, the age group most likely to be first time buyers. This suppression will lead to a significant increase in concealed households in this age group unless the OAN adjusts the household formation rates in this age group. The GVA SHENA proposes no adjustment to account for this suppression. To comply with the NPPF requirement to ensure Local Plans are 'positively prepared' an upward adjustment should be applied for the 25-44 age group. This would lead to an OAN in excess of the starting point estimate;
 - The 2012-based CLG household projection is underpinned by the 2012-based SNPP which is considered to provide the very minimum projection of future population growth in Medway due to the low international migration assumptions they are underpinned by and in light of recent data suggesting that net migration to Medway is in fact significantly higher than the trends underpinning the 2012-based SNPP;

- The GVA SHENA considers alternative long-term migration trends but fails to pay regard to a more recent 5-year migration trend. The SHENA adopts the use of a long-term migration trend to reflect demographic-led need in Medway which projects lower population growth than the 2012-based SNPP and for the reasons outlined above we believe to be inappropriate;
- The GVA SHENA's approach to addressing an uplift to OAN to accommodate economic growth is considered relatively robust. However we would suggest the use of three sources of job growth forecasts to ensure as robust an assessment as possible;
- The GVA SHENA identifies a number of market signals that have worsened to a greater extent than neighbouring authorities, the south east region, and the national average. The SHENA considers that an upward adjustment to the demographic-led OAN is required in order to alleviate the identified market pressure. Barton Willmore support this conclusion. However, it is considered that the market signals uplift that is applied in the SHENA is insufficient given that it results in OAN that is still below the starting point estimate;
- The GVA SHENA and draft Plan identify significant affordable housing need (744 affordable dwellings per annum, 2012-2035). Delivered at a rate of 2.5%, this would require OAN of 3,000 dwellings per annum if it were to be delivered in full. High Court judgements confirm that Local Plans do not have to meet a affordable need in full, but should be 'addressed', and an increase to OAN considered to help to deliver the affordable housing. The existing OAN determined by the GVA SHENA does not address the significant affordable housing need in Medway.

5.0 SUMMARY AND CONCLUSIONS

- 5.1 This review of the Strategic Housing and Economic Needs Assessment (SHENA) has considered the objectively assessed need (OAN) for housing over the period 2012-2037 which has been taken forward in the Medway Council Plan Issues and Options document which is planning for housing needs over the period 2012-2035. **Full OAN is presented in as being 1,281 dwellings per annum over the period 2012-2035.**
- 5.2 In short it is considered the OAN presented in the SHENA plans for very low levels of demographic growth over the Plan period, and does not represent a positively prepared OAN. From the outset, it is important to note how the level of OAN presented in the SHENA is below the PPG's starting point estimate of need – the latest CLG household projection (1,323 dpa, 2012-2035).
- 5.3 The SHENA's OAN conclusion is underpinned by applying 2012-based household formation rates to their preferred population projection (a revised 2012-based ONS SNPP scenario to reflect 2013 and 2014 ONS Mid-Year Population estimates). The 2012-based CLG household projection projects suppressed household formation for those aged 25-44 years of age; those most likely to represent concealed households and first time buyers. Barton Willmore consider it necessary to apply an adjustment to address this suppression and positively prepare the Local Plan, an exercise which has not been undertaken in the SHENA. This approach is supported by recent Planning Inspectorate decisions, which note continuing suppression in the 2012-based CLG projections.²⁷
- 5.4 Notwithstanding that the starting point estimate of OAN (1,323 dpa, 2012-2035) is higher than the Council's proposed level of provision, the starting point estimate should be considered a very minimum for a number of reasons.
- 5.5 The 2012-based CLG household projection is underpinned by the 2012-based Sub National Population Projections (SNPP) which assume very low net international migration to the UK (165,000 people per annum) compared with more recent trends (336,000 people in the last recorded year), an assumption which filters down to local authority level and has been identified by recent Local Plan Inspector's decisions²⁸. PAS Guidance also identifies how the net migration of the 2012-based ONS SNPP may well be an underestimate²⁹.

²⁷ Paragraph 3.8, page 7, Cornwall Local Plan Strategic Policies – Examination: Preliminary findings following the hearings in May 2015; Paragraph 29, page 6, Appeal Decision APP/G2435/W/15/3005052; Paragraph 1.28, page 6, Arun District Local Plan OAN Conclusions, 02 February 2016

²⁸ Paragraph 1.12, page 3, Arun District Local Plan OAN Conclusions, 02 February 2016

²⁹ Paragraph 6.23, page 23, PAS OAN Technical Advice Note: Second Edition, July 2015

- 5.6 Furthermore, analysis of migration trends has identified that the net migration assumptions of the 2012-based SNPP (840 net migrants per annum, 2012-2037) is low in the context of a more recent 5-year trend given that net migration to Medway has increased over recent years.
- 5.7 However, because it cannot be said with any certainty whether Medway is experiencing a reversal of trend in respect of migration, it is considered reasonable to use the 2012-based SNPP as the most appropriate demographic population projection at this point in time. However, if subsequent releases of Mid-Year Population Estimates provide evidence of net migration to Medway continuing to increase then it would be considered appropriate to change this approach.
- 5.8 With the above points in mind, it is considered that the 2012-based SNPP should provide the very minimum projection of population growth in Medway.
- 5.9 The approach to assessing an uplift for economic growth is considered to be broadly sound. However it is considered that the use of only one forecast is a weak approach. Given the fluctuation of job growth forecasts, Barton Willmore would recommend an average of the three leading forecasting houses; Experian Economics, Cambridge Econometrics, and Oxford Economics. This approach was endorsed by the South Worcestershire Local Plan Inspector.
- 5.10 The SHENA does not suggest a direct uplift to account for worsening market signals. The SHENA acknowledges that some market signals in Medway have worsened to a greater extent than neighbouring local authorities, the south east region, and the national average. The PPG states that an upward adjustment to the demographic starting point should be applied in the event that any of the market signals indicators show a worsening trend. The SHENA considers the level of uplift the economic scenarios provide to be insufficient, however, the 8.6% uplift provided by the CLG 2012-based household projections (adjusted to take account of the 2013 and 2014 MYPE) is considered by the SHENA to provide a significant uplift.
- 5.11 Barton Willmore do not agree. The level of uplift considered by the SHENA is considered in the context of a baseline demographic level of need that is already 10% below the starting point estimate (1,136 compared to 1,270 households per annum) over the period 2012-2037. In effect, the uplift considered by the SHENA still falls below the starting point estimate of need as indicated by the CLG 2012-based household projections, and which Barton Willmore consider to provide a conservative projection of future housing need.
- 5.12 The GVA SHENA and draft Plan identify significant affordable housing need (744 affordable dwellings per annum, 2012-2035). Delivered at a rate of 25%, this would require OAN of 3,000 dwellings per annum if it were to be delivered in full. High Court judgements confirm that Local

Plans do not have to meet affordable need in full, but should be 'addressed', and an increase to OAN considered to help to deliver the affordable housing. The existing OAN determined by the GVA SHENA does not address the significant affordable housing need in Medway.

Way Forward

- 5.13 The PPG states how the OAN should be an unconstrained assessment. The SHENA's approach to OAN is not considered to comply with the PPG in this regard, and sets an OAN below the PPG's starting point estimate. Adjustments for household formation suppression, more recent migration trends, worsening market signals, and affordable housing need indicate a requirement for OAN significantly higher than the starting point estimate of OAN, 1,323 dwellings per annum (2012-2035). The OAN suggested by the SHENA is considered to be wholly inappropriate and not positively prepared, as required by paragraph 182 of the NPPF.

APPENDIX D

Objectively Assessed Housing Need Dashboard (Barton Willmore Research, February 2016)

Objectively Assessed Housing Need

Medway Unitary Authority

February 2016 (updated)



Introduction

Planning Practice Guidance (PPG) on Housing and Economic Development Needs Assessments (26 March 2015) outlines the methodology for assessing housing need in the housing market area. The assessment should be an objective and unconstrained assessment based on facts and unbiased evidence.

This report summarises objectively assessed housing need for [Medway Unitary Authority](#). Although there are links with Greater London, it is considered pragmatic to consider Medway Borough as a District-wide HMA.

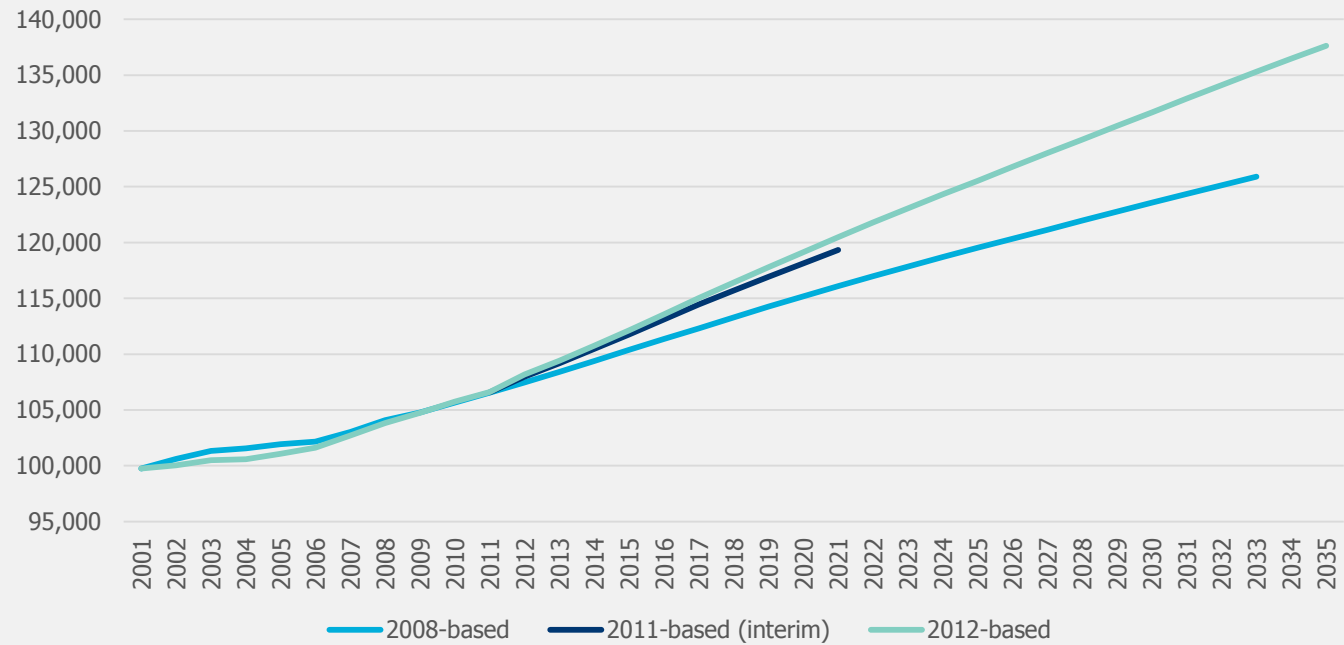
OAN Methodology

Following PPG, Barton Willmore's approach to assessing housing need is as follows.

1. Identify the [starting point estimate](#) of need and apply [demographic adjustments](#) to address household suppression and/ or to test alternative migration trends
2. Assess the labour force capacity of the demographic assessment and, if necessary, apply an uplift to support [job growth](#) in line with current forecasts and/ or past trends
3. Analyse [market signals](#) identified by PPG as; land prices, house prices, private rents, affordability, rate of development and overcrowding. A worsening trend in any of these indicators will require an upward adjustment to planned housing numbers
4. Establish whether the modelled housing need would meet [affordable housing need](#) or whether any further adjustment is necessary

This report provides a streamlined summary of these key issues. Further detail on modelling assumptions can be found the in accompanying Barton Willmore OAN Methodology statement.

CLG Household Projections: Medway

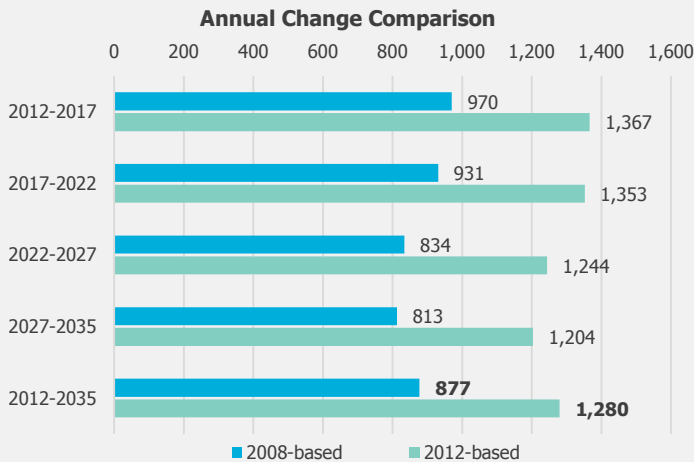


Household projections published by the Department for Communities and Local Government (CLG) should provide the starting point estimate of overall housing need.

The most recent series are the 2012-based household projections published on 27 February 2015. These project growth of **1,280 households per annum** in Medway over the period 2012-2035. Once an allowance for vacancy and second homes has been applied (3.3%) this equates to growth of **1,324 dwellings per annum**.

The 2012-based CLG projection projects a significantly higher level of household growth than the previous full projection (2008-based series) despite the falling levels of household formation projected in the 25-44 age group (see household formation opposite).

This suggests that household growth in Medway is largely being driven by higher population growth experienced in the area in recent years.

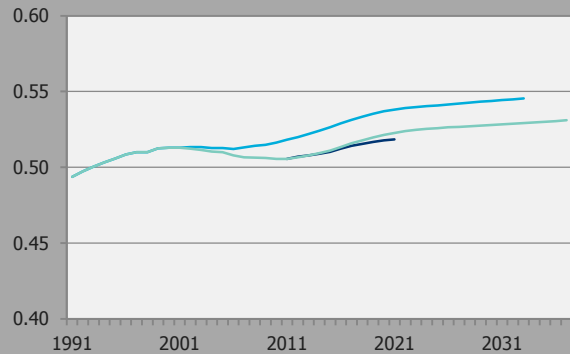


Source: Communities and Local Government (CLG) Household Projections

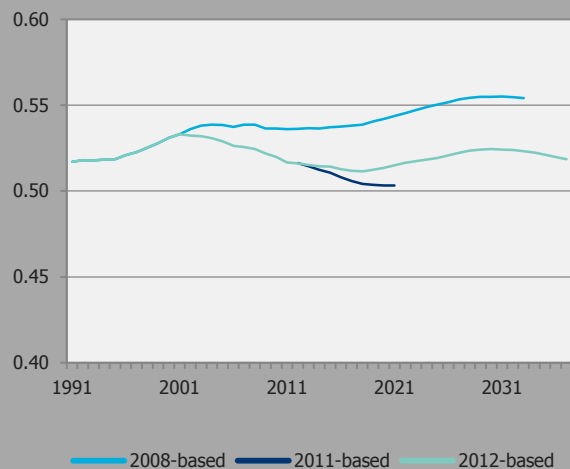
Suppressed Household Formation

The likelihood that a person of a certain age and gender to 'head' a household (household formation rate) is lower in some age groups in the 2012-based household projections compared to previous series. This suggests that the 2012 rates suppress household formation, particularly for younger people aged 25-34 and 35-44 years, in Medway. These are the groups who found it the most difficult to enter the housing market during and after the recession. An adjustment to the 2012 household formation rates in the 25-44 age group is required to address this issue.

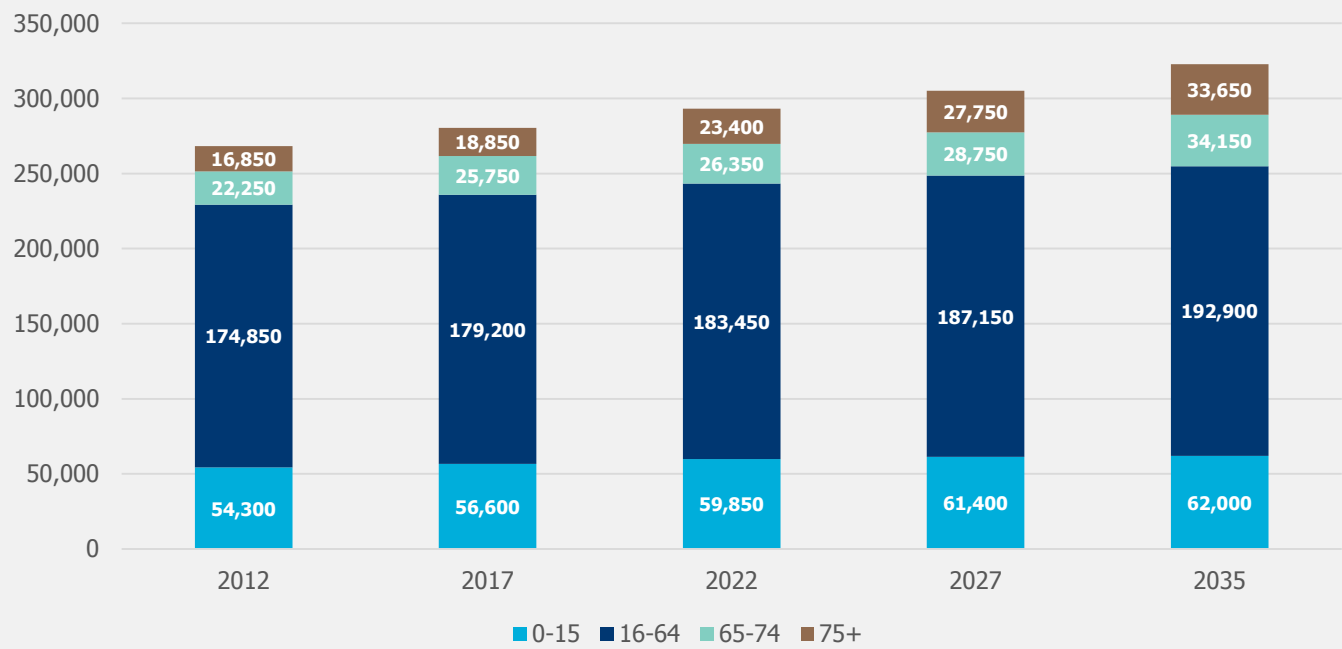
Household Formation Rates: All Ages (15+)



Household Formation Rates: Aged 25-44



ONS 2012-based Population Projections: Medway

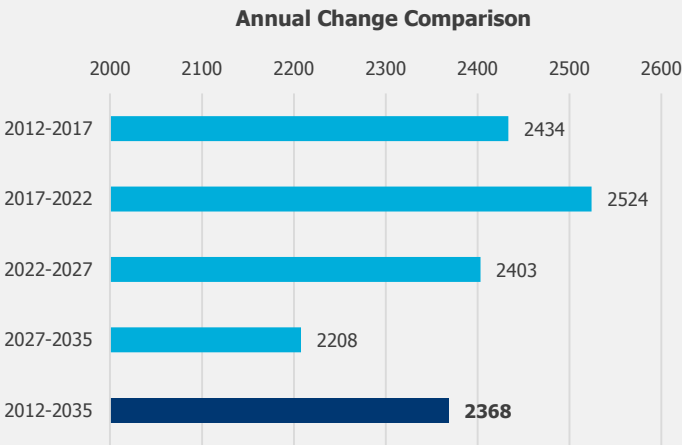


The 2012-based Sub National Population Projections (SNPP) project Medway’s population to increase by an **additional 2,368 people per annum** over the period 2012-2035.

This is broadly comparable to the previous interim 2011-based ONS SNPP (circa 2,500 people per annum, 2011-2021), but significantly higher than the pre-recessionary 2008-based series (circa 1,370 people per annum).

At a national level the 2012-based ONS SNPP are considered a conservative projection, being underpinned by 165,000 net international migrants per annum projected between 2012 and 2037. This compares with over double this assumption (336,000 people per annum) being recorded in the most recent year (ending June 2015).

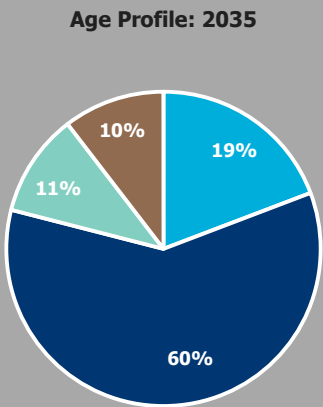
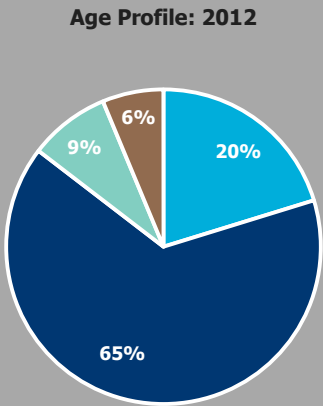
For this reason, flexibility for higher population growth in Medway than projected by the 2012-based ONS SNPP and the 2012-based CLG household projection is required, to ensure a significant underestimate is not assumed. If net-migration trends justify an upward adjustment to the 2012-based ONS SNPP, the PPG makes provision for this (see next slide).



Source: Office for National Statistics (ONS) Sub National Population Projections

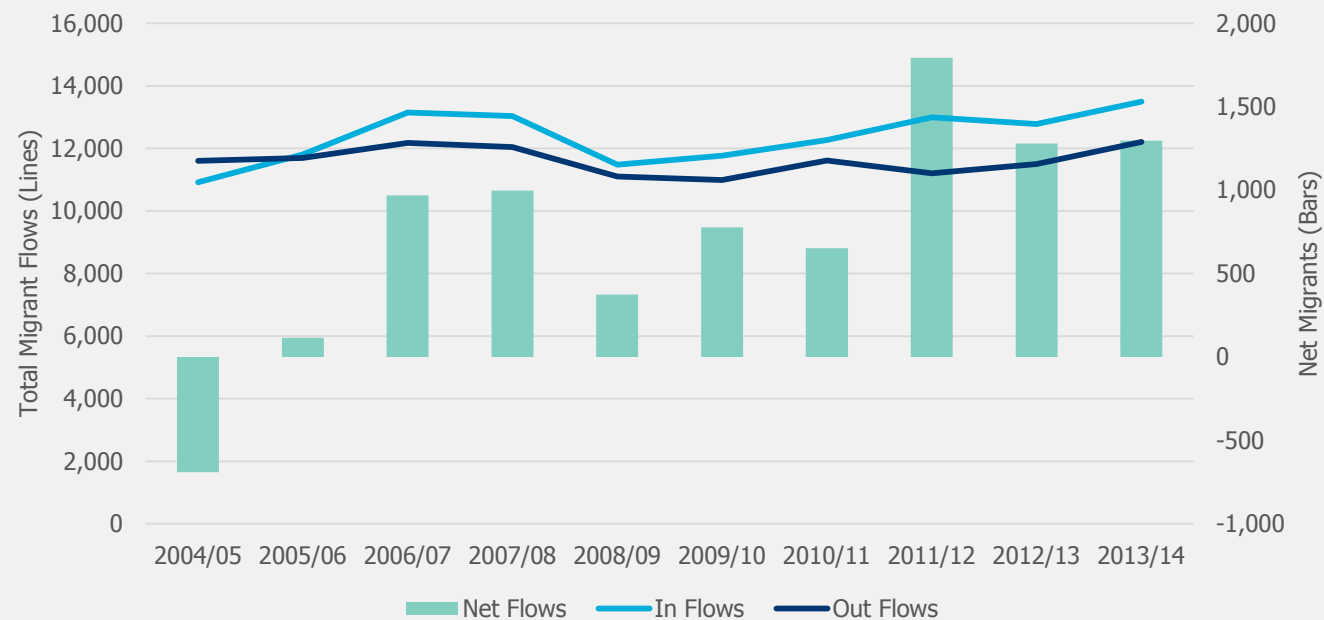
The Ageing Population

Over the Plan Period, the age profile of Medway is projected to change significantly. By 2035, the over 65 population will have increased by 6%. Left unchecked, the relative decline of prime working age (16-64) population will have an adverse effect on future economic competitiveness and productivity.



0-15 16-64 65-74 75+

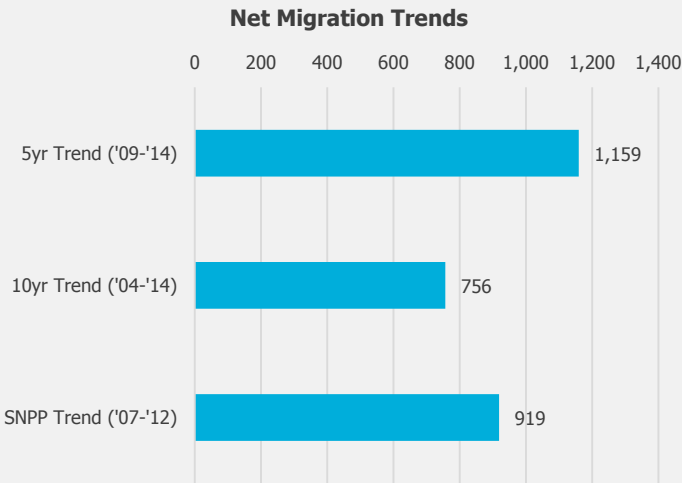
Migration Flows: Medway



Over the past decade there have been higher in flows than out flows of people moving to Medway, resulting in significant net in-migration to the Borough. Net in-migration fell sharply between 2008/09 and 2010/11 following the onset of the recession, but since 2011/12 has increased to between 1,280 and 1,793 people per annum.

Notwithstanding the most recent 5-year (2009-2014) trend incorporating the end of the recessionary period, the average has been for net in-migration of 1,159 people per annum. This exceeds the 10-year trend (756 people per annum) and the trend over the period 2007-2012 (919 people per annum) which underpins the 2012-based SNPP.

Despite net migration increasing significantly in the last three years, it cannot be certain whether this increase will continue. On this basis, it is considered that the 2012-based SNPP provide a reasonable demographic projection for Medway at this point in time but that the projection should be considered a very minimum and that if subsequent data releases show net migration to Medway continually increasing then the demographic assessment should be adjusted to reflect this.

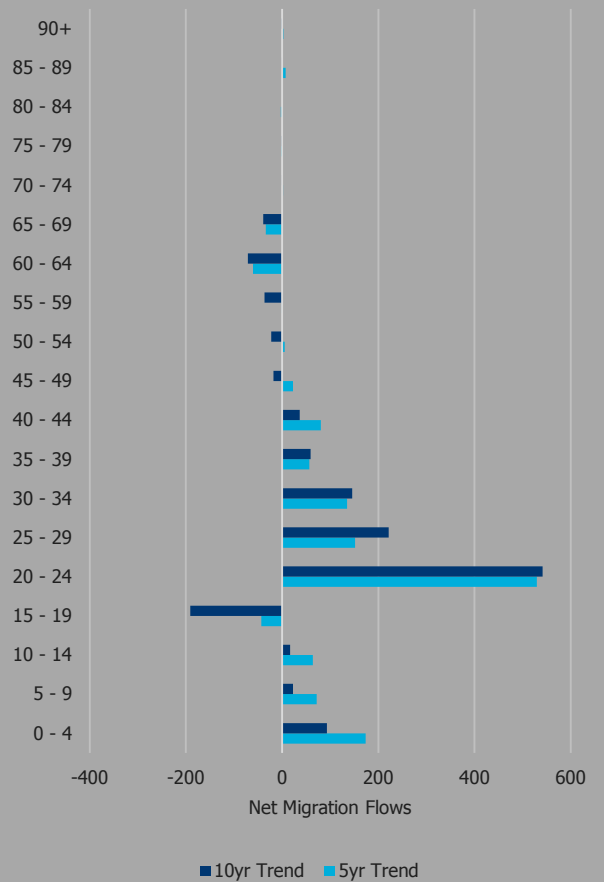


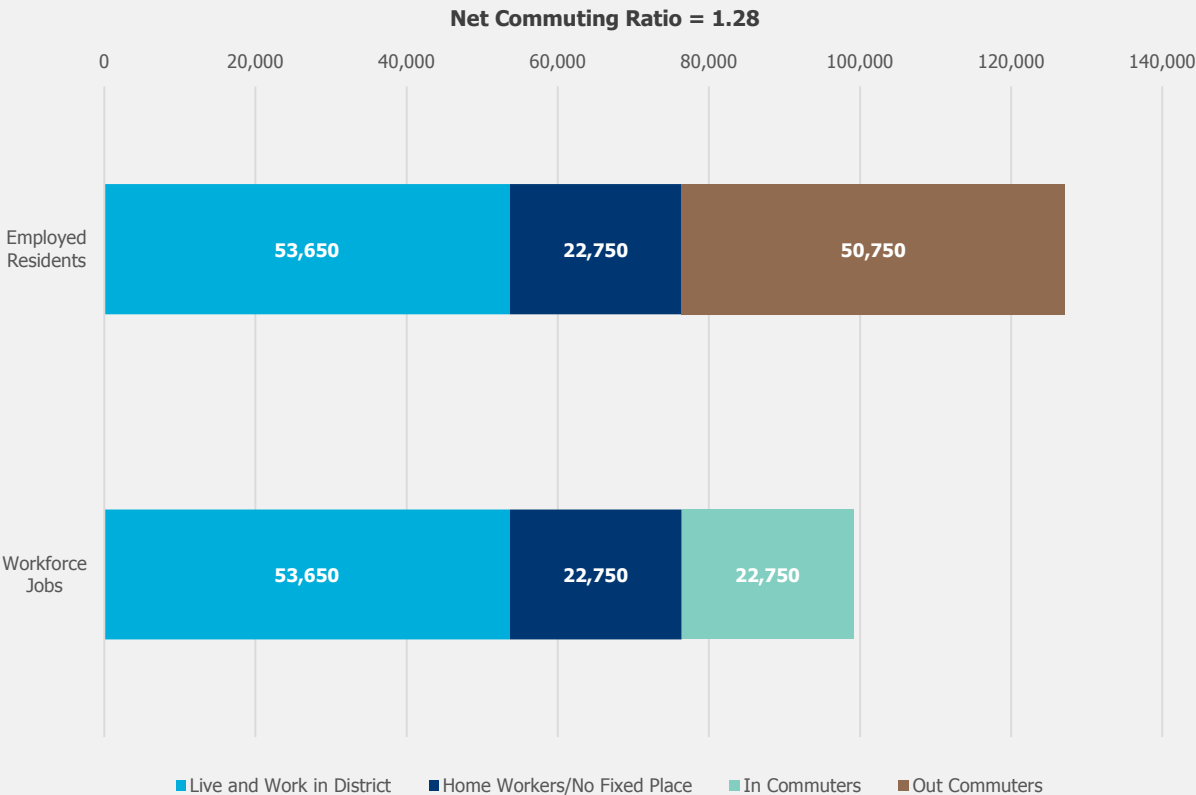
Source: Office for National Statistics (ONS) Components of Population Change

Age Profile of Migrants

Net migrants to Medway tend to be younger families who are of working age. Encouraging net migration will therefore counter the naturally ageing population of Medway. Without net migration the working age population of Medway will fall significantly over the plan period. To support economic growth in Medway the resident labour supply needs to increase to support past trends and forecasts of job growth.

Net Migration by Age Group





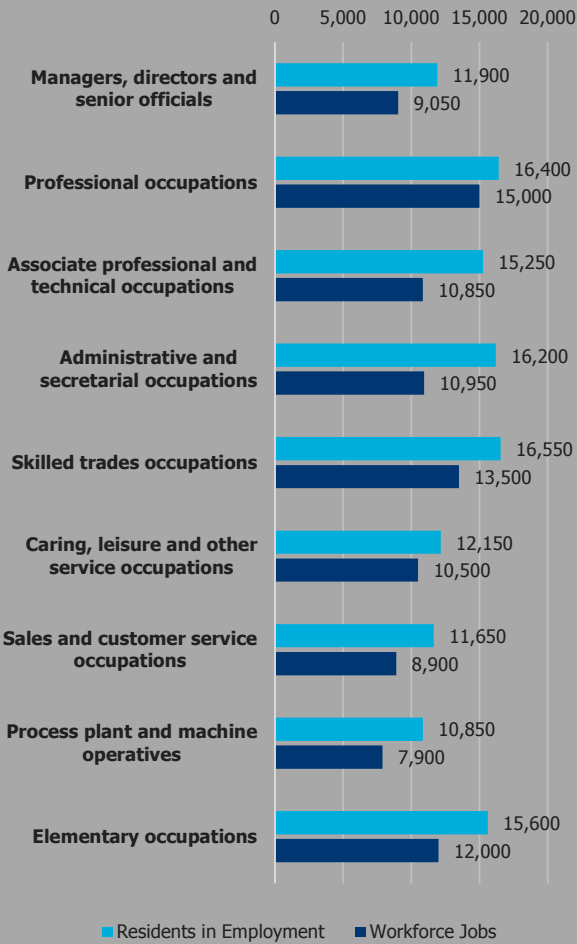
Within Medway there is a greater number of residents in employment compared to the number of jobs which means that Medway exports labour. This results in a commuting ratio of 1.28.

The commuting ratio is of importance in determining the number of people required to move into an area to generate labour force and fill jobs. The commuting ratio may change over the Medway Plan period (2012-2035), and this could require more or less workers. However for the purposes of demographic modelling and objectively assessing need, the commuting ratio is maintained at 2011 Census levels to ensure the objective assessment of need is unconstrained and 'policy off'.

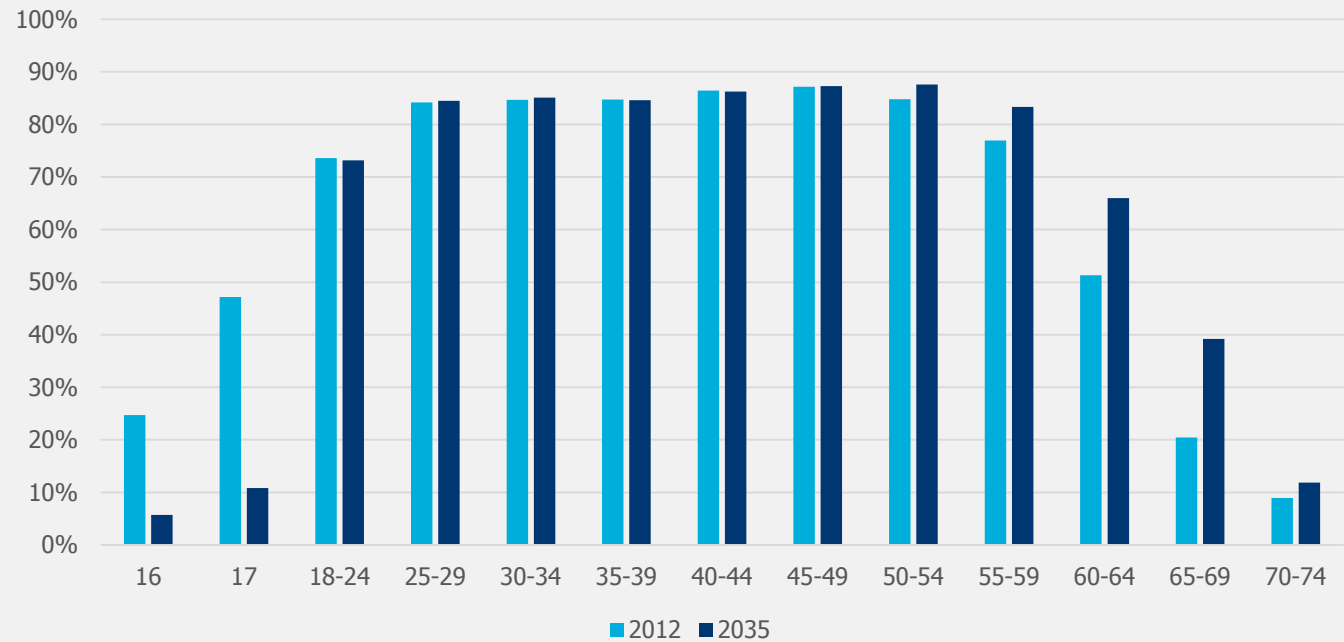
In the case of Medway, for every 100 jobs created, 128 economically active (labour force) people will be required.

Commuter Flows by Occupation

The data in this table shows how there is a net outflow of residents in employment in all occupations in Medway Borough. Professional and skilled occupations employ the largest numbers of people, both within the Borough and outside. Manual occupations employ the lowest numbers.



Economic Activity Rate Projections: Medway



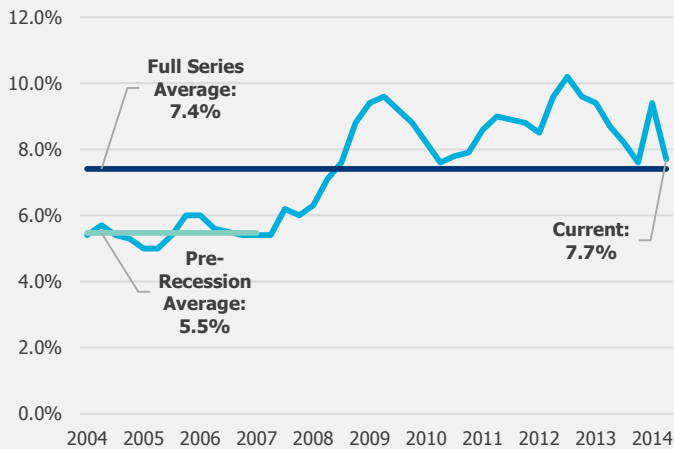
Economic activity rates measure, for a given age and gender band, the proportion of the population who are likely to be available for work.

The extension of State Pension Age (SPA) and the effective abolition of age-related retirement will increase the activity rates among the older age bands. In contrast, the extension of compulsory education to the age of 18 will reduce the activity rates of 16 and 17 year olds.

Activity rates are applied to the population projection to calculate the economically active population (resident labour supply) and therefore even where rates are held constant, an increase in the population will result in an increase in the resident labour supply. The graph above illustrates how the economic activity will increase over the Plan period.

Unemployment rates increased in Medway during the recession. In late 2009 the **unemployment rate peaked at 9.6%**. Barton Willmore's assessment assumes that unemployment will return to the **pre-recession average of 5.5%** by 2021 and remain constant thereafter.

Medway Unemployment Rates - APS

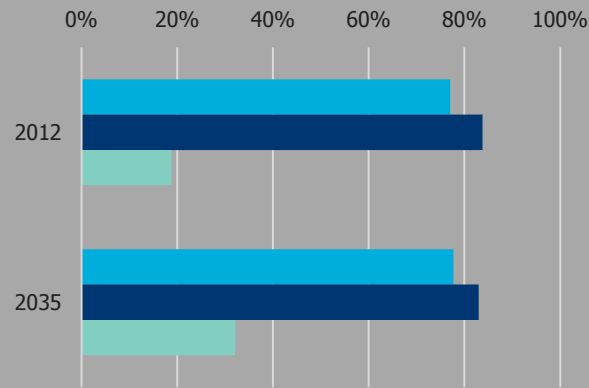


Source: ONS, 2011 Census Economic Activity projected using Kent County Council Activity Rate Forecasts to 2036, November 2014
ONS, Annual Population Survey Model Based Estimates of Unemployment

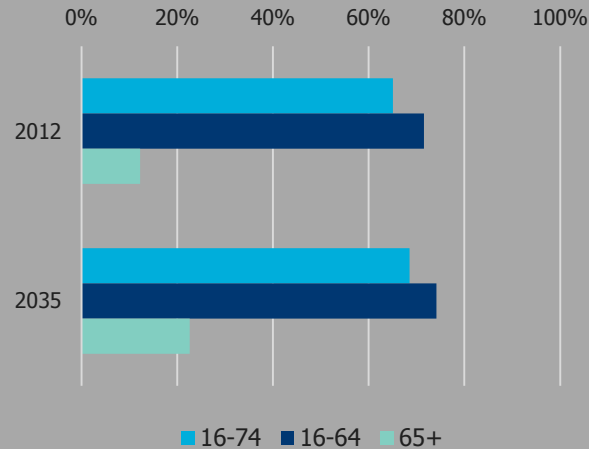
Male and Female Economic Activity

Economic activity rates are generally higher for males than females. However, between 2001 and 2011, female activity rates increased more rapidly than males as a result of increased participation of females in the labour market. Projections assume this pattern will continue. However, female rates are still expected to remain lower than males. The extension and equalisation of male and female SPA will increase future economic activity rates for both males and females aged 65+.

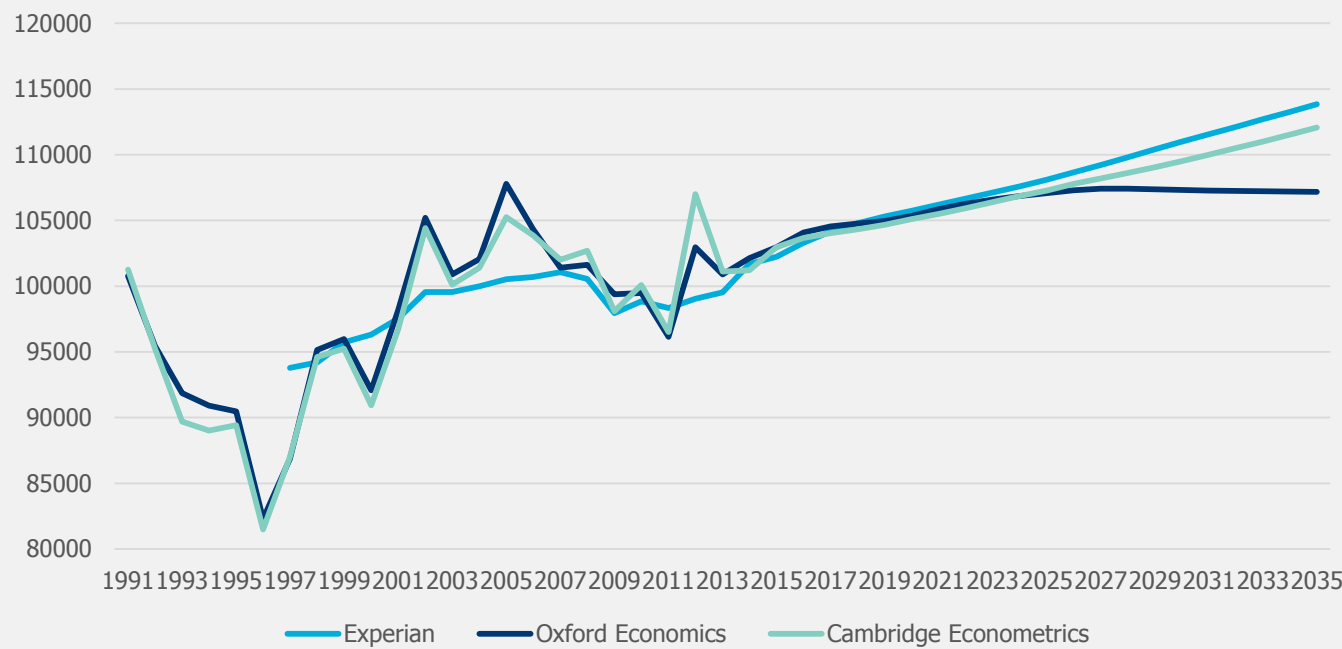
Male activity rate projections



Female activity rate projections



Workforce Job Growth: Medway

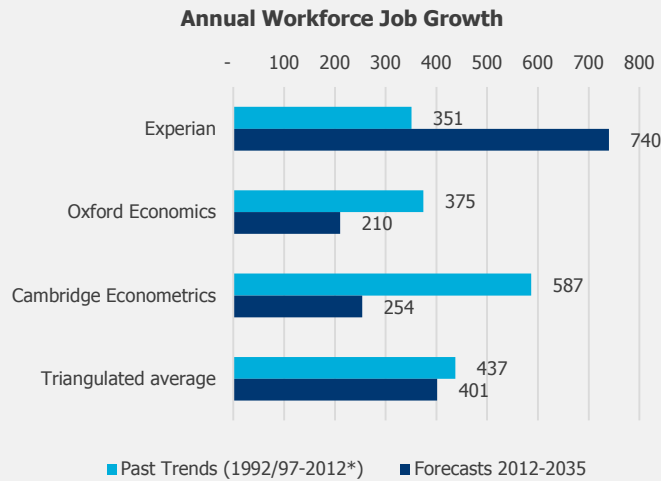


The PPG (paragraph ID2a-018) states how employment forecasts and trends must be taken into account when establishing unconstrained OAN.

In this context Barton Willmore has obtained the most recent job growth forecasts from the leading three forecasting houses (Experian Economics, Cambridge Econometrics, and Oxford Economics). The three sources provide past trends alongside the forecasts for the period being assessed here (2012-2035).

The average forecast job growth for the Plan period is 401 jobs per annum. This follows a broadly similar trajectory to the average past trends recorded by the three forecasting houses (437 jobs per annum, 1992/97-2012).

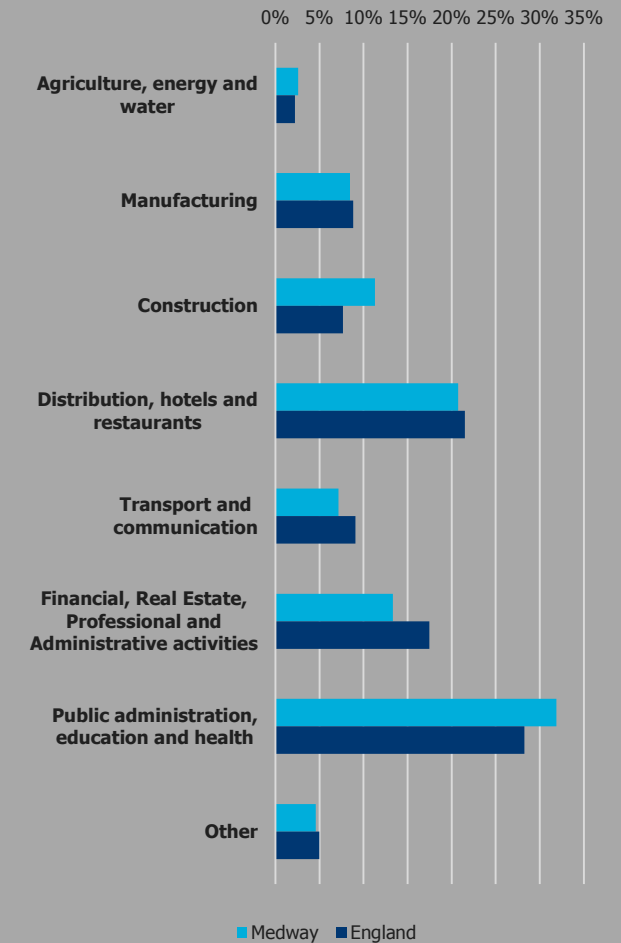
The demographic forecasting undertaken in this assessment therefore establishes the level of housing growth required to support job growth of 401 jobs per annum in Medway.



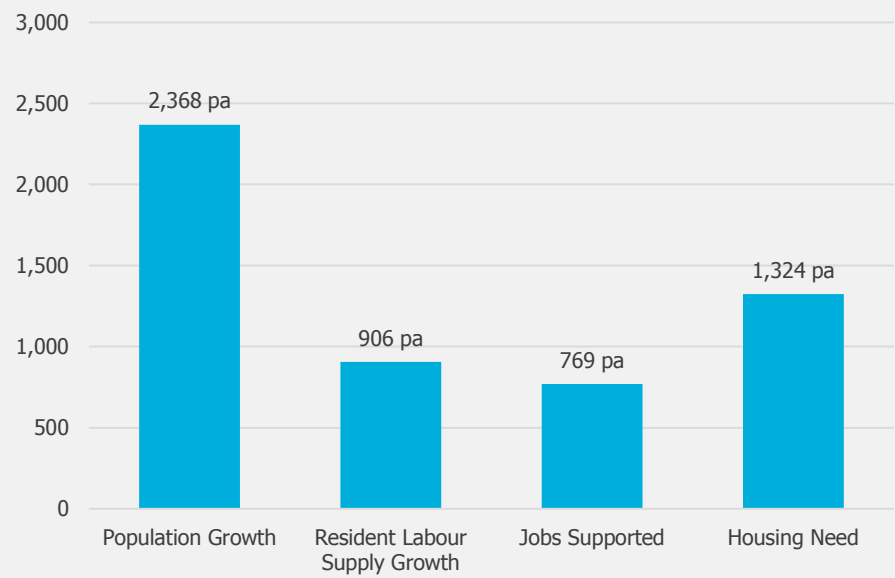
Source: Experian Economics, Oxford Economics, Cambridge Econometrics

Key Industrial Sectors

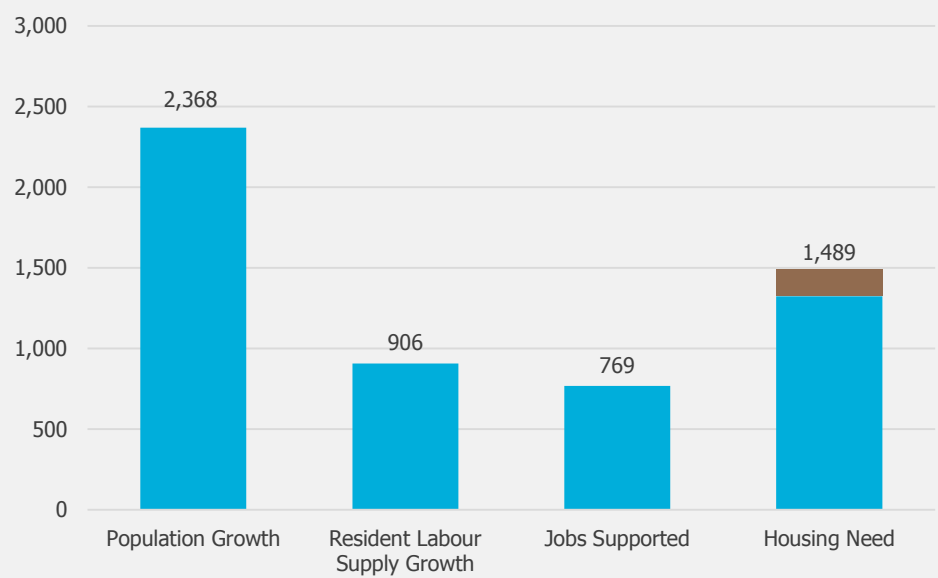
Medway's employment base is diverse with people who work in Medway working in a wide range of industries. The industrial sector which employs the most people is the Public administration, education and health sector (32%) followed by Distribution, hotels, and restaurants (21%). These two sectors account for over 50%.



Starting Point



Household Formation Adjustment



■ Starting Point ■ HFR adjustment

The PPG’s ‘Starting Point’ scenario is a reflection of the CLG 2012-based Household Projection series, with adjustments made to convert household change into housing need (by applying adjustments for vacant and second homes). In Medway this adjustment rate is 3.3% and the unadjusted dwelling requirement would be **1,324 dpa, 2012-2035**.

This starting point would provide for the policy off average job growth forecast (401 jobs per annum) we set out on page 8.

However this is the **starting point estimate only**. To comply with the requirements of PPG, consideration of the underlying household formation rates and migration assumptions underpinning this starting point need to be considered. Adjustment should then be made if local circumstances dictate.

The starting point estimate of need (1,324 dpa) is considered to be underpinned by suppression in household formation in the 25-44 age group in Medway. PPG ID2a-015 states how sensitivity testing can be undertaken, specific to local circumstances, and in this context an adjustment to the starting point has been made. This complies with the NPPF requirement to ensure Plans are positively prepared.

The above graph shows how a blended approach to household formation rates would alter the OAN starting point. This blended approach is as follows; all ages with the exception of the 25-44 age group are underpinned by the household formation rates of the starting point. However in the 25-44 age group we have applied a return to the pre-recessionary 2008-based household formation rates by the end of the Plan period (2035). This will help to alleviate the clear suppression in household formation in this age group.

This adjustment results in an **increase to 1,489 dpa, 2012-2035**. This is considered to represent full OAN for Medway.

The PPG states how an adjustment to the demographic projection can also be considered. Barton Willmore’s analysis of migration trends has identified that net migration to Medway has increased in the last three years. However, we cannot be certain whether this is a reversal of trend. Until more sufficient data is available, it is considered appropriate to plan on the basis on the 2012-based SNPP. Nonetheless it is considered that the 2012-based SNPP should provide the **very minimum** level of future population growth in Medway given the low international migration assumptions they are underpinned by. However, if subsequent releases of Mid-Year Population Estimates provide evidence that migration to Medway is continuing to increase, then the approach to OAN may require modification.

The affordability ratio measures the ratio between lower quartile house prices and lower quartile earnings. The chart to the right tracks the affordability ratio in Medway between 1999 and 2013 based on a three year rolling average.

Although Medway is lower than the average for the south east region, in 2013 lower quartile house prices remained 6.6 times lower quartile earnings. House prices are therefore unaffordable for most first time buyers.

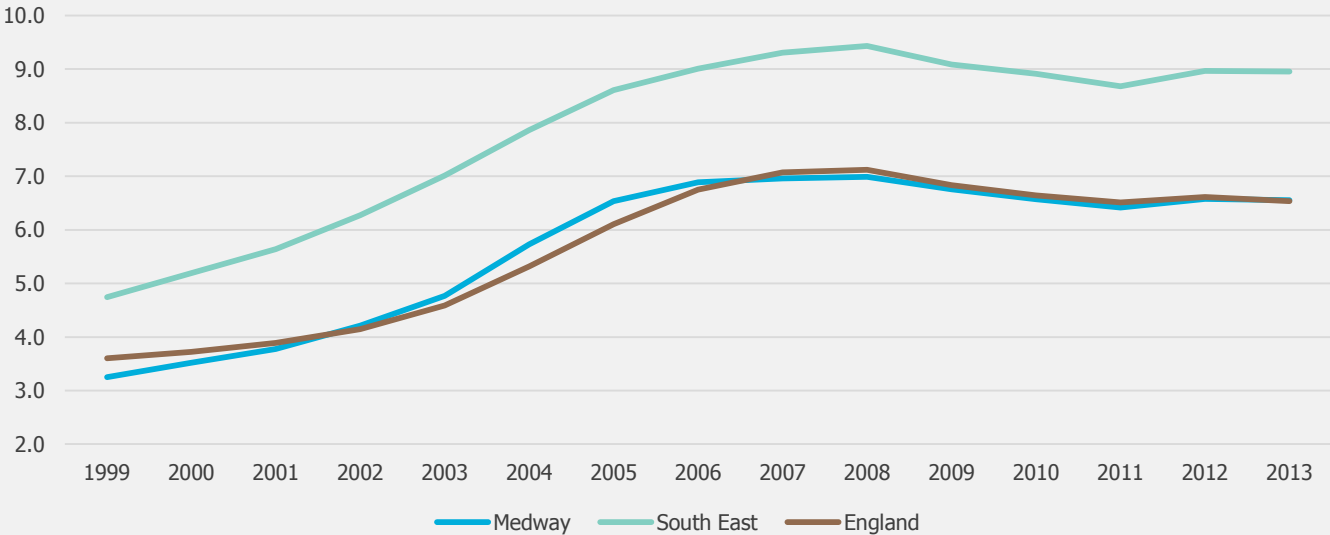
Private housing market entry thresholds indicate that 68% of first time buyers in Medway would not be able to afford a lower quartile house and 59% would not be able to afford lower quartile rents in the Borough.

Affordability is just one of the six market signals that PPG identifies needs consideration when determining housing need, with a worsening trend in any of the indicators providing justification for an adjustment to the housing need number suggested by the household projections.

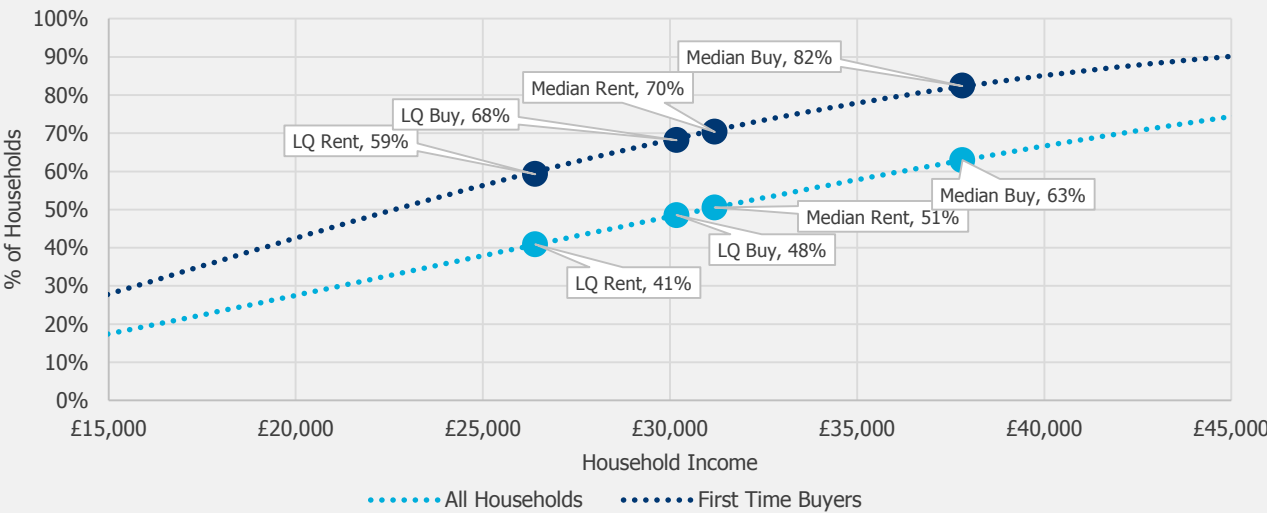
Further consideration of all of the market signals is deemed necessary in order to establish the full extent to which there are market signals issues within Medway, but this evidence suggests an acute affordability problem in Medway.

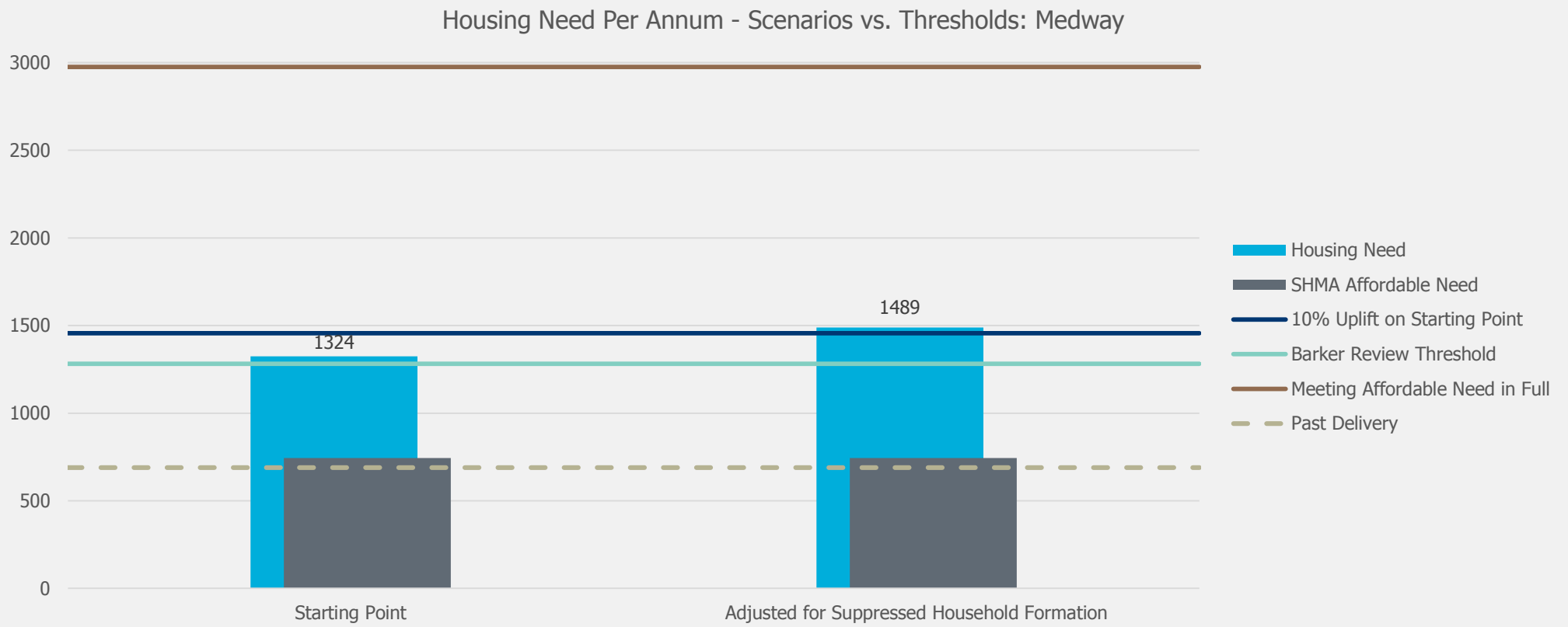
The OAN we propose would help to alleviate worsening affordability in Medway.

Lower Quartile Affordability Ratio: Medway



Private Housing Market Entry Thresholds: Medway





The 'starting point estimate' of housing need in Medway as indicated by the CLG 2012-based household projections is **1,324 dwellings per annum** over the period 2012-2035. If a 10% uplift is applied to the 'starting point' estimate (in line with the 'modest' uplift applied by Inspectors in recent Examinations, for example Eastleigh) to address worsening market signals, then this would bring housing need up to approximately **1,456 dwellings per annum**.

However, the 'starting point estimate' is considered an **underestimate** of future housing need, as it projects suppressed household formation rates in the 25-44 age group over the 23-year Plan period. An adjustment to more positive 2008-based rates of household formation solely in the 25-44 age group shows how the starting point estimate would need to be increased to **1,489 dwellings per annum** to ensure the suppression in the 25-44 age group is alleviated. Planning on the basis of more positive rates of household formation would help to improve affordability for first time buyers and reduce the number of concealed households (such as adult couples living with parents) in this age group.

The 'starting point' adjusted for suppressed household formation would generate the level of economically active population required to meet the average 'policy off' job growth forecast (401 jobs per annum). An upward adjustment for job growth is not considered to be required. However the draft Medway Plan identifies affordable housing need equating to 744 affordable dwellings per annum. The Council's policy is to deliver 25% affordable housing on all major developments. To achieve this, OAN would need to increase to nearly 3,000 dwellings per annum, 2012-2035.

The 2012-based Household Projections indicate a starting point of 1,324 dwellings per annum, including a vacant dwelling adjustment of 3.3%.

The 25-44 age group shows clear signs of suppressed household formation in Medway. A return to pre-recessionary 2008-based household formation rates in this age group by 2035 would increase the starting point estimate to 1,489 dpa, 2012-2035.

Despite net migration to Medway increasing in recent years it is uncertain whether this trend will continue. On this basis, it is considered that the 2012-based SNPP provide an appropriate demographic projection for assessing housing need. However, the level of population growth projected by the 2012-based SNPP should be considered a minimum.

The demographic-led adjustments will result in growth of the economically active (labour force) population that will support the average 'policy-off' job growth forecast (400 jobs per annum). No further adjustment for jobs growth is considered necessary.

The latest evidence from Medway shows affordable housing need of 774 dpa. To meet this in full at provision of 25%, OAN of nearly 3,000 dpa would be required. This is not considered realistic, however we recommend the OAN of 1,489 dpa, which will go some way to meeting some of the significant affordable need.

Full OAN for Medway is considered to be 1,489 dpa, 2012-2035

METHODOLOGY STATEMENT
FOR OBJECTIVELY ASSESSING HOUSING NEED IN
MEDWAY UNITARY AUTHORITY

Project Ref:	20894/A5/DU
Status:	Final
Issue/ Rev:	02
Date:	02/16
Prepared by:	DU
Checked by:	DU
Authorised by:	EW

Barton Willmore LLP
The Observatory
Southfleet Road
Ebbsfleet
Dartford
DA10 0DF

Tel: (01322) 374660
Fax: (01322) 374661
E-mail: research@bartonwillmore.co.uk

Ref: 20894/A5/DU
Date: February 2016

COPYRIGHT

The contents of this document must not be copied or reproduced in whole or in part without the written consent of Barton Willmore LLP.

All Barton Willmore stationery is produced using recycled or FSC paper and vegetable oil based inks.

CONTENTS

PAGE NO

1.0	INTRODUCTION	01
2.0	OVERVIEW OF OAN METHODOLOGY	02
2.0	POPGROUP DEMOGRAPHIC FORECASTING MODEL	09
3.0	DATA ASSUMPTIONS AND SOURCES	13

1.0 INTRODUCTION

- 1.1 This paper has been produced to accompany the Objectively Assessed Housing Needs (OAN) dashboard for Medway Unitary Authority (MUA). It is intended to provide a more detailed description of the methodology used for assessing OAN.
- 1.2 Chapter 2 of the paper begins with a detailed outline of the national planning policy and guidance on establishing OAN, setting out the methodological approach taken by Barton Willmore.
- 1.3 An overview of the POPGROUP demographic forecasting model is presented in Chapter 3. This is the forecasting tool which has been used by Barton Willmore to undertake sensitivity testing of alternative demographic and household formation assumptions, along with an assessment of the level of housing required to support economic growth.
- 1.4 The data assumptions used within Barton Willmore's assessment of OAN along with their respective sources are presented in Chapter 4.

2.0 OVERVIEW OF OAN METHODOLOGY

- 2.1 The requirement for all Local Planning Authorities (LPAs) to base their housing targets on objective assessments of need is rooted in national planning policy – specifically the National Planning Policy Framework (NPPF) and the Planning Practice Guidance (PPG).

National Planning Policy Framework (NPPF, 27 March 2012)

- 2.2 NPPF sets out the Government’s planning policies for England and how these are expected to be applied. NPPF states that planning should proactively drive and support sustainable economic development to deliver the homes that the country needs, and that every effort should be made to objectively identify and then meet housing needs, taking account of market signals (paragraph 17).
- 2.3 In respect of delivering a wide choice of high quality homes, NPPF confirms the need for local authorities to boost significantly the supply of housing. To do so, it states that local authorities should use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area (paragraph 47).
- 2.4 With regard to plan-making, local planning authorities are directed to set out strategic priorities for their area in the Local Plan, including policies to deliver the homes and jobs needed in the area (paragraph 156).
- 2.5 Further, Local Plans are to be based on adequate, up to date and relevant evidence, integrating assessments of and strategies for housing and employment uses, taking full account of relevant market and economic signals (paragraph 158).
- 2.6 For plan-making purposes, local planning authorities are required to clearly understand housing needs in their area. To do so they should prepare a Strategic Housing Market Assessment (SHMA) that identifies the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period (paragraph 159).

Planning Practice Guidance (PPG, 06 March 2014)

- 2.7 PPG was issued as a web based resource on 6th March 2014, following the publication of ‘beta’ guidance in 2013. Guidance on the assessment of housing development needs (PPG ID2a) includes the SHMA requirement set out in NPPF and supersedes all previous published SHMA practice guidance (CLG, 2007).

- 2.8 The primary objective of the housing development needs assessment (the SHMA) is to identify the future quantity of housing needed, including a breakdown by type, tenure and need (PPG ID2a 002).
- 2.9 Housing need refers to the scale of housing likely to be needed in the housing market area over the plan period, should cater for the housing demand in the area and identify the scale of housing supply necessary to meet that demand (PPG ID2a 003).
- 2.10 The assessment of need is an objective assessment based on facts and unbiased evidence and constraints should not be applied (PPG ID2a 004).
- 2.11 Use of the PPG methodology for assessing housing need is strongly recommended, to ensure that the assessment is transparent (ID2a 005). The area assessed should be the housing market area (ID2a 008), reflecting the key functional linkages between places where people live and work (ID2a 010).

PPG methodology for assessing housing need

- 2.12 The full methodology is set out at ID 2a 014 to 029 (overall housing need at ID2a 015 to 020), and is introduced as an assessment that should be based predominately on secondary data (ID2a 014).

i) Starting point estimate of need

- 2.13 The methodology states that the starting point for assessing overall housing need should be the household projections published by the Department for Communities and Local Government, but that they are trends based and may require adjustment to reflect factors, such as unmet or suppressed need, not captured in past trends (ID2a 015).

"The household projection-based estimate of housing need may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends. For example, formation rates may have been suppressed historically by under-supply and worsening affordability of housing." (2a-015) (Our emphasis)

ii) Adjusting for demographic evidence

- 2.14 The PPG methodology advises that adjustments to household projection-based estimates of overall housing need should be made on the basis established sources of robust evidence, such as ONS estimates (2a-017).

iii) Adjusting for likely change in job numbers

- 2.15 In addition to taking into account demographic evidence the methodology states that job trends and or forecasts should also be taken into account when assessing overall housing need. The implication is that housing numbers should be increased where this will enable labour force supply to match projected job growth (2a-018).

"Where the supply of working age population that is economically active (labour force supply) is less than the projected job growth, this could result in unsustainable commuting patterns ... and could reduce the resilience of local businesses. In such circumstances, plan makers will need to consider how the location of new housing or infrastructure development could help address these problems."
(2a-018)

iv) Adjusting for market signals

- 2.16 The final part of the methodology regarding overall housing need is concerned with market signals and their implications for housing supply (2a-019:020).

"The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings." (2a-019)

- 2.17 Assessment of market signals is a further test intended to inform whether the starting point estimate of overall housing need (the household projections) should be adjusted upwards. Particular attention is given to the issue of affordability (2a-020).

"The more significant the affordability constraints ... and the stronger other indicators of high demand ... the larger the improvement in affordability needed and, therefore, the larger the additional supply response should be." (2a-020)

v) Overall housing need

- 2.18 An objective assessment of overall housing need can be summarised as a test of whether the household projection based starting point can be reconciled with a) the latest demographic evidence, b) the ability to accommodate projected job demand, c) the requirement to address worsening market signals. If it cannot be reconciled, then an adjustment should be made.
- 2.19 The extent of any adjustment should be based on the extent to which it passes each test. That is,
- It will at least equal the housing need number implied by the latest demographic evidence,
 - It will at least accommodate projected job demand; and,
 - On reasonable assumptions, it could be expected to improve affordability.
- 2.20 The approach used by Barton Willmore to objectively assess overall housing need follows the methodology set out in PPG 2a-014:20 and summarised above. The result is a policy off assessment of housing need that takes no account of the impact of planned interventions, strategies and policies.

vi) Affordable housing need assessment

- 2.21 The methodology for assessing affordable housing need is set out at 2a-022 to 029 and is largely unchanged from the methodology it supersedes (SHMA 2007). In summary, total affordable need is estimated by subtracting total available stock from total gross need. Whilst it has no bearing on the assessment of overall housing need, delivering the required number of affordable homes can be used to justify an increase in planned housing supply (2a-029).

"The total affordable housing need should then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments ... An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes." (2a-029) (our emphasis)

Barton Willmore Methodological Approach

- 2.22 Barton Willmore's approach to OAN closely follows the approach set out in PPG, and is therefore methodologically robust.

Stage One – Define the Housing Market Area Boundary

- 2.23 Before any assessment can be carried out, the limits of the HMA must be defined. This is vital to ensure that the OAN reflects the social and economic dynamics of the area, and informs discussions on distribution should a particular LPA within the HMA face insurmountable challenges in accommodating its own demand for housing.
- 2.24 As a starting point, research from the Centre for Urban and Regional Development Studies (CURDS) at Newcastle University is consulted, and compared against ONS Travel to Work Areas (most recently produced in 2007 from 2001 Census data – update due in 2015) and HMA definitions applied within recent LPA evidence base studies. These definitions are then tested using commuting and migration flow data (plus data on house prices) to determine which is most appropriate for the purpose of assessing housing need, taking account of guidance set out at PPG ID: 2a-009 to 013. The HMA area as defined and used by the LPAs has also been considered within this assessment.

Stage Two – Identify and Adjust Demographic Starting Point

- 2.25 The CLG 2012-based Household Projections (released in February 2015) act as the starting point for assessing housing need (as established at PPG ID: 2a-015). However, these projections alone do not constitute OAN – several adjustments are required based on further evidence.
- 2.26 The first adjustment made is to account for suppressed household formation inherent in the 2012-based household formation rates. The problem of suppression arises because although formation rate projections are based on a long run trend which takes its bearings from Census points since 1961/71, that trend is distorted by the results of the 2011 Census, taken at a time when formation was greatly constrained by economic factors (supply, affordability and the aftermath of recession). An adjustment therefore needs to be made to the household formation rate assumptions, relative to local circumstances. To do this, a return to the household formation rates assumed in the last pre-recession household projections series can be incorporated into the forecasting model, for specific age groups and by gender, as appropriate.

- 2.27 A further adjustment can also be made to test alternative assumptions of net migration. Again, the recession has had a distorting effect on the movement of people between places, so longer term trends can provide a more robust guide of likely migration patterns in the future. However the short-term trend (past 5 years) can be justified.

Stage Three – Assess Labour Force Capacity

- 2.28 To identify the extent to which forecast labour demand will be accommodated by the OAN following the approach described above, a comparison is made between the size of the workforce arising from the adjusted demographic-led modelling, and job creation forecasts, taking into account 'policy-off' average job growth trends forecasts from three sources; Experian Economics, Cambridge Econometrics, and Oxford Economics; and potential changes in unemployment and economic activity rates over the plan period. The ratio of residents in employment and workforce jobs (the commuting ratio) is also an important input into this process.
- 2.29 If the size of the resulting workforce is less than the forecast number of jobs, it is likely that a further uplift in the dwelling target would be required. Should this occur, additional jobs-led modelling is carried out to identify the population growth (and therefore number of dwellings) required to supply sufficient labour capacity.

Stage Four - Assess Market Signals

- 2.30 Housing costs in all parts of the country are less affordable now than 20 years ago, largely due to a significant decline in the number of homes being built. The extent to which this breakdown between the supply of and demand for housing occurs within the subject HMA is observed through an analysis of Market Signals.
- 2.31 Several key Market Signals are assessed including House Prices, Private Rents, Affordability, Concealed and Overcrowded Households and Completion Rates. As stipulated at PPG ID: 2a-020, a worsening trend in any of these indicators requires a boost to the planned level of housing supply.

Stage Five – Bringing the Evidence Together

- 2.32 Overall housing need is identified by distilling the analyses discussed above into a single OAN for the period 2012-2035. This figure, by definition, does not take into account policy considerations which may place constraints on supply or limit the deliverability of housing. Housing need figures are provided for the relevant individual LPAs, but distribution of the

overall HMA OAN will in practice be subject to agreements between LPAs being made, including any constraints in particular areas.

Stage Six – Affordable Housing Need

- 2.33 The extent to which the OAN arrived at through the previous stages would meet affordable need is also assessed. Where the local authority SHMA has provided a recent and detailed account of affordable need which draws on primary research, this is used as the basis for much of the analysis. Where an LPA has not undertaken an affordable housing need assessment, an indication of what the requirement would be to meet the LPAs affordable policy is provided.

Chapter Summary

- 2.34 The approach of national policy and guidance clearly states the importance of objectivity and transparency in the assessment of housing requirements. This study has been prepared in accordance with this approach, and uses data and methodologies (where possible) which can be traced and replicated. The ultimate output of this study is a clear, unambiguous recommendation for housing development which is supported by a robust evidence base and sound assumptions.

3.0 POPGROUP AND DEMOGRAPHIC FORECASTING MODEL

3.1 The POPGROUP and Derived Forecast (DF) model is a well-established demographic model developed to forecast population, households and the labour force for specified geographical areas. POPGROUP has over 90 users, including academic and public service staff in housing, planning, health, policy, research, economic development and social services. It is the industry standard in the UK for demographic analysis within strategic planning. More information about POPGROUP can be found at <http://www.ccsr.ac.uk/popgroup/index.html>

3.2 The main POPGROUP model uses standard demographic methods of cohort component modelling that enables the development of population forecasts based on births, deaths and migration inputs and assumptions. In summary, this methodology adopts the following approach:

- take a base population by single year of age and gender;
- add births and 'in' migration (by age and gender) for year 1;
- subtract deaths and 'out' migration (by age and gender) for year 1;
- age the entire population by one year;
- results for year 1 can be noted;
- repeat the process above for each subsequent year of the forecast

3.3 The POPGROUP model can be used in conjunction with the DF model to produce household and labour force projections and subsequently to use housing and jobs as additional assumptions and constraints in further population projections.

3.4 Importantly the POPGROUP Model provides:

- independent projections that do not rely on other commercial forecasts;
- the ability to replicate Central Government population and household projections;
- the ability to run alternative 'what if' scenarios;
- flexibility to change data assumptions;
- a systematic, rigorous and transparent method so that results are easily traced back to assumptions;
- considerable disaggregation (e.g. annual forecasts, by single year of age and household types by age of 'head of household' for example)

- 3.5 In order to assess OAN, firstly the Central Government 2012-based population and household projections are re-produced within the POPGROUP model. This enables the starting point estimate of need to be determined according to PPG.
- 3.6 The POPGROUP model is then used to undertake a series of sensitivity tests by changing a number of input assumptions. The model assumptions that can be changed by the user are:
- starting population (by age and gender);
 - fertility rates (by age);
 - mortality rates (by age and gender);
 - household assumptions (vacancy rates, proportion second homes);
 - household representative rates (proportion of population, by age, gender and marital status, that are head of household);
 - in-migration profile (by age and gender and whether a migrant originates from elsewhere within the UK or from overseas);
 - out-migration profile (by age and gender and whether a migrant emigrates to elsewhere within the UK or overseas);
 - phasing of dwellings.
- 3.7 The first sensitivity test that is undertaken is to test the impact of alternative household formation rates in comparison to the rates used by CLG to produce the most recent 2012-based household projections. Household formation rates indicate the likelihood of a person to form a notional head of household. Household formation rates (by age and gender) are applied to the generated population forecast in order to indicate the future number of households and by analysing change over time can be used to indicate a future housing need requirement once an adjustment has been applied to take account of vacancy and second homes. This sensitivity test models the impact of applying a gradual full return to the 2008-based household formation rates for 25-34 year olds by 2035.
- 3.8 The second sensitivity test modelled within POPGROUP is to apply alternative migration trends in comparison to those used to produce the 2012-based Sub National Population Projections (SNPP). The 2012-based SNPP draw trends from the five-year period 2007-2012; a period reflecting deep economic recession which in some places resulted in atypical migration patterns.
- 3.9 The 2012-based ONS SNPP for Medway assumes net in-migration to Medway of 840 people per annum, 2012-2035. This is based on trends drawn from the period 2007-2012. Analysis of net migration over this period indicates net migration of 941 people per annum over this period

which is lower than average net migration of 1,159 people per annum drawn from a more recent 5-year period (2009-2014). Despite net migration to Medway increasing in recent years, it is uncertain whether this trend will continue. For this reason Barton Willmore consider the 2012-based SNPP to provide a reasonable demographic projection for Medway at this point in time. However, our approach may be adjusted in light of new evidence (for example, if the release of subsequent Mid-Year Population Estimates illustrates net migration to Medway continuing to increase).

- 3.10 In light of this, no alternative migration trends are presented for Medway. However, if they were, our approach to modelling alternative migration trends is outlined below.
- 3.9 There are two different ways to approach the consideration of alternative migration trends:
- The counts approach is based on the average net migrant count per year, by age and gender, for each migration flow (in and out) over a given period;
 - The rates approach is based on the average migrant count per year divided by the reference population, by age and gender for each migration flow over a given period. The reference population is taken to be UK population minus district population for in flows and district population for out flows.
- 3.10 Each approach will lead to slightly different results. For example, a 5-year trend of counts will result in a different population projection to one based on a 5-year trend of rates, yet both are reflective of a short-term (5-year) trend. No approach is right or wrong. However, a counts approach uses a fixed number of total migrants in each year of the projection period. In reality, this is unlikely to happen and migration counts will fluctuate. A rates based approach applies the past trend of age and gender specific migration rates to the changing demographic profile and as a result the number of migrants in each year of the projection period will be different.
- 3.11 Our preference is to use the rates based approach as in addition to reflecting past trends, it responds to the changing demographic profile, providing in our opinion, a more robust assessment. Furthermore this is the approach used by ONS to produce the Sub National Population Projections.
- 3.12 Model outputs from the sensitivity tests provide an indication of the resident labour supply that would be generated from the given scenario and by applying assumptions regarding unemployment and economic activity this can be used to determine the number of jobs that could be supported. This enables a conclusion to be reached as to whether the demographic-led assessment of need would support job growth in line with past trends and economic

forecasts. If it is determined that the demographic-led assessment of need would not support economic growth in line with past trends and economic forecasts, the POPGROUP model is then used to determine what level of housing would be required to support such economic growth.

- 3.13 The POPGROUP model is used to produce a population forecast constrained to an annual job growth target as indicated by past trends and/ or economic forecasts. In a job-led forecast the POPGROUP model calculates the required population and dwelling growth needed to support the future job target. In this type of forecast the model forecasts the population through the cohort component methodology but increases (or decreases) the population accordingly to meet the set job target by altering migration levels.
- 3.14 The POPGROUP model contains data specifically relating to the local authority under consideration in order to reflect the socio-demographic profile of the study area. The data assumptions and sources used to produce the Medway Unitary Authority forecasts are presented in the next section.

4.0 DATA SOURCES AND ASSUMPTIONS

- 4.1 The data assumptions and sources that have been used in the POPGROUP model to produce the OAN for Medway Borough are presented in Table 4.1.

Table 4.1: POPGROUP modelling assumptions

Variable	Data set	Source
Base population	2012 Mid-Year Population Estimates by single year of age and gender are used as the base population.	Office for National Statistics (ONS)
Fertility rate	Age specific fertility rates	ONS 2012-based Sub National Population Projections
Mortality rate	Age standardised mortality ratios by gender	ONS 2012-based Sub National Population Projections
Migrant profile	Age and gender specific migration rates broken down by in-migrants from overseas, in migrants from elsewhere within the UK, out-migrants to overseas, out-migrants to elsewhere in the UK	ONS 2012-based Sub National Population Projections.
Communal establishment population	Age and gender counts of people living in communal establishments. For ages 75+ proportions rather than counts are used to reflect the ageing population.	CLG 2012-based household projections
Household representative rates	Household representative rates by age and gender	CLG 2012-based household projections (Stage One) with sensitivity testing a full return to 2008-based rates by 2035 for those aged 25-44 years
Vacancy/ Sharing/ Second home rate	Proportion of dwellings vacant and second homes (3.3% in Medway).	2014 Council Tax Base and Live Table 125/615 (CLG)

Commuting ratio	Ratio based on residents in employment divided by workplace jobs (1.28 in Medway).	2011 Census Travel to Work Statistics (Table WJ01UK), ONS
Unemployment rate	APS model-based 2011 estimates falling to average rate between 2004 and 2007 by 2021 and then held constant (9.6% in 2011 falling to 5.5% in 2021).	Annual Population Survey (APS), ONS
Economic activity rates	Economic activity rates by age and gender are applied to the resident population to calculate resident labour force	2011 Census (ONS) and projected following Kent County Council (KCC) November 2014 methodology to take account of changes in retirement age (brief summary outlined below)

Projecting economic activity rates

- 4.2 Projecting economic activity rates has followed the Kent County Council methodology. This is a reasonable approach as it is the only contemporary research that we know of that seeks to predict what might happen to activity rates in the future, taking account of changes to the state pension age and trends in participation including working into old age. Economic activity rates have been calculated using 2011 Census data. Rates for 16 and 17 year olds have been calculated separately to model the impact of the extension of state education to 18 years of age by 2015. The expected impact of which is to slightly reduce economic activity of 16 and 17 year olds post 2015 (although account is taken of the fact that some will still have part-time jobs).
- 4.3 Economic activity rates for the remainder of the population are calculated by 5-year age group. Rates are projected to 2020 following the rate of change projected in the last set of national activity rate projections (2006). Post 2020 rates are held constant for all age groups falling between ages 18 to 49 years. For all age groups over 50 years, activity rates are increased to take account of the extension to State Pension Age and the effective abolition of age-related retirement.

REPRESENTATIONS TO MEDWAY COUNCIL
LOCAL PLAN
2012 – 2035

Development Options
Consultation Document

Submitted on Behalf Of
Redrow Homes (South East)

March 2017

**REPRESENTATIONS TO MEDWAY COUNCIL
LOCAL PLAN
2012 – 2035**

**DEVELOPMENT OPTIONS
CONSULTATION DOCUMENT**

**SUBMITTED ON BEHALF OF
REDROW HOMES (SOUTH EAST)**

Project Ref:	23486/A5/JM
Status:	Final
Issue/Rev:	01
Date:	29 March 2017
Prepared by:	Joshua Mellor
Checked by:	Andrew Wilford
Authorised by:	Andrew Wilford

Barton Willmore LLP
The Observatory
Southfleet Road
Ebbsfleet
Dartford
Kent
DA10 0DF

Ref: 23486/A5/JM/kf
Date: 29 March 2017

COPYRIGHT

The contents of this document must not be copied or reproduced in whole or in part without the written consent of the Barton Willmore LLP.

All Barton Willmore stationery is produced using recycled or FSC paper and vegetable oil based inks.

CONTENTS

	PAGE NO.
1.0 INTRODUCTION	01
2.0 NATIONAL PLANNING POLICY	03
i) National Policy & Plan Making	03
ii) National Policy & Housing Need	05
iii) Duty to Co-operate	05
iv) Government guidance on Green Belt	07
v) Fixing Our Broken Housing Market (February 2017)	07
3.0 VISION AND STRATEGIC OBJECTIVES	08
4.0 DELIVERING SUSTAINABLE DEVELOPMENT - OPTIONS	09
i) Objectively Assessed Need	09
ii) Identified Supply of Development Land	11
iii) Options for Growth	12
5.0 NORTH FIELD, HALLING	15
i) Previous Site Assessment	15
ii) Green Belt Review and Exceptional Circumstances	16
iii) Landscape Appraisal and Green Belt Review	18
iv) Sustainable Development	19
6.0 CONCLUSIONS	22

APPENDICES

Appendix 1:	North Field, Halling Site Location Plan
Appendix 2:	Representation to Medway Council Local Plan Issues & Options (Barton Willmore, February 2016)
Appendix 3:	SLAA Site 352 - North Field, Halling - Assessment Proforma

1.0 INTRODUCTION

- 1.1 These representations are submitted on behalf of Redrow Homes (South East) in response to Medway Council's Local Plan 2012 – 2035 Development Options Consultation Document (MCDOCD) published in January 2017. As a landowner within Medway, Redrow Homes has a direct interest in the Local Plan and the long-term development strategy for Medway.
- 1.2 These representations focus on promoting Redrow Homes' site known as 'The North Field, Halling' (The Site). A Site Location Plan is included at **Appendix 1**.
- 1.3 The Site forms part of the wider St. Andrew's Park Development which is currently being built out by Redrow Homes (hybrid planning application reference: MC/12/1791) for 385 dwellings and associated mix of uses. The Site currently lies within the Green Belt.
- 1.4 The Site is identified as SLAA site reference 352 in the Medway SLAA 2015 and 2017 (site reference 352). The SLAA 2017 concludes that the site is unsuitable for allocation. The Site comprises 6.84ha and is bound by residential development to the north, west and south. The A228 runs directly to the east of the site.
- 1.5 The Site itself is currently an unmanaged, sloping field with land rising from east to west, comprising a block of woodland in the southern corner adjoining the A228 and an area of scrub/woodland to the south-western corner adjoining Pilgrims Way/Road. A low voltage (33kv) overhead powerline crosses from west to east on the southern edge of the Site.
- 1.6 Notwithstanding our Clients' specific land interests, these representations have been prepared in objective terms and in recognition of prevailing planning policy – in particular Government guidance as set out in the National Planning Policy Framework [NPPF] (March 2012) and National Planning Practice Guidance [NPPG] (March 2014).
- 1.7 The MCDOCD forms the first formal stage in the Local Plan's preparation (under Regulation 18 of the Local Plan Regulations). Representations were previously submitted to Medway Council's Local Plan Issues and Options Consultation in February 2016, a copy of which are included in **Appendix 2**.
- 1.8 These representations focus on relevant matters relating to the release of the Site for residential dwellings and address the following:

- Section 2 – National Planning Policy
- Section 3 – Vision and Strategic Objectives
- Section 4 – Delivering Sustainable Development - Options
- Section 5 – North Field, Halling

i) Previous Representations

- 1.9 Representations were submitted in February 2016 to the Local Plan Issues and Options Consultation (February 2016). A copy can be found in **Appendix 2**. These representations included a Barton Willmore Research critique of the published SHENA entitled Objectively Assessed Housing Need Medway Unitary Authority.
- 1.10 The representations also included a Landscape Appraisal and Green Belt Review. The Report provides a Landscape and Visual Appraisal of the Site and assess the Site's contribution to the purposes of the Green Belt, in-line with National and Local planning policy.
- 1.11 The previous representations outlined concerns with the identified OAN housing target and that a higher housing figure should be pursued and that there were suitable sites that can meet the Housing requirements to be released from the Green Belt.
- 1.12 These representations maintain the position that the OAN should be higher for Medway, and that a Green Belt Review should be undertaken to establish the minor Green belt release of this site in Halling.
- 1.13 The release of the Site will provide housing to be delivered in this rural part of Medway and sit alongside recently constructed development that will complement the St. Andrew's Park development and contribute to the character of Medway in this location.

2.0 NATIONAL PLANNING POLICY

i) National Policy & Plan Making

2.1 The NPPF (March 2012) places a strong 'presumption in favour of sustainable development' in all planning related matters and places a responsibility on Local Planning Authorities (LPAs) to encourage and support sustainable growth and to plan positively for new development. There are three dimensions to sustainable development in relation to the planning system as outlined in the NPPF. These include:-

- an economic role – contributing to building a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth and innovation; and by identifying and coordinating development requirements, including the provision of infrastructure;
- a social role – supporting strong, vibrant and healthy communities, by providing the supply of housing required to meet the needs of present and future generations; and by creating a high quality built environment, with accessible local services that reflect the community's needs and support its health, social and cultural well-being; and
- an environmental role – contributing to protecting and enhancing our natural, built and historic environment; and, as part of this, helping to improve biodiversity, use natural resources prudently, minimise waste and pollution, and mitigate and adapt to climate change including moving to a low carbon economy.

(Para. 8)

2.2 The presumption in favour of sustainable development, as set out in the NPPF should be seen as a golden thread, running through both plan-making and decision-taking. For plan-making this means that:

- Local Planning Authorities (LPAs) should positively seek opportunities to meet the development needs of their area;
- Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change, unless: – any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in the NPPF taken as a whole; or – specific policies in the NPPF indicate development should be restricted.

(Para. 14).

2.3 LPAs should 'submit a plan for examination which it considers is "sound" – namely that is:

- **Positively prepared** – the plan should be prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development;
 - **Justified** – the plan should be the most appropriate strategy, when considered against the reasonable alternatives, based on proportionate evidence;
 - **Effective** – the plan should be deliverable over its period and based on effective joint working on cross-boundary strategic priorities; and,
 - **Consistent with national policy** – the plan should enable the delivery of sustainable development in accordance with the policies in the NPPF.
- (Para. 182).

2.4 The NPPF considers that Local Plans should:

- plan positively for the development and infrastructure required in the area to meet the objectives, principles and policies of this Framework;
- be drawn up over an appropriate time scale, preferably a 15-year time horizon, take account of longer term requirements, and be kept up to date;
- be based on co-operation with neighbouring authorities, public, voluntary and private sector organisations;
- indicate broad locations for strategic development on a key diagram and land-use designations on a proposals map;
- allocate sites to promote development and flexible use of land, bringing forward new land where necessary, and provide detail on form, scale, access and quantum of development where appropriate;
- identify areas where it may be necessary to limit freedom to change the uses of buildings, and support such restrictions with a clear explanation;
- identify land where development would be inappropriate, for instance because of its environmental or historic significance; and
- contain a clear strategy for enhancing the natural, built and historic environment, and supporting Nature Improvement Areas where they have been identified. (Para. 157).

2.5 The NPPF directs that LPAs should use a proportionate evidence base in plan-making. LPAs should ensure that the Local Plan is based on adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area. LPAs should ensure that their assessment of and strategies for housing, employment and other uses are integrated, and that they take full account of relevant market and economic signals. (Para. 158).

ii) National Policy & Housing Need

- 2.6 The NPPF (para 47) requires LPAs to use their evidence base to ensure that their Local Plan meets the full, 'Objectively Assessed Needs' (OAN) for market and affordable housing in the housing market area, as far as is consistent with the policies set out in the Framework, including identifying key sites which are critical to the delivery of the housing strategy over the Plan period.
- 2.7 LPAs should plan for a housing mix which takes into account "housing demand and the scale of housing supply necessary to meet this demand." Household and population projections should also be a key consideration, taking into account of migration and demographic change. (Para. 159).
- 2.8 With regards to the methodology of assessing housing need and establishing a future housing requirement, the PPG (March 2014) states the following:

Household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need.

(Reference ID: 2a-015-20140306)

- 2.9 Although the official CLG household projections should therefore be considered, they only represent the starting point for assessing need. This is due to a number of reasons as the PPG explains:

The household projections are trend based, i.e. they provide the household levels and structures that would result if the assumptions based on previous demographic trends in the population and rates of household formation were to be realised in practice. They do not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour.

(Reference ID: 2a-015-20140306)

iii) National Policy & the Green Belt

- 2.10 Section 9 of the NPPF considers the protection of Green Belt land, in that its fundamental aim is to prevent urban sprawl by keeping land permanently open in order to maintain the essential Green Belt character of openness and their permanence. The NPPF (para 80) states that the Green Belt is intended to serve five purposes:

- To check the unrestricted sprawl of large built-up areas;
- To prevent neighbouring towns merging into one another;
- To assist in safeguarding the countryside from encroachment;
- To preserve the setting and special character of historic towns; and
- To assist in urban regeneration, by encouraging the recycling of derelict and other urban land.

2.11 The NPPF (para 83) states that Green Belt boundaries, once established, should only be altered in exceptional circumstances, through the preparation or review of Local Plans. At that time, LPAs should consider the Green Belt boundaries having regard to their intended permanence to ensure they are capable of enduring beyond the plan period. LPAs should take account of the need to promote sustainable patterns of development and should consider channelling development towards urban areas, towns and villages inset within the Green Belt or towards locations beyond the outer Green Belt boundary (para 84).

2.12 Para 85 of the NPPF considers that LPAs, when defining Green Belt boundaries, should:

- Ensure consistency with the Local Plan strategy for meeting identified requirements for sustainable development;
- Not include land which it is unnecessary to keep permanently open;
- Where necessary, identify in their plans areas of 'safeguarded land' between the urban area and the Green belt, in order to meet longer-term development needs stretching well beyond the plan period;
- Make clear that the safeguarded land is not allocated for development at the present time. Planning permission for the permanent development of safeguarded land should only be granted following a Local Plan review which proposes the development;
- Satisfy themselves that Green Belt boundaries will not need to be altered at the end of the development plan period; and
- Define boundaries clearly, using physical features that are readily recognisable and likely to be permanent.

2.13 This is supported by the PPG, which states:

The Framework makes clear that, once established, Green Belt boundaries should only be altered in exceptional circumstances, through the preparation or review of the Local Plan.
(Reference ID: 3-044-20141006)

iv) Duty to Co-operate

- 2.14 The 'Duty to Co-operate' between LPAs is a clear requirement of National planning policy, ensuring a proactive approach is taken to enable a collaborative way forward with plan-making. The NPPF directs that public bodies should work together to address planning issues that cross administrative boundaries, particularly such issues that relate to 'strategic priorities' as set out in para. 156. (Para. 178).
- 2.15 In addition, para. 179 requires LPAs to practice joint working to work together to meet development requirements which cannot wholly be met within their own areas. Consideration should be given to producing joint planning policies on strategic matters and informal strategies such as joint infrastructure and investment plans. Collaborative working between LPAs and private sector bodies, utility and infrastructure providers to deliver sustainable development with regards to strategic planning priorities is also encouraged. (Para. 180). LPAs are required to demonstrate how they have met the requirements of the 'Duty to Co-operate' during the plan-making process. (Para. 181).

v) Fixing our Broken Housing Market (February 2017)

- 2.16 The recent Housing White Paper 'Fixing our broken housing market' (February 2017) reaffirms the Government's commitment to significantly increase levels of housing delivery to meet widely recognised acute housing shortfall.
- 2.17 Paragraph 1.29 states that plans should put in place policies to allow a good mix of sites to come forward for development to support small and medium sized sites, and thriving rural communities. Ensuring there is choice for consumers and that places can grow in ways that are sustainable.
- 2.18 Furthermore, paragraph 1.33 confirms the Government are seeking to amend the NPPF to expect local planning authorities to identify opportunities for villages to thrive.

3.0 VISION AND STRATEGIC OBJECTIVES

- 3.1 Section 2 of the MCD OCD sets out the context within the Local Plan will operate, identifying a projected 20% population increase in the District over the life of the plan. Paragraph 2.8 notes that a key task for the Local Plan is to manage growth to achieve development which delivers benefits for local people, including housing, new services and facilities.
- 3.2 As confirmed by paragraph 2.31 of the MCD OCD the Local Plan is an opportunity to establish a positive strategy to guide Medway's development over the next 18 years. The MCD OCD sets out a vision for 2035 which identifies, among other points, that new development in Medway's towns and villages will have responded positively to the character of the surrounding environment and the needs of existing communities.
- 3.3 Paragraph 2.39 identifies the Strategic Objectives underpinning the Local Plan to deliver the development and infrastructure needs of the District, whilst protecting and enhancing the natural, built and historic environment, including to provide for the housing needs of Medway's communities, that meets the range of size, type and affordability the area needs. Furthermore, the objectives seek to strengthen the role of Medway's town, neighbourhood and village centres to secure a range of accessible services and facilities for local communities.
- 3.4 We **support** the vision and strategic objectives identified by the Council.
- 3.5 Residential development on the Site at North Field, Halling, would help to deliver growth in a location where there is very limited capacity for development, due to constraints such as the AONB and lack of alternative available land. Development in Halling would help to maintain and enhance the vitality of existing services and facilities located in the village and complement the under construction St Andrews Park which is establishing and expanding a new community in Halling.

3.0 DELIVERING SUSTAINABLE DEVELOPMENT - OPTIONS

i) Objectively Assessed Need

- 4.1 The North Kent Strategic Housing and Economic Needs Assessment (SHENA, March 2015), jointly produced between Medway Council and Gravesham Borough Council, identifies a need for 29,463 homes in Medway Council area over the plan period (or 1,281 dwellings per annum), as acknowledged in Section 3 of the MCDOD. This is the same evidence base as consulted on in Medway Council's Local Plan Issues and Options Consultation (MCIOD, February 2016).
- 4.2 We maintain the concerns raised in our previous representations to the Local Plan Issues and Options Consultation, included in **Appendix 2**, and do not consider that the housing needs calculated for Medway over the plan period have been appropriately assessed.
- 4.3 In summary, the Report critiques the OAN of 1,281 dpa derived from Medway Council and does not consider it to represent an accurate representation of the full OAN for Medway over the Plan period (2012 – 2035) for the following reasons:
- There is not considered to be any justification for a reduction to the starting point estimate (2012-based CLG household projection) of OAN in Medway. This starting position, based on the 2012-based CLG household projection is for provision of 1,323 dwellings per annum, 2012-2035;
 - The starting point estimate is based on a 23-year projection of suppressed household formation in the 25-44 age group, the age group most likely to be first time buyers. This suppression will lead to a significant increase in concealed households in this age group unless the OAN adjusts the household formation rates in this age group. The North Kent SHENA proposes no adjustment to account for this suppression. To comply with the NPPF requirement to ensure Local Plans are 'positively prepared' an upward adjustment should be applied for the 25-44 age group. This would lead to an OAN in excess of the starting point estimate;
 - The 2012-based CLG household projection is underpinned by the 2012-based SNPP which is considered to provide the very minimum projection of future population growth in Medway due to the low international migration assumptions they are underpinned by and in light of recent data suggesting that net migration to Medway is in fact significantly higher than the trends underpinning the 2012-based SNPP;

- The North Kent SHENA considers alternative long-term migration trends but fails to pay regard to a more recent 5-year migration trend. The North Kent SHENA adopts the use of a long-term migration trend to reflect demographic-led need in Medway which projects lower population growth than the 2012-based SNPP and for the reasons outlined above we believe to be inappropriate;
- The North Kent SHENA's approach to addressing an uplift to OAN to accommodate economic growth is considered relatively robust. However we would suggest the use of three sources of job growth forecasts to ensure as robust an assessment as possible;
- The North Kent SHENA identifies a number of market signals that have worsened to a greater extent than neighbouring authorities, the south-east region, and the national average. The North Kent SHENA considers that an upward adjustment to the demographic-led OAN is required in order to alleviate the identified market pressure. Barton Willmore support this conclusion. However, it is considered that the market signals uplift that is applied in the North Kent SHENA is insufficient given that it results in OAN that is still below the starting point estimate;
- The North Kent SHENA and MCDOCD identify significant affordable housing need (744 affordable dwellings per annum, 2012-2035). Delivered at a rate of 25%, this would require OAN of 3,000 dwellings per annum if it were to be delivered in full. High Court judgements confirm that Local Plans do not have to meet affordable need in full, but should be 'addressed', and an increase to OAN considered to help to deliver the affordable housing. The existing OAN determined by the North Kent SHENA does not address the significant affordable housing need in Medway.

- 4.4 The Report confirms that the starting point estimate and once other factors are taken into consideration could be as high as **1,489 dwellings per annum**.
- 4.5 Furthermore, since the previous consultation and production of the Report, new 2014-based CLG household projections have been released which identify an increase in household projection by approximately 5.4% from the 2012-based projects. As such, the full OAN could be in excess of that identified in the Report based on the more up-to-date 2014 projections.
- 4.6 Therefore, we **do not** consider that the assessed housing need, as calculated by Medway Council is "sound" or in line with National planning policy. The Council will need to address this and ensure there are sufficient housing sites allocated to meet the full OAN.

ii) Identified Supply of Development Land

4.7 Paragraph 3.7 of the MCDOD sets out the Council's current anticipated supply of development land, as shown below in Table 4.1.

Table 4.1: Medway's Current Supply of Development Land

	Status	Number of Dwellings
A	Completions 2012-2016	2,180
B	Sites with planning permission	6,251
C	Medway Local Plan 2003 Allocations	356
D	SLAA Pipeline sites	8,813
E	Windfalls (Years 3-5 only)	606
F	Total	18,206

4.8 The Annual Monitoring Report (AMR) 2016 (Volume 2, Section 8) provides the list of SLAA residential pipeline sites, totalling 8,813 units for the Plan period. This list includes a number of Medway Local Plan 2003 Allocations, which are however listed as a separate source of supply above (Row C). As a result, it appears that such sites (i.e. Medway Local Plan 2003 Allocations) are accounted for as both a separate source of supply and a SLAA pipeline site i.e. have been double counted in the overall supply (Row F).

4.9 It is recommended that the Council revisits the inclusion of Medway Local Plan 2003 Allocations to ensure such sites are only accounted for once, to ensure MC's position is robust.

4.10 It is also noted that the January 2017 SLAA only identifies a potential capacity of 5,980 dwellings on sites deemed to be suitable, available and achievable for residential development; thereby conflicting with MC's figure of 8,813 units (Row D), published in the MCDOD at the same time of the SLAA's release.

4.11 The 2016 AMR list of SLAA pipeline sites also includes Lodge Hill for 5,000 dwellings in the Plan period. This conflicts with the MCDOD position (para 3.39) in which the development site is phased in the second half of the Plan period (2025-2035) given the present uncertainty. This will allow for consideration of the outcome of the Public Inquiry and allow time for alternative sources of land supply to be planned, if required.

- 4.12 The reliance of Lodge Hill for 5,000 units in the Plan period (in Row D) is not considered to be appropriate or realistic. It is contrary to the content and intentions of the MCD OCD to address future uncertainties by phasing development after the Plan period. Notwithstanding the site's continued uncertainty, it is also wholly unrealistic to anticipate 5,000 dwellings to be delivered in 2025-2035, which would require 500 dwellings to be built per annum.
- 4.13 The total supply of SLAA pipeline sites should be amended to be in accordance with the MCD OCD's position, which will significantly reduce the total supply of current development land in Medway. Additional land is therefore required to provide an identified supply of land to meet the development needs of circa 30,000 dwellings for the Plan period.
- 4.14 Furthermore, additional sources of supply may be required to address the potential exclusion of Lodge Hill.

iii) Options for Growth

- 4.15 The Council acknowledge, in paragraph 3.9, that it is unlikely that the full range of development needs will be met solely in identified regeneration areas on brownfield land. Therefore, greenfield sites in the suburban and rural areas may have to form a part of the Local Plan development strategy. However, the greenfield land should be free from environmental constraints, of lesser value for landscape and agricultural purposes, and well related to services and infrastructure. We **support** this position in Principle.
- 4.16 A considerable area of Medway is covered by environmental designations where development should be restricted, including wide swathes of the Hoo Peninsula, covered by Ramsar, Special Protection Area and Site of Special Scientific Interest designations. Furthermore, land in the Medway Valley and to the south of the urban area is in the Kent Downs Area of Natural Beauty. Additionally, the metropolitan Green Belt covers land in the Medway Valley and to the west of Strood. The MCD OCD acknowledges these constraints, as well as acknowledging the high risk of flooding across parts of the district, where inappropriate development, including housing, should be avoided.
- 4.17 The Medway Integrated Growth Needs Assessment (November 2015) identifies that while there is a need to reinvigorate town centres and deliver sustainable development in locations that maximise existing infrastructure, the results of the Housing Needs Survey have indicated a desire for access to housing in rural areas. Furthermore, rural areas should be allowed to grow and diversify, through the provision of a range of property types, including some smaller units, helping to underpin their wider offer. The North Kent Strategic Housing Mark Assessment (November 2015) identifies that the main rural wards in Medway are Cuxton, Halling, Peninsula and Strood Rural. Growth in these main rural wards should be supported.

- 4.18 The MCDOCD identifies a range of scenarios demonstrating potential development patterns for the district, seeking to ensure sustainable growth, including offering access to services and facilities, while respecting the different aspects of the areas' environment.
- 4.19 All 4No. potential scenarios include incremental expansions of villages, as shown on the maps included in Appendix 1B-1E of the MCDOCD, including Halling, Cuxton, Cliffe Woods, Cliffe, High Halstow, Allhallows, Grain and Lower Stoke. We support the recognition that the Villages should be supported with development growth in order to maintain their vitality and viability.
- 4.20 Scenario 1 (Maximising the potential of urban regeneration) seeks to maximise development on brownfield sites, including redevelopment of employment sites at Medway City Estate and Chatham Docks. Appendix 1B of the MCDOCD identifies that there would be challenges associated with the delivery of large scale regeneration, including land assembly and impacts on transport networks. The scenario also identifies up to 7,000 dwellings being delivered across suburban and rural growth areas.
- 4.21 Scenario 2 (Suburban expansion) includes potential urban extensions around Rainham, Capston and Strood, as well as the delivery of up to 3,000 dwellings at Lodge Hill and 2,000 dwellings at Hoo St Werburgh. Appendix 1C of the MCDOCD identifies that for this option a particular issue is the consideration of the review of the Green Belt boundary to bring forward development land. Furthermore, it notes that the consultation and ongoing work will determine if there is a need to release land in the Green Belt or if provision for development needs can be met in other areas. The scenario identifies growth of villages to deliver 900 homes.
- 4.22 Scenario 3 (Rural focus) identifies potential for significant expansion of Hoo St Werburgh into a small town, including development of up to 6,500 dwellings, alongside up to 3,000 dwellings at Lodge Hill and 2,600 dwellings across the villages of Cliffe, Cliffe Woods, High Halstow, Lower Stoke, Allhallows and Grain. As noted in Appendix 1D, the scale of growth proposed in this scenario would require significant infrastructure investment. The scenario also identifies wider rural development to provide for a choice of sites, including 180 dwellings in the Medway Valley.
- 4.23 Scenario 4 (Urban regeneration and rural town) also identifies potential for significant growth in Hoo St Werburgh, for up to 6,500 dwellings, alongside the urban regeneration at Chatham Docks, Medway City Estate, Chatham and Strood waterfront and central areas, Mill Hill, and estate renewal in Tywdall to deliver 6,500 dwellings. The issues identified in Scenario 1 and 3 relating to the delivery of large scale regeneration and significant infrastructure investment

are re-iterated for this scenario. The scenario identifies the provision of 650 dwellings across villages through incremental growth.

- 4.24 Paragraph 4.5 of the MCD OCD confirms that further work and supporting technical studies will be undertaken to help determine the capacity for areas to accommodate development and the most sustainable locations for growth. However, given the constraints to development within Medway Council area, and the identified shortfall between housing requirements and identified supply, we consider that a combination of the proposed scenarios will need to be considered to meet the growth requirements.
- 4.25 As part of the further work being undertaken by Medway Council we **would support** a review of the Green Belt boundary in Halling to assess the development potential of land that no longer meets the five purposes of the Green Belt as set out in the NPPF. This is especially in the light of the required housing numbers.
- 4.26 As noted above, any strategy for growth will need to have consideration to the desire for an increased access to housing in rural areas, which should be allowed to grow and diversify. The final growth strategy for Medway will include the growth of villages, including those in the Medway Valley, to meet the identified range of development needs for the district.
- 4.27 The Site, at North Field, Halling, would support the growth scenarios as set out in the MCD OCD, allowing for incremental growth of the village of Halling. Furthermore, as demonstrated in Section 5 of these representations the Site is suitable for localised Green Belt release. As such, the Site is put forward for allocation for residential development to help deliver Medway's housing need.

5.0 NORTH FIELD, HALLING

i) Previous Site Assessment

5.1 The Site at North Field, Halling, was put forward to Medway Council's 'call for sites' Strategic Land Availability Assessment (SLAA) in May 2014. The Site previously formed part of the wider 'Former Cement Works' which was identified (also as SLAA site reference 352) as being a Potential Housing Site for 525 dwellings in the SLAA 2010.

5.2 The SLAA 2015, and subsequent 2017 update, set out to identify sites with development potential for allocation as part of the emerging Local Plan. As part of the SLAA 2015, the methodology undertaken enabled Medway Council to carry out Stage 1 (Site Identification) and Stage 2 (Site Assessment) of the Planning Policy Guidance methodology. The Stage 1 process enabled a number of sites to be excluded for further assessment should they be constrained by a restrictive designation, although sites within the Green Belt were not excluded at this stage. As the Site was not excluded at Stage 1 it was therefore assessed at Stage 2.

5.3 In regards to Green Belt sites, the SLAA 2015 recognises at paragraph 4.20 that:

"given the scale of development needs that Council must accommodate over the Plan Period, it was considered appropriate and robust that Green Belt land should be subject to detailed assessment at stage 2. However, whilst Green Belt land has been assessed at stage 2, this does not comprise a Green Belt Review. The Council intends to undertake a Green Belt review separately as part of the Local Plan evidence base; this will specifically consider whether land performs Green Belt functions and meets Green Belt purposes, rather than simply whether a site is suitable for development." (2015;13)

5.4 Stage 2 (Site Assessment) of the SLAA 2015 identified the overall suitability of sites based on a number of criteria, assessed through a Site Assessment Proforma (November 2015, **Appendix 3**) providing an assessment of each site's suitability utilising a 'traffic light' methodology, with Green equating to unconstrained, Yellow being constraints that can be resolved and Red equalling unresolvable constraints.

5.5 In regards to whether a site is suitable the SLAA 2015 concludes at paragraph 4.111 that:

"A site was considered suitable for development on the basis that no unresolvable constraints had been identified in respect of any of the individual criteria i.e. a site had received no Red RAG Ratings. One or more Red RAG Ratings means the site is

considered unsuitable for the purposes of this assessment”
(2015;31)

- 5.6 The Stage 2 assessment and Proforma for the Site concluded that the site is subject to some potential development constraints, however it is considered that these could be resolved. The Site received no 'Red ratings and as such. However, despite the definition of a suitable site detailed above, the Site was identified as unsuitable site in Appendix vi of the SLAA 2015.
- 5.7 An updated SLAA (January 2017) has been produced as part of the current consultation which updated some aspects of the methodology and considered additional information regarding sites. The updated SLAA confirms that the Site meets the criteria for Stage 1, 2, 3 and 3a (Screening) in that it is not a completed site, does not have an existing planning permission, is not located within a National or International environment designation (such as AONB) and is not located in a high flood risk area. However, the SLAA 2017 concludes that the Site does not meet the criteria for Stage 4 (Suitability). No proforma is included with the SLAA 2017, therefore no detail provided regarding the aspects of 'suitability' the Site failed to meet.
- 5.8 The SLAA 2017 Stage 4 criteria includes, ecological potential, designated habitats, highway network capacity, noise, residential amenity, open space, employment land, proximity to centres, education facilities, open spaces, transport, site access, landscape and environment, heritage, flood risk, air quality, contamination and agricultural land. No clarification is provided as to whether sites have been excluded at this stage due to their location in the Green Belt.
- 5.9 At this time, no Green Belt review has been undertaken by the Council as part of the evidence to support this consultation. However it is acknowledged that paragraph 1.8 of the MCDOD states a Green Belt review is being undertaken as part of the evidence base to inform the Local Plan. We **support** this review. Furthermore, we consider it appropriate that when such a review of the Green Belt is undertaken to meet OAN requirements, the SLAA would be updated to reflect this changing circumstance.

ii) Green Belt Review and Exceptional Circumstances

- 5.10 As identified in Section 2, Green Belt boundaries should only be altered in “exceptional circumstances”. The recent Court of Justice case between Calverton Parish Council and Nottingham City Council and Others¹ provides the most recent case law on Green Belt

¹ *Calverton Parish Council v Nottingham City Council, Broxtowe Borough Council and Gedling Borough Council* [2015] EWHC 1078 (Admin)

considerations in plan-making and provides the most detailed consideration of “exceptional circumstances”. Mr Justice Jay observed at paragraph 51:

In a case such as the present, it seems to me that, having undertaken the first-stage of the Hunston approach (sc. assessing objectively assessed need), the planning judgements involved in the ascertainment of exceptional circumstances in the context of both national policy and the positive obligation located in section 39(2) should, at least ideally, identify and then grapple with the following matters:

- (i) the acuteness/intensity of the objectively assessed need (matters of degree may be important);**
- (ii) the inherent constraints on supply/availability of land prima facie suitable for sustainable development;**
- (iii) (on the facts of this case) the consequent difficulties in achieving sustainable development without impinging on the Green Belt;**
- (iv) the nature and extent of the harm to this Green Belt (or those parts of it which would be lost if the boundaries were reviewed); and**
- (v) the extent to which the consequent impacts on the purposes of the Green Belt may be ameliorated or reduced to the lowest reasonably practicable extent.**

5.11 Based on the above, the following provides an assessment of “exceptional circumstances” for the release of Green Belt land within the emerging Local Plan.

i) The Acuteness/Intensity of the OAN (matters of degree may be important)

5.12 As identified in Section 4, the OAN Critical Review identifies that the Council's OAN figure/housing provides an underestimate of housing need for the district. In addition, new data releases have been published since the production of housing evidence work, which provide a new starting point for assessing housing need. The Council need to address this and ensure there are sufficient housing sites allocated to meet the full OAN.

ii) The Inherent Constraints on Supply/Availability of Land Prima Facie Suitable for Sustainable Development

iii) The Consequent Difficulties in Achieving Sustainable Development Without Impinging on the Green Belt

5.13 In regards to point ii and iii above, as noted in Section 4, a considerable area of Medway is covered by environmental designations where development should be restricted, including Ramsar, Special Protection Area and SSSI designations. Further areas are restricted by the

presence of the AONB and areas at high risk of flooding. There is therefore an inherent constraint on the supply/availability of sites for sustainable development.

- 5.14 The growth scenarios contained within the MCDOD, as well as the housing evidence underpinning this, support sustainable incremental growth of villages, including the village of Halling. Halling is predominately in the Green Belt, with land outside of the Green Belt in Halling being significantly constrained due to flood risk.
- 5.15 In order to allow sustainable growth of Halling it is necessary to allow low level Green Belt release.

iv) The Nature and Extent of the Harm to this Green Belt (or those parts of it which would be lost if the boundaries were reviewed)

- 5.16 The Green Belt covers wide areas of land in the Medway Valley and to the west of Strood. The release of the Site from the Green Belt is of de minimis scale in relation to the overall extent of the Green Belt, therefore resulting in only a minor change to the Green Belt boundary.

v) The Extent to Which the Consequent Impact on the Purposes of the Green Belt may be Ameliorated or Reduced to the Lowest Reasonably Practicable Extent

- 5.17 It is demonstrated below, and in Section 7 of the supporting Landscape Appraisal and Green Belt Review (**Appendix 2**), that release of the Site from the Green Belt would have a limited impact upon the purposes of the Green Belt and serve to rationalise the Green Belt boundary.

iii) Landscape Appraisal and Green Belt Review

- 5.18 As noted above, we consider that the Site is suitable for localised Green Belt release and demonstrates potential for development. A Landscape Appraisal and Green Belt Review has been carried out by Barton Willmore's Landscape Team as part of the representations submitted previously and included at **Appendix 2**. The Report provides a Landscape and Visual Appraisal of the Site to assess the Site's contribution to the purposes of the Green Belt, in-line with National and Local planning policy.
- 5.19 The Site is set within an urbanised area situated on the lower slopes of the western side of the valley of the River Medway. The Site is bounded by residential properties to the north, west and south, with Formby Road located adjacent to the east of the Site. It is

acknowledged that the Site is within the Green Belt, however, it is not subject to any other landscape-related or planning policy designations.

- 5.20 The Visual Appraisal of the Site demonstrates that the Site is “partially visible from its immediate surroundings, however, views are typically filtered by intervening vegetation. More open views into the Site are obtained from land to the east of the River Medway, however, where these views are obtained, the Site is seen in an urbanised context of the lower slopes of the Medway Valley, beyond which land rises to form a predominantly wooded backdrop to the views.” (Para. 8.6).
- 5.21 The review of the Green Belt functions of the Site, as set out in the NPPF, indicates that “the Site makes no contribution to checking the unrestricted sprawl of large built-up areas, preventing neighbouring towns merging into one another, and preserving the setting and special character of historic towns; makes a limited contribution to assisting in safeguarding the countryside from encroachment; and would not prejudice derelict land coming forward in future for development.” (Para. 8.8). In this case, we would consider that a localised review of the Green Belt is wholly justified bearing in mind the analysis of the merits of Green Belt functions as set out in the NPPF.
- 5.22 The Report concludes that releasing land from the Green Belt in this area would not cause any significant harm to Green Belt purposes and serve to rationalise the Green Belt boundary. Furthermore, by undertaking a Landscape and Visual Appraisal of the Site, the Report concludes that sympathetic development within the Site would be acceptable in landscape and visual terms and would result in limited to no effect on the function of the Green Belt.
- 5.23 Currently, the whole Site lies within designated Green Belt land and we consider that a robust case has been made to release the Site from the Green Belt, creating a logical extension of St Andrews Park as well as establishing a green wedge between the settlements, maintaining their separation.

iv) Sustainable Development

- 5.24 The Site is located within a sustainable location, adjacent to the St. Andrew's Park development which is delivering a range of infrastructure and services. The Site is accessible, located adjacent to the local road network with access proposed directly onto the A228 and also served by local bus routes. Furthermore, the Site is located in close proximity to the strategic highway network and railway with the M2 located approximately 1 mile to the north of the Site and Halling railway station approximately 850 metres to the south of the Site.

Pedestrian access to the railway station will be via the pedestrian footbridge, delivered as part of the St. Andrew's Park development.

- 5.25 The development would meet the three elements of sustainable development, as set out in the NPPF (para 7). Enabling residential development would support economic growth in Medway and surrounding areas, providing employment opportunities through the construction phase. The Site has deliverable potential to contribute towards much needed housing within rural Medway and would deliver a mix of housing types, including an element of affordable housing.
- 5.26 Furthermore, the development would help to enhance and maintain the vitality of the rural community of Halling, in line with Paragraph 55 of the NPPF. Paragraph 10.15 of the MCDOD acknowledges that this is particular issue, with rural communities being particularly vulnerable to the loss of community facilities.
- 5.27 The proposed provision of a green wedge to the northern part of the Site would enable further ecological enhancements, as well as landscaping delivered in line with potential development of the Site.
- 5.28 We therefore conclude that the Site should not be precluded from progressing beyond Stage 4 of the SLAA 2017, as there are no unresolvable constraints which exist on the Site, subject to the Green Belt review. Furthermore, the Site is considered 'deliverable' in that it meets the requirements of footnote 11 of the NPPF and it has been demonstrated that the Site is currently available for development, will offer a suitable location for development and has a realistic prospect of housing being delivered on the Site within five years and that development of the Site is viable.

6.0 CONCLUSIONS

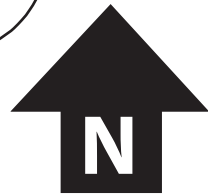
- 6.1 These representations are submitted on behalf of Redrow Homes who has a direct interest in the Local Plan and the long-term development strategy for Medway.
- 6.2 These representations focus on promoting Redrow Homes' site known as 'The North Field, Halling'. The Site forms part of the wider St. Andrew's Park Development which is currently being built out by Redrow Homes. The Site currently lies within the Green Belt.
- 6.3 The representations are supported by technical reports in respect of Objectively Assessed Needs and a Green Belt review.
- 6.4 We do not consider that the OAN target of 1,281dpa is sound. It falls short of the starting point estimate and once other factors are taken into consideration, could be in excess of 1,489dpa. This matter should be addressed by the Council who need to ensure that there are sufficient housing sites allocated to meet the full OAN.
- 6.5 We consider the Site represents an appropriate location for residential development, which has been shown to be suitable for release from the Green Belt under a localised Green Belt review. Furthermore, "exceptional circumstances" exist to allow amendment to the Green Belt boundary through the Local Plan process. Development of the Site would form a logical extension to the under construction St Andrews Park, while maintaining separation between Halling and North Halling.

APPENDIX 1

North Field, Halling Site Location Plan



A2



0 50m 100m
(1:1250)

NOTES

Permission is granted to scale from this drawing for the purpose of Local Authority Planning Approval only. In all other circumstances DO NOT scale from this drawing, please contact this office for any additional information required.
Contractors, Sub Contractors and Suppliers are to check all relevant dimensions and levels of the site and building before commencing any shop drawings or building work. Any discrepancies should be recorded to the Architect.
Where applicable this drawing is to be read in conjunction with the Consultants' drawings.
This drawing is the copyright of Tetlow King Ltd ©. All rights reserved.
Ordnance Survey Data © Crown Copyright. All rights reserved. Licence No. 100007359

REV	DESCRIPTION	DATE	AUTHOR	CHK'D
-----	-------------	------	--------	-------

KEY

- Site boundary
- Land also owned by applicant
- Location of residential development
- Site access
- Proposed planting
- Existing trees



ARCHITECTS : URBAN DESIGNERS : SUSTAINABILITY CONSULTANTS
Building 300, The Grange, Romsey Road, Michelmersh, Romsey, Hampshire, SO51 0AE
Tel: 01794 517333 Fax: 01794 515517 Web: www.tetlowking.co.uk

PROJECT

Former Cemex Site - North Field
Halling, Kent
For: Redrow Homes South East

DRAWING

Location Plan - 01

SCALE	DATE	AUTHOR	CHK'D
1:1250 @ A2	02/04/14	RB/AW	RB

JOB NO.	DRAWING NO.	REV
REDR131007	LP-01	-

APPENDIX 2

Representations to Medway Local Plan Issues & Options (Barton Willmore, February 2016)

Representations to Medway Council Local Plan

Issues & Options 2012 – 2035 Consultation Document

SUBMITTED ON BEHALF OF
REDROW HOMES (SOUTH EAST)

February 2016

REPRESENTATIONS TO MEDWAY COUNCIL LOCAL PLAN

ISSUES & OPTIONS

2012 – 2035

CONSULTATION DOCUMENT

**SUBMITTED ON BEHALF OF
REDROW HOMES (SOUTH EAST)**

Project Ref:	23486/A5/HH
Status:	Final
Issue/Rev:	02
Date:	29 February 2016
Prepared by:	Hardeep Hunjan
Checked by:	Andrew Wilford
Authorised by:	Andrew Wilford

Barton Willmore LLP
The Observatory
Southfleet Road
Ebbsfleet
Dartford
Kent
DA10 0DF

Ref: 23486/A5/HH/AW/kf/mg
Date: 29 February 2016

COPYRIGHT

The contents of this document must not be copied or reproduced in whole or in part without the written consent of the Barton Willmore LLP.

All Barton Willmore stationery is produced using recycled or FSC paper and vegetable oil based inks.

CONTENTS

PAGE NO.

1.0	INTRODUCTION	01
2.0	NATIONAL PLANNING POLICY	04
	i) National Policy & Plan Making	04
	ii) National Policy & Housing Need	06
	iii) Duty to Co-operate	07
	iv) Government guidance on Green Belt	07
3.0	HOUSING	08
4.0	RURAL ISSUES	12
5.0	DELIVERABILITY	14
6.0	DEVELOPMENT STRATEGY – OVERARCHING	15
7.0	DEVELOPMENT STRATEGY – GREEN BELT REVIEW	16
8.0	OPEN SPACE	18
9.0	ENVIRONMENT	19
10.0	SUITABILITY	20
11.0	CONCLUSIONS	22

APPENDICES

Appendix 1:	North Field, Halling Site Location Plan
Appendix 2:	Objective Assessment of Housing Need: Critical Review (Barton Willmore, February 2016)
Appendix 3:	Barton Willmore The North Field, Halling: Landscape Appraisal and Green Belt Review (Barton Willmore, February 2016)

1.0 INTRODUCTION

- 1.1 These representations are submitted on behalf of Redrow Homes (South East) in response to Medway Council's Local Plan Issues and Options 2012 – 2035 Consultation Document (MCIOCD) published in January 2016. As a landowner within Medway, Redrow Homes has a direct interest in the Local Plan and the long-term development strategy for Medway.
- 1.2 These representations focus on promoting Redrow Homes' site known as 'The North Field, Halling' (The Site). A Site Location Plan is included at **Appendix 1**.
- 1.3 The Site forms part of the wider St. Andrew's Park Development which is currently being built out by Redrow Homes (hybrid planning application reference: MC/12/1791) for 385 dwellings and associated mix of uses. The Site currently lies within the Green Belt.
- 1.4 The Site is identified in the Medway SLAA 2015 (site reference 352) with the potential to deliver up to 50 dwellings. The Site comprises 6.84ha and is bound by residential development to the north, west and south. The A228 runs directly to the east of the site.
- 1.5 The Site itself is currently an unmanaged, sloping field with land rising from east to west, comprising a block of woodland in the southern corner adjoining the A228 and an area of scrub/woodland to the south-western corner adjoining Pilgrims Way/Road. A low voltage (33kv) overhead powerline crosses from west to east on the southern edge of the Site.
- 1.6 Notwithstanding our Clients' specific land interests, these representations have been prepared in objective terms and in recognition of prevailing planning policy – in particular Government guidance as set out in the National Planning Policy Framework [NPPF] (March 2012), National Planning Practice Guidance [NPPG] (March 2014), the Consultation on Proposed Changes to National Planning Policy [CPCNPP] (December 2015) and The Rural Productivity Plan [RPP] (August 2015).
- 1.7 The MCIOCD advises that the current consultation is in advance of the preparation of a new Local Plan, and therefore is not a formal Regulation stage under the Town and Country Planning (Local Planning) Regulation 2012 ('the Local Planning Regulations'). The Local Development Scheme 2015 – 2018 (November 2015) anticipates that a "Preferred Options" consultation will be undertaken in January to February 2017, forming the first formal stage in the Local Plan's preparation (under Regulation 18 of the Local Plan Regulations).

- 1.8 Whilst the consultation is welcomed, it should be recognised that the MCIOCD does not contain any detailed policies or identify specific development sites (excluding reference to the unknown outcome of Lodge Hill) that can be assessed, and therefore due to the “broad” nature of the questions posed, the benefit of the consultation responses to MC will be limited in this regard.
- 1.9 In addition, the MCIOCD has not been accompanied by a suite of Evidence base documents that should inform the production of a new Local Plan. Indeed, the Strategic Housing and Economic Needs Assessment (SHENA) was not made publicly available until 19 February 2016, i.e. 6-weeks from the start of the consultation period, and 1 week from its close.
- 1.10 These representations focus on relevant matters and/or specific questions relating to the release of the Site for residential dwellings and address the following chapters:
- Housing (MCIOCD Questions 4 – 14);
 - Environment (MCIOCD Questions 30 - 32);
 - Rural Issues (MCIOCD Questions 38 – 42)
 - Deliverability (MCIOCD Questions 76 - 79);
 - Development Strategy (MCIOCD Questions 80 – 87).
- 1.11 We recognise that this consultation document is at the early stages of the Local Plan preparation and therefore further evidence and consultation will provide for greater clarity on a number of areas.
- 1.12 Alongside the Consultation Document, Medway Council has prepared a number of supporting Evidence Base documents. We do not seek to assess each one in detail, but draw upon:
- North Kent SHENA (March 2016)
 - The SLAA (November 2015)
 - Authority Monitoring Report (December 2015) which sets out how MC will fulfil its ‘Duty to Co-operate with neighbouring LPAs and Public Bodies.
 - North Kent SHMA (November 2015)

i) Barton Willmore Supporting Evidence

- 1.13 In addition to commenting on specific questions, these representations are supported by technical reports that demonstrate that the release of the Site from the Green Belt is appropriate and that there is a requirement to undertake a Green Belt review in order to meet the full OAN housing target.

- 1.14 Barton Willmore Research has undertaken a critique of the published SHENA entitled *Objectively Assessed Housing Need Medway Unitary Authority* (included at **Appendix 2**). It is a standalone document and assesses the housing requirements put forward within the MCIOCD and determines the soundness of the objectively assessed needs within Medway.
- 1.15 Barton Willmore Landscape Planning and Design has prepared a *Landscape Appraisal and Green Belt Review* (included at **Appendix 3**). The Report provides a Landscape and Visual Appraisal of the Site and assess the Site's contribution to the purposes of the Green Belt, in-line with National and Local planning policy.
- 1.16 The supporting Reports demonstrate that there are concerns with the identified OAN housing target and that a higher housing figure should be pursued as at present it is considered that this is unsound. In any event, there is a need for a Green Belt review (notwithstanding the required uplift) and the supporting information demonstrates that the Site is appropriate to be released as part of a small scale Green Belt review in this location.
- 1.17 The release of the Site will provide housing to be delivered in this rural part of Medway and sit alongside recently constructed development that will complement the St. Andrew's Park development and contribute to the character of Medway in this location.

2.0 NATIONAL PLANNING POLICY

i) National Policy & Plan Making

2.1 The NPPF (March 2012) places a strong 'presumption in favour of sustainable development' in all planning related matters and places a responsibility on Local Planning Authorities (LPAs) to encourage and support sustainable growth and to plan positively for new development. There are three dimensions to sustainable development in relation to the planning system as outlined in the NPPF. These include:-

- an economic role – contributing to building a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth and innovation; and by identifying and coordinating development requirements, including the provision of infrastructure;
- a social role – supporting strong, vibrant and healthy communities, by providing the supply of housing required to meet the needs of present and future generations; and by creating a high quality built environment, with accessible local services that reflect the community's needs and support its health, social and cultural well-being; and
- an environmental role – contributing to protecting and enhancing our natural, built and historic environment; and, as part of this, helping to improve biodiversity, use natural resources prudently, minimise waste and pollution, and mitigate and adapt to climate change including moving to a low carbon economy.

(Para. 8)

2.2 The presumption in favour of sustainable development, as set out in the NPPF should be seen as a golden thread, running through both plan-making and decision-taking. For plan-making this means that:

- Local Planning Authorities (LPAs) should positively seek opportunities to meet the development needs of their area;
- Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change, unless: – any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in the NPPF taken as a whole; or – specific policies in the NPPF indicate development should be restricted.

(Para. 14).

2.3 LPAs should 'submit a plan for examination which it considers is "sound" – namely that is:

- **Positively prepared** – the plan should be prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development;
- **Justified** – the plan should be the most appropriate strategy, when considered against the reasonable alternatives, based on proportionate evidence;
- **Effective** – the plan should be deliverable over its period and based on effective joint working on cross-boundary strategic priorities; and:
- **Consistent with national policy** – the plan should enable the delivery of sustainable development in accordance with the policies in the NPPF.
(Para. 182).

2.4 The NPPF considers that Local Plans should:

- plan positively for the development and infrastructure required in the area to meet the objectives, principles and policies of this Framework;
- be drawn up over an appropriate time scale, preferably a 15-year time horizon, take account of longer term requirements, and be kept up to date;
- be based on co-operation with neighbouring authorities, public, voluntary and private sector organisations;
- indicate broad locations for strategic development on a key diagram and land-use designations on a proposals map;
- allocate sites to promote development and flexible use of land, bringing forward new land where necessary, and provide detail on form, scale, access and quantum of development where appropriate;
- identify areas where it may be necessary to limit freedom to change the uses of buildings, and support such restrictions with a clear explanation;
- identify land where development would be inappropriate, for instance because of its environmental or historic significance; and
- contain a clear strategy for enhancing the natural, built and historic environment, and supporting Nature Improvement Areas where they have been identified. (Para. 157).

- 2.5 The NPPF directs that LPAs should use a proportionate evidence base in plan-making. LPAs should ensure that the Local Plan is based on adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area. LPAs should ensure that their assessment of and strategies for housing, employment and other uses are integrated, and that they take full account of relevant market and economic signals. (Para. 158).

ii) National Policy & Housing Need

- 2.6 The NPPF (para 47) requires LPAs to use their evidence base to ensure that their Local Plan meets the full, 'Objectively Assessed Needs' (OAN) for market and affordable housing in the housing market area, as far as is consistent with the policies set out in the Framework, including identifying key sites which are critical to the delivery of the housing strategy over the Plan period.
- 2.7 LPAs should plan for a housing mix which takes into account "housing demand and the scale of housing supply necessary to meet this demand." Household and population projections should also be a key consideration, taking into account of migration and demographic change. (Para. 159).
- 2.8 With regards to the methodology of assessing housing need and establishing a future housing requirement, the PPG (March 2014) states the following:

Household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need.

(Reference ID: 2a-015-20140306)

- 2.9 Although the official CLG household projections should therefore be considered, they only represent the starting point for assessing need. This is due to a number of reasons as the PPG explains:

The household projections are trend based, i.e. they provide the household levels and structures that would result if the assumptions based on previous demographic trends in the population and rates of household formation were to be realised in practice. They do not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour.

(Reference ID: 2a-015-20140306)

- 2.10 The Consultation on Proposed Changes to National Planning Policy (CPCNPP) (December, 2015) reaffirms the Government's commitment to significantly increase levels of housing delivery to meet widely recognised acute housing shortfall.

iii) Duty to Co-operate

- 2.11 The 'Duty to Co-operate' between LPAs is a clear requirement of National planning policy, ensuring a proactive approach is taken to enable a collaborative way forward with plan-making. The NPPF directs that public bodies should work together to address planning issues that cross administrative boundaries, particularly such issues that relate to 'strategic priorities' as set out in para. 156. (Para. 178).
- 2.12 In addition, para. 179 requires LPAs to practice joint working to work together to meet development requirements which cannot wholly be met within their own areas. Consideration should be given to producing joint planning policies on strategic matters and informal strategies such as joint infrastructure and investment plans. Collaborative working between LPAs and private sector bodies, utility and infrastructure providers to deliver sustainable development with regards to strategic planning priorities is also encouraged. (Para. 180). LPAs are required to demonstrate how they have met the requirements of the 'Duty to Co-operate during the plan-making process. (Para. 181).

iv) Government guidance on Green Belt

- 2.13 In September 2012, the Communities Secretary of State issued a Ministerial Statement covering housing and growth. The Statement, amongst other matters, recognises the importance of protecting the Green Belt against urban sprawl whilst also acknowledging that LPAs can review local designations through plan-making, where appropriate to do so, to promote growth. The Statement notes that:

"We encourage councils to use the flexibilities set out in the National Planning Policy Framework to tailor the extent of Green Belt land in their areas to reflect local circumstances. Where Green Belt is considered in reviewing or drawing up local plans, we will support councils to move quickly through the process by prioritising their Local Plan examinations... There is considerable previously developed land in many Green Belt areas, which could be put to more productive use. We encourage councils to make best use of this land, whilst protecting the openness of the Green Belt in line with the requirements in the National Planning Policy Framework."

- 2.14 The Government recognises that Green Belt reviews can support growth under local circumstances.

3.0 HOUSING

"Q.4 Do you agree with the approach and conclusions of the assessment of housing needs calculated for Medway over the plan period?"

- 3.1 We do not consider that the approach and conclusions derived from MCIOCD, assessing the housing needs calculated for Medway over the plan period have been appropriately assessed. We do not consider that the assessed housing need, as calculated by MC is "sound" and in line with National planning policy.
- 3.2 The NPPF directs LPAs to prepare a Strategic Housing Market Assessment (SHMA) to assess their full housing needs and a Strategic Housing Land Availability Assessment (SHLAA) to establish realistic assumptions about the availability, suitability and the likely economic viability of sites. (Para 159).
- 3.3 MC has jointly produced a North Kent SHENA (March 2015) with Gravesham Borough Council and a North Kent SHMA (November 2015).
- 3.4 The North Kent SHENA identifies the OAN for Medway as being 1,281 dwellings per annum (dpa) over the period 2012-2037 based on the result of the CLG 2012-based household projection adjusted to take account of 2013 and 2014 Mid-Year Population Estimates. This level of housing need has been taken forward in MCIOCD to cover the period 2012-2035.
- 3.5 An assessment of MCs objectively assessed need housing figure has been carried out by Barton Willmore's Research Team and is included at **Appendix 2**.
- 3.6 The Report has been prepared in accordance with the requirements of the NPPF, to ensure that the Local Plan of each Local Planning Authority meets the full, objectively assessed needs for market and affordable housing in the housing market area.
- 3.7 In summary, the Report critiques the OAN of 1,281 dpa derived from MC and does not consider it to represent an accurate representation of the full OAN for Medway over the Plan period (2012 – 2035) for the following reasons:
 - There is not considered to be any justification for a reduction to the starting point estimate (2012-based CLG household projection) of OAN in Medway. This starting position is for provision of 1,323 dwellings per annum, 2012-2035;

- The starting point estimate is based on a 23-year projection of suppressed household formation in the 25-44 age group, the age group most likely to be first time buyers. This suppression will lead to a significant increase in concealed households in this age group unless the OAN adjusts the household formation rates in this age group. The North Kent SHENA proposes no adjustment to account for this suppression. To comply with the NPPF requirement to ensure Local Plans are 'positively prepared' an upward adjustment should be applied for the 25-44 age group. This would lead to an OAN in excess of the starting point estimate;
- The 2012-based CLG household projection is underpinned by the 2012-based SNPP which is considered to provide the very minimum projection of future population growth in Medway due to the low international migration assumptions they are underpinned by and in light of recent data suggesting that net migration to Medway is in fact significantly higher than the trends underpinning the 2012-based SNPP;
- The North Kent SHENA considers alternative long-term migration trends but fails to pay regard to a more recent 5-year migration trend. The North Kent SHENA adopts the use of a long-term migration trend to reflect demographic-led need in Medway which projects lower population growth than the 2012-based SNPP and for the reasons outlined above we believe to be inappropriate;
- The North Kent SHENA's approach to addressing an uplift to OAN to accommodate economic growth is considered relatively robust. However we would suggest the use of three sources of job growth forecasts to ensure as robust an assessment as possible;
- The North Kent SHENA identifies a number of market signals that have worsened to a greater extent than neighbouring authorities, the south east region, and the national average. The North Kent SHENA considers that an upward adjustment to the demographic-led OAN is required in order to alleviate the identified market pressure. Barton Willmore support this conclusion. However, it is considered that the market signals uplift that is applied in the North Kent SHENA is insufficient given that it results in OAN that is still below the starting point estimate;
- The North Kent SHENA and MCIOCD identify significant affordable housing need (744 affordable dwellings per annum, 2012-2035). Delivered at a rate of 25%, this would require OAN of 3,000 dwellings per annum if it were to be delivered in full. High Court judgements confirm that Local Plans do not have to meet affordable need in full, but should be 'addressed', and an increase to OAN considered to help to deliver the affordable housing. The existing OAN determined by the North Kent SHENA does not address the significant affordable housing need in Medway.

- 3.8 The MCIOCD identifies an OAN of 29,463 dwellings over the period 2012-2035. This figure is below the level of need identified by the CLG 2012-based household projections which identifies 30,429 dwellings over the same period. The PPG states that the CLG figure should be used as the 'starting point' estimate of need. The 'starting point' usually requires adjustment to address suppressed household formation and suppressed migration trends.
- 3.9 In addition, the CPCNPP indicates that CLG are intending to amend National planning policy to ensure appropriate action is taken where there is a significant shortfall between the homes provided for in Local Plans and the houses being constructed. A housing delivery test is proposed (as outlined in the Spending Review and Autumn Statement 2015) (HM Treasury, November 2015). It is envisaged that this approach would compare the number of homes that LPAs set out to deliver in their Local Plan against the net additions in housing supply within the LPA area. Consequently, LPAs shall have to ensure that OAN figures are suitably robust and achievable in line with current National planning policy and the emphasis that is being placed on delivery rates with the CPCNPP. (Para. 30).
- 3.10 The CPCNPP considers that continued significant under-delivery of housing, identified over a sustained period should be addressed by appropriate action. The CPCNPP considers that one approach to address under-delivery rates could be to identify additional sustainable sites if it has been shown that the existing approach is not delivering the housing required. Such sites would need to be in sustainable locations, with appropriate infrastructure available and which can be demonstrated as deliverable. To deliver such an approach, it is recognised that collaboration between developers and local communities, undertaking appropriate consultations would be required to undertake policy reviews, enabling additional land in sustainable locations to come forward. (Paras. 31 – 33).
- 3.11 Overall, it is considered that the MCIOCD does not seek to meet the Full OAN for Medway which is considered to be in the region of **1,489dpa**. This matter should be addressed in the next iteration of the Local Plan as the current position is considered to be unsound.

"Q.5 What do you consider to be the appropriate housing market area for Medway?"

- 3.12 The SHMA (November 2015) defines the Housing Market Area to comprise Medway, Gravesham, Swale, Maidstone and Tonbridge and Malling.
- 3.13 MC should seek to work collaboratively under the 'Duty to Co-operate' to address the housing needs of neighbouring authorities and how housing can be delivered in part of the HMA that are influenced by neighbouring Districts.

"Q.6 Do you agree that 25% is an appropriate level for the requirement of affordable housing, and what threshold should be set for the scale of development that needs to provide affordable housing?"

- 3.14 The SHMA (November 2015) (para 6.53) identifies that the affordable housing 'need' is greater than the identified affordable housing 'supply' over the projection period (2012 – 2037), the Local Plan period (2012 – 2035) and on an annual basis. The SHMA calculated a need for 18,592 affordable dwellings (744dpa), which would constitute 58% of MC's identified OAN figure of 1,281dpa. The PPG advises that an increase in the total Local Plan housing figure should be considered where it could help to deliver the required amount of affordable housing (Reference ID: 2a-029-20140306).
- 3.15 The need for affordable housing nevertheless, should be balanced against development viability considerations. The NPPF recognises that due consideration to viability and costs in plan-making and decision-taking should be taken to ensure sustainable development. The deliverability of the Plan is critical and as such, it is noted that *"the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened."* (Para. 173). Furthermore, the NPPF acknowledges that to ensure viability the costs of any requirements likely to be applied to development, including affordable housing when taking account of the normal cost of development and mitigation, should provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable.
- 3.16 We would consider that in light of the highlighted need for affordable housing provision as identified in the North Kent SHMA (November 2015), seeking the provision of up to 25% affordable housing is appropriate.

Q.7 – 14 – No comments

4.0 RURAL ISSUES

Q. 38 -39 – No comment.

"Q.40 How should the Local Plan address the need to maintain and improve access to services in rural areas?"

- 4.1 It is acknowledged that rural areas face a number of challenges including accessibility to services. We consider that new development within rural areas should provide some form of contribution to maintaining and improving rural areas, where appropriate. The LPA should identify services in rural areas that are in need of improvement in order to facilitate future development needs.

"Q.41 What consideration should be given to strategic infrastructure and development in rural Medway?"

- 4.2 The PPG recognises that *"A thriving rural community in a living, working countryside depends, in part, on retaining local services and community facilities such as schools, local shops, cultural venues, public houses and places of worship. Rural housing is essential to ensure viable use of these local facilities."* (Reference ID: 50-001-20140306)
- 4.3 Improving strategic infrastructure and development in rural Medway is considered to be vital to support sustainable rural communities. Development in rural areas faces a number of barriers which are either unique to rural locations or experienced to a greater extent than development in other areas of Kent and Medway. Emerging local planning policy should ensure that the ongoing viability of rural areas is maintained with the provision of sufficient infrastructure including public transport and educational facilities to support future growth.
- 4.4 We consider that MC should work closely with key stakeholders to develop appropriate policy to support the vitality of rural areas.
- 4.5 The Department for Environment Food & Rural Affairs published The Rural Productivity Plan (RPP) in August 2015. Amongst other matters, it highlights the Government's intention to provide more housing in rural areas. The Plan notes that *"through the right combination of measures, the government wants to ensure that any village in England has the freedom to expand in an incremental way, subject to local agreement."* (Pg 6)

- 4.6 This indicates that strong local policy support for the location of new development and related infrastructure should be provided in line with Government guidance and within the context of the identified local requirement.

"Q 42 How can the Local Plan ensure that strategic and local needs are satisfactorily addressed in areas working towards production of a Neighbourhood Plan?"

- 4.7 Delivery of new homes within rural areas of Kent and Medway presents a further challenge. Historically, assessment of housing need in rural areas has been identified by MC as a key issue and MC has previously identified localised needs through parish Housing Need Surveys, undertaken by the Kent rural housing enabler. Where local needs are identified, this leads to a process of identifying land to deliver affordable rural housing. But there are significant issues with delivery and the costs involved tend to be higher than development in other areas.
- 4.8 The Site, in conjunction with the development at St. Andrew's Park, would offer a mix of uses, supporting the residential development on the Site and benefiting the wider area. Furthermore, the St. Andrew's development will provide a range of community infrastructure facilities, supporting a thriving rural community. The development would also serve to meet the needs of other housing market areas, supporting MCs 'duty to co-operate' with neighbouring LPAs.
- 4.9 The RPP states that *"the government will make it easier for villages to establish neighbourhood plans and allocate land for new homes, including the use of rural exception sites to deliver Starter Homes."* (Para. 8)
- 4.10 In February 2016, Government issued a Rural Planning Review: Call for Evidence (RPRCFE) following on from the RPP. It recognises the importance of ensuring the sustainability of rural areas and sets out to investigate evidence in practice regarding the effectiveness of the current planning system for businesses in the rural context.
- 4.11 Both the RPP and RPRCFE set out the Government's intention to promote sustainable growth and ensure the viability of rural areas.

5.0 DELIVERABILITY

Q.76, 78 – 79 – No comment

"Q.77 Should we consider setting different rates of affordable housing and CIL contributions to take account of differing viability between areas of Medway?"

- 5.1 We consider that it is appropriate to set different rates of affordable housing and CIL contributions to take into account differing viability between areas of Medway.
- 5.2 The NPPF recognises that due consideration to viability and costs in plan-making and decision-taking should be taken to ensure sustainable development. The deliverability of the Plan is critical and as such, it is noted that *"the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened."* (Para. 173). Furthermore, the NPPF acknowledges that to ensure viability the costs of any requirements likely to be applied to development, including affordable housing when taking account of the normal cost of development and mitigation, should provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable.

6.0 DEVELOPMENT STRATEGY – OVERARCHING

Q.80, 83, 85 – 87 – No comment.

"Q.81 Which development type (or combination of types) do you think best meets the identified growth requirements for Medway?"

- 6.1 We consider that a range of development types, as outlined within MCIOCD should be utilised in meeting Medway's growth requirements. This should be based on an overarching vision of sustainable development, as underpinned by National and Local planning policy. When selecting development types, it is important to consider the aspirations of National and Local policy.
- 6.2 The NPPF encourages LPAs in plan-making to deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities. Whilst planning for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community, LPAs should identify the range of housing that is required in particular locations. (Para. 50).
- 6.3 Furthermore, we refer to our Clients Site located in Halling, which is classified as a rural area within the settlement hierarchy. National policy supports sustainable development in rural areas, encouraging housing to be located where it will enhance or maintain the vitality of rural communities. Additionally, the NPPF directs that LPAs should be responsive to local circumstances and plan housing development to reflect local needs. (Para. 54 - 55).
- 6.4 The CPCNPP considers that *"building new homes on small sites, whether in rural or urban locations, can deliver a range of economic and social benefits."* Amongst other matters, this includes creating local jobs and sustaining local growth, particularly in rural areas and making effective use of developable land. (Para. 23).

7.0 DEVELOPMENT STRATEGY – GREEN BELT REVIEW

"Q.84 Should the green belt boundary be reviewed?"

- 7.1 We would support a review of the Green Belt boundary to assess the development potential of land that does not meet the five purposes of the Green Belt as set out in the NPPF. This is especially in the light of the required housing numbers.
- 7.2 The NPPF states that the fundamental aim of Green Belt policy is to prevent urban sprawl by keeping land permanently open. There are five key purposes of the Green Belt, including: -
- to check the unrestricted sprawl of large built-up areas;
 - to prevent neighbouring towns merging into one another;
 - to assist in safeguarding the countryside from encroachment;
 - to preserve the setting and special character of historic towns; and
 - to assist in urban regeneration, by encouraging the recycling of derelict and other urban land.
- (Paras 79-80)
- 7.3 The NPPF considers that LPAs with Green Belts in their area should establish Green Belt boundaries in their Local Plans, setting the framework for Green Belt and settlement policy. It is recognised that Green Belt boundaries that have been established should only be altered in exceptional circumstances, through the preparation or review of the Local Plan. LPAs should take a long term view of the permanence of Green Belt boundaries beyond the plan period.
- 7.4 The NPPF states that LPAs should take into account the need to promote sustainable patterns of development when reviewing Green Belt boundaries. They should consider the consequences for sustainable development of channelling development towards urban areas inside the Green Belt boundary, towards towns and villages inset within the Green Belt or towards locations beyond the outer Green Belt boundary. Inappropriate development within the Green Belt is considered harmful and should not be approved except in very special circumstances. This includes the construction of buildings unless they meet certain criteria which do not have a harmful impact on the openness of the Green Belt. (Paras. 79 - 92)

- 7.5 As previously stated, our Client is promoting the release of the Site from the Green Belt with the potential to develop the southern section of the Site for residential development (as shown on **Appendix 1**). It is intended that a 'green wedge' could be created to the northern section, maintaining a separation between the settlement boundaries of Halling and North Halling. A Landscape Appraisal and Green Belt Review has been carried out by Barton Willmore's Landscape Team and is included at **Appendix 3**. The Report provides a Landscape and Visual Appraisal of the Site to assess the Site's contribution to the purposes of the Green Belt, in-line with National and Local planning policy.
- 7.6 The Site is set within an urbanised area situated on the lower slopes of the western side of the valley of the River Medway. The Site is bounded by residential properties to the north, west and south, with Formby Road located adjacent to the east of the Site. It is acknowledged that the Site is within the Green Belt, however, it is not subject to any other landscape-related or planning policy designations.
- 7.7 A small localised release of Green Belt land is proposed and allocation for residential development on part of the Site.
- 7.8 A Visual Appraisal of the Site was undertaken which demonstrates that the Site is *"partially visible from its immediate surroundings, however, views are typically filtered by intervening vegetation. More open views into the Site are obtained from land to the east of the River Medway, however, where these views are obtained, the Site is seen in an urbanised context of the lower slopes of the Medway Valley, beyond which land rises to form a predominantly wooded backdrop to the views."* (Para. 8.6).
- 7.9 The review of the Green Belt functions of the Site, as set out in the NPPF, indicates that *"the Site makes **no contribution** to checking the unrestricted sprawl of large built-up areas, preventing neighbouring towns merging into one another, and preserving the setting and special character of historic towns; makes a **limited contribution** to assisting in safeguarding the countryside from encroachment; and **would not prejudice** derelict land coming forward in future for development."* (Para. 8.8). In this case, we would consider that a localised review of the Green Belt is wholly justified bearing in mind the analysis of the merits of Green Belt functions as set out in the NPPF.
- 7.10 The Report concludes that releasing land from the Green Belt in this area would not cause any significant harm to Green Belt purposes and serve to rationalise the Green Belt boundary. Furthermore, by undertaking a Landscape and Visual Appraisal of the Site, the Report concludes that sympathetic development within the Site would be acceptable in landscape and visual terms and would result in limited to no effect on the function of the Green Belt.

8.0 OPEN SPACE

Q.49 -52, 53 – No comment.

"Q.52 Should new development provide on-site open space, investment into the existing estate, or a balance of the two approaches?"

- 8.1 We consider that open space provision for new development should take a balance between the two approaches. The provision of on-site open space should be considered within the context of each development site, assessing the potential feasibility of a development site to provide for on-site open space provision or whether contributions towards maintaining and enhancing the existing estate is deemed more appropriate.

9.0 ENVIRONMENT

"Q.30 What are the most effective means to secure and strengthen Medway's environment, in the context of the area's development needs?"

- 9.1 We would consider that one of the ways in which MC could strike a balance between securing and strengthening Medway's environment and addressing the area's development needs would be to review those areas of land within Medway that do not serve the functions of the Green Belt as outlined with the NPPF (para. 80) and that do not have a detrimental impact on the environment.
- 9.2 This would prioritise sustainable development on appropriate land throughout Medway and can include Green Belt land as this may have benefits over other environmentally sensitive designations.
- 9.3 In this instance, a localised review of the Green Belt for the Site is considered to fulfil this sustainability credential.

Q.31 – 32 – No comment

10.0 SITE SUITABILITY

10.1 The Site was put forward to MC's 'call for sites' Strategic Land Availability Assessment in May 2014. The SLAA sets out to identify sites with development potential and the methodology undertaken enabled MC to carry out Stage 1 (Site Identification) and Stage 2 (Site Assessment) of the Planning Policy Guidance methodology. As part of the Stage 1 process, a number of sites were excluded for further assessment if they were constrained by a range of restrictive designations as identified within the NPPF (Footnote 9). This included sites within the Green Belt, resulting in North Field, Halling being one such site which was excluded and deemed unsuitable for development due to its Green Belt designation.

10.2 The SLAA recognises that;

"given the scale of development needs that Council must accommodate over the Plan Period, it was considered appropriate and robust that Green Belt land should be subject to detailed assessment at stage 2. However, whilst Green Belt land has been assessed at stage 2, this does not comprise a Green Belt Review. The Council intends to undertake a Green Belt review separately as part of the Local Plan evidence base; this will specifically consider whether land performs Green Belt functions and meets Green Belt purposes, rather than simply whether a site is suitable for development." (2015;13)

10.3 We would consider it appropriate that when such a review of the Green Belt is undertaken to meet OAN requirements, the SLAA would be updated to reflect this changing circumstance.

10.4 We consider that the Site is suitable for localised Green Belt release and demonstrates potential for development. Currently, the whole Site lies within designated Green Belt land and we consider that a robust case has been made to release the Site from the Green Belt, creating a logical extension of St Andrews Park as well as establishing a green wedge between the settlements, maintaining their separation.

10.5 The Site is located within a sustainable location, adjacent to the St. Andrew's Park development which will deliver a range of infrastructure and services. The Site is accessible, located adjacent to the local road network with access proposed directly onto the A228 and also served by local bus routes. Furthermore, the Site is located in close proximity to the strategic highway network and railway with the M2 located approximately 1 mile to the north of the Site and Halling railway station approximately 850 metres to the south of the Site. Pedestrian access to the railway station will be via the pedestrian footbridge, delivered as part of the St. Andrew's Park development.

- 10.6 The development would meet the three elements of sustainable development, as set out in the NPPF (para 7). Enabling residential development would support economic growth in Medway and surrounding areas, providing employment opportunities through the construction phase. The Site has deliverable potential to contribute towards much needed housing within rural Medway and would deliver a mix of housing types, including an element of affordable housing.
- 10.7 The proposed provision of a green wedge to the northern part of the Site would enable further ecological enhancements, as well as landscaping delivered in line with potential development of the Site.
- 10.8 The Site is considered 'deliverable' in that it meets the requirements of footnote 11 of the NPPF and it has been demonstrated that the Site currently available for development, will offer a suitable location for development and has a realistic prospect of housing being delivered on the Site within five years and that development of the Site is viable.

11.0 CONCLUSIONS

- 11.1 These representations are submitted on behalf of Redrow Homes who has a direct interest in the Local Plan and the long-term development strategy for Medway.
- 11.2 These representations focus on promoting Redrow Homes' site known as 'The North Field, Halling'. The Site forms part of the wider St. Andrew's Park Development which is currently being built out by Redrow Homes. The Site currently lies within the Green Belt.
- 11.3 The representations are supported by technical reports in respect of Objectively Assessed Needs and a Green Belt review.
- 11.4 We do not consider that the OAN target of 1,281dpa is sound. It falls short of the starting point estimate and once other factors are taken into consideration, could be as high as 1,489dpa. This matter should be addressed during the next iteration of the Local Plan and ensure that there are sufficient housing sites allocated to meet the Full OAN.
- 11.5 We consider the site is suitable to be released from the Green Belt under a localised Green Belt review in this location. It would form a logical extension to the under construction St Andrews Park and would maintain separation between Halling and North Halling. Furthermore, development in this location would serve to deliver houses in this rural part of Medway that has other Housing Market Area influences upon it (from Tonbridge and Malling and Maidstone).
- 11.6 In addition to the above, we have responded to specific questions. A summary of responses is set out in Table 11.1 below.

Table 11.1 Summary of Responses to Specific Questions.

Housing	
<i>"Q.4 Do you agree with the approach and conclusions of the assessment of housing needs calculated for Medway over the plan period?"</i>	We do not agree with the approach and conclusions of the assessment of housing needs calculated for Medway over the plan period and consider that this has not been appropriately assessed. This is based on the conclusions derived from the BW report which indicates that the OAN of 1,281 dpa derived from MC is not considered to represent an accurate representation of the full OAN for Medway over the Plan period (2012 – 2035).

<p><i>"Q.5 What do you consider to be the appropriate housing market area for Medway?"</i></p>	<p>We do not outline specific housing market areas for Medway that would be considered appropriate but instead wish to highlight that rural parts of Medway (including the Site) have an influence on other housing market areas such as Tonbridge & Malling and Maidstone and therefore these housing market needs should be suitably addressed under the 'duty to co-operate'.</p>
<p><i>"Q.6 Do you agree that 25% is an appropriate level for the requirement of affordable housing, and what threshold should be set for the scale of development that needs to provide affordable housing?"</i></p>	<p>We would consider that in light of the highlighted need for affordable housing provision that the suggested provision of affordable housing (25%) is appropriate.</p>
<p><i>Environment</i></p>	
<p><i>"Q.30 What are the most effective means to secure and strengthen Medway's environment, in the context of the area's development needs?"</i></p>	<p>We would consider that one of the ways in which MC would strike a balance between securing and strengthening Medway's environment and addressing the area's development needs would be to review those areas of land within Medway that do not serve the functions of the Green Belt as outlined in the NPPF and do not have a detrimental impact on the environment.</p>
<p><i>Rural Issues</i></p>	
<p><i>"Q.40 How should the Local Plan address the need to maintain and improve access to services in rural areas?"</i></p>	<p>We consider that the Local Plan should specifically address the need to maintain and improve access to services in rural areas and identify such services to support the continued viability of such areas. Contributions to address such identified need, where appropriate, should be sought from development.</p>
<p><i>"Q.41 What consideration should be given to strategic infrastructure and development in rural Medway?"</i></p>	<p>We consider that the need for strategic infrastructure and development should be appropriately assessed in relation to local needs. Emerging local planning policy should ensure that the ongoing viability of rural areas is maintained.</p>

<i>"Q 42 How can the Local Plan ensure that strategic and local needs are satisfactorily addressed in areas working towards production of a Neighbourhood Plan?"</i>	We consider that MC should work closely with key stakeholders, including Neighbourhood Plan creating bodies to develop appropriate policy to support the vitality of rural areas.
<i>Open Space</i>	
<i>"Q.52 Should new development provide on-site open space, investment into the existing estate, or a balance of the two approaches?"</i>	We consider that open space provision should take a balance between the two approaches, based on individual site context.
<i>Deliverability</i>	
<i>"Q.77 Should we consider setting different rates of affordable housing and CIL contributions to take account of differing viability between areas of Medway?"</i>	We consider that it is appropriate to set different rates of affordable housing and CIL contributions to take into account differing viability areas within Medway.
<i>Development Strategy</i>	
<i>"Q.81 Which development type (or combination of types) do you think best meets the identified growth requirements for Medway?"</i>	We consider that a range of development types should be utilised in meeting Medway's growth requirements, based on the local context.
<i>"Q.84 Should the green belt boundary be reviewed?"</i>	We would support a review of the Green Belt boundary to assess the development potential of land that does not meet the five purposes of the Green Belt as set out in the NPPF, especially in the light of meeting increased housing numbers.

- 11.6 In the light of the above, we consider that the Site represents a suitable location for future allocation that has been appropriately tested and subjected to a Green Belt review as the Local Plan advances.

Appendix 1

North Field, Halling Site Location Plan



A2

N

0

50m

100m

(1:1250)

NOTES

Permission is granted to scale from this drawing for the purpose of Local Authority Planning Approval only. In all other circumstances DO NOT scale from this drawing, please contact this office for any additional information required.
Contractors, Sub Contractors and Suppliers are to check all relevant dimensions and levels of the site and building before commencing any shop drawings or building work. Any discrepancies should be recorded to the Architect.
Where applicable this drawing is to be read in conjunction with the Consultants' drawings.
This drawing is the copyright of Tetlow King Ltd ©. All rights reserved.
Ordnance Survey Data © Crown Copyright. All rights reserved. Licence No. 100007359

REV	DESCRIPTION	DATE	AUTHOR	CHK'D
-----	-------------	------	--------	-------

KEY

Site boundary

Land also owned by applicant

Location of residential development

Site access

Proposed planting

Existing trees

TETLOW KING®

ARCHITECTS : URBAN DESIGNERS : SUSTAINABILITY CONSULTANTS

Building 300, The Grange, Romsey Road, Michelmersh, Romsey, Hampshire, SO51 0AE
Tel: 01794 517333 Fax: 01794 515517 Web: www.tetlowking.co.uk

PROJECT

Former Cemex Site - North Field
Halling, Kent
For: Redrow Homes South East

DRAWING

Location Plan - 01

SCALE	DATE	AUTHOR	CHK'D
1:1250 @ A2	02/04/14	RB/AW	RB

JOB NO.	DRAWING NO.	REV
REDR131007	LP-01	-

Appendix 2

Objective Assessment of Housing Need: Critical Review (Barton Willmore, February 2016)

MEDWAY COUNCIL

OBJECTIVE ASSESSMENT OF HOUSING
NEED

CRITICAL REVIEW

Prepared on behalf of Redrow Homes (South East)

February 2016

MEDWAY COUNCIL
OBJECTIVE ASSESSMENT OF HOUSING NEED
CRITICAL REVIEW
Prepared on behalf of Redrow Homes (South East)
February 2016

Project Ref:	23486/A5/DU/DM
Status:	Final
Issue/Rev:	02
Date:	29 February 2016
Prepared by:	DM DU
Checked by:	DU DM
Authorised by:	AW

Barton Willmore LLP
The Observatory
Southfleet Road
Ebbsfleet
Dartford
Kent
DA10 0DF

Tel: 01322 374660
Fax: 01322 374661
Email: research@bartonwillmore.co.uk

Ref: 23486/A5/DU/DM/kf
Date: 29 February 2016

COPYRIGHT

The contents of this document must not be copied or reproduced in whole or in part without the written consent of Barton Willmore LLP.

All Barton Willmore stationery is produced using recycled or FSC paper and vegetable oil based inks.

CONTENTS

PAGE NO

1.0	INTRODUCTION	01
2.0	PLANNING POLICY CONTEXT	02
A)	NATIONAL PLANNING POLICY	02
i)	Introduction	02
ii)	National Planning Policy Framework (27 March 2012)	02
iii)	Planning Practice Guidance (PPG, 06 March 2014)	03
B)	LOCAL PLANNING POLICY	06
i)	Medway Council Local Plan – Issues and Options 2012-2035 (January 2016)	06
C)	SUMMARY	07
3.0	HOUSEHOLD DEMOGRAPHICS	09
i)	Historic Population Growth – ONS Mid-Year Population Estimates	09
ii)	Office for National Statistics (ONS) Population Projections	11
iii)	Communities and Local Government (CLG) Household Projections	14
vi)	Housing Completions	17
v)	Summary	48
4.0	REVIEW AND CRITIQUE OF THE STRATEGIC HOUSING AND ECONOMIC NEEDS ASSESSMENT (SHENA)	20
A)	INTRODUCTION	20
B)	NORTH KENT STRATEGIC HOUSING AND ECONOMIC NEEDS ASSESSMENT (SHENA)	20
i)	Housing Market Area (HMA)	20
ii)	Starting Point Estimate	21
iii)	Demographic Adjustments	21
iv)	Adjustments to Support Economic Growth	27
v)	Market Signals Adjustment	29
vi)	Affordable Housing Need	32
vii)	Summary	33
5.0	SUMMARY AND CONCLUSIONS	35

1.0 INTRODUCTION

- 1.1 This Technical Note has been prepared by Barton Willmore on behalf of Redrow Homes (South East), in order to review the Objectively Assessed Housing Need (OAN) determined for Medway Council as set out in the Council's Strategic Housing and Economic Needs Assessment (SHENA). The SHENA has been prepared in partnership with Gravesham Borough Council, however in this review we focus on the OAN for Medway only.
- 1.2 The review presented here has been undertaken in the context of the policies of the National Planning Policy Framework (NPPF) and the supporting Planning Practice Guidance (PPG) requirements that a full, unconstrained OAN is prepared.
- 1.3 The review is structured as follows:

Section 2 provides an outline of the relevant National Planning Policy Framework (NPPF), the supporting Planning Practice Guidance (PPG), and Local Planning Policy.

Section 3 reviews the latest official demographic evidence for Medway, including:

- Latest ONS population and CLG household projections;
- ONS mid-year population estimates and past migration trends.

Section 4 provides a review of the SHENA in the context of the requirements of PPG's Housing and Economic Development Needs Assessment guidance (ID2a).

Section 5 summarises our critique of the SHENA to recommend an appropriate way forward in assessing overall housing need for Medway.

2.0 PLANNING POLICY CONTEXT

A) NATIONAL PLANNING POLICY

i) Introduction

- 2.1 The National Planning Policy Framework (NPPF, 27 March 2012) and the accompanying Planning Practice Guidance (PPG, 06 March 2014) set out the requirements within which local planning authorities should be setting their overall housing targets as part of a full objective assessment of overall need. These requirements are summarised below.

ii) National Planning Policy Framework (27 March 2012)

- 2.2 NPPF sets out the Government's planning policies for England and how these are expected to be applied. NPPF states that planning should proactively drive and support sustainable economic development to deliver the homes that the Country needs, and that every effort should be made to objectively identify and then meet housing needs, taking account of market signals (paragraph 17).
- 2.3 In respect of delivering a wide choice of high quality homes, NPPF confirms the need for local authorities to boost significantly the supply of housing. To do so, it states that local authorities should use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area (paragraph 47).
- 2.4 Furthermore, it states that local planning authorities should plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community (paragraph 50).
- 2.5 With regard to plan-making, local planning authorities are directed to set out strategic priorities for their area in the Local Plan, including policies to deliver the homes and jobs needed in the area (paragraph 156).
- 2.6 NPPF states that Local Plans should plan positively for the development and infrastructure required in the area to meet the objectives, principles and policies of the Framework (paragraph 157).
- 2.7 Further, Local Plans are to be based on adequate, up to date and relevant evidence, integrating assessments of and strategies for housing and employment uses, taking full account of relevant market and economic signals (paragraph 158).

- 2.8 For plan-making purposes, local planning authorities are required to clearly understand housing needs in their area. To do so they should:

“prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries; The SHMA should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which:

meets household and population projections, taking account of migration and demographic change;

addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes).”¹

iii) Planning Practice Guidance (PPG, 06 March 2014)

- 2.9 PPG was issued as a web based resource on 6th March 2014. Guidance on the assessment of housing development needs (PPG ID: 2a) includes the SHMA requirement set out in NPPF and supersedes all previous published SHMA practice guidance (CLG, 2007).
- 2.10 The primary objective of the housing development needs assessment (the SHMA) is to identify the future quantity of housing needed, including a breakdown by type, tenure and need (PPG ID2a 002)
- 2.11 Housing need refers to the scale of housing likely to be needed in the housing market area over the plan period, should cater for the housing demand in the area and identify the scale of housing supply necessary to meet that demand. (PPG ID2a 003)
- 2.12 The assessment of need is an objective assessment based on facts and unbiased evidence and constraints should not be applied (PPG ID2a 004).
- 2.13 Use of the PPG methodology for assessing housing need is strongly recommended, to ensure that the assessment is transparent (ID2a 005). The area assessed should be the housing market area (ID2a 008), reflecting the key functional linkages between places where people live and work (ID2a 010).

¹ Paragraph 159, National Planning Policy Framework, 27 March 2012;

PPG methodology for assessing housing need

- 2.14 The full methodology is set out at ID 2a 014 to 029 (overall housing need at ID2a 015 to 020), and is introduced as an assessment that should be based predominately on secondary data (ID2a 014).

Starting point estimate of need

- 2.15 The methodology states that the starting point for assessing overall housing need should be the household projections published by the Department for Communities and Local Government, but that they are trends based and may require adjustment to reflect factors, such as unmet or suppressed need, not captured in past trends (ID2a 015).

"The household projection-based estimate of housing need may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends. For example, formation rates may have been suppressed historically by under-supply and worsening affordability of housing." (2a-015) (Our emphasis)

Adjusting for demographic evidence

- 2.16 The PPG methodology advises that plan makers may consider testing alternative assumptions in relation to the underlying demographic projections and household formation rates. It also states that 'account should be taken of the most recent demographic evidence including the latest Office for National Statistics population estimates' (2a-017).

Adjusting for likely change in job numbers

- 2.17 In addition to taking into account demographic evidence the methodology states that job trends and or forecasts should also be taken into account when assessing overall housing need. The implication is that housing numbers should be increased where this will enable labour force supply to match projected job growth (2a-018).

"Where the supply of working age population that is economically active (labour force supply) is less than the projected job growth, this could result in unsustainable commuting patterns ... and could reduce the resilience of local businesses. In such circumstances, plan makers will need to consider how the location of new housing or infrastructure development could help address these problems." (2a-018)

- 2.18 The PPG also confirms the importance of ensuring sufficient growth in the working age population (16-64), at paragraph 2a-018 and 2a-21:

“Plan makers should make an assessment of the likely change in job numbers based on past trends and/or economic forecasts as appropriate and also having regard to the growth of the working age population in the housing market area.” (2a-018)

“When considering future need for different types of housing, plan makers will need to consider whether they plan to attract a different age profile e.g. increasing the number of working age people.” (2a-021)

Adjusting for market signals

- 2.19 The final part of the methodology regarding overall housing need is concerned with market signals and their implications for housing supply (2a-019:020).

“The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings.” (2a-019)

- 2.20 Assessment of market signals is a further test intended to inform whether the starting point estimate of overall housing need (the household projections) should be adjusted upwards. Particular attention is given to the issue of affordability (2a-020).

“The more significant the affordability constraints ... and the stronger other indicators of high demand ... the larger the improvement in affordability needed and, therefore, the larger the additional supply response should be.” (2a-020)

Overall housing need

- 2.21 An objective assessment of overall housing need can be summarised as a test of whether the household projection based starting point can be reconciled with a) the latest demographic evidence, b) the ability to accommodate projected job demand, c) the requirement to address worsening market signals. If it cannot be reconciled, then an adjustment should be made.

- 2.22 The extent of any adjustment should be based on the extent to which it passes each test. That is:

- It will at least equal the housing need number implied by the latest demographic evidence,
- It will at least accommodate projected job demand; and,
- On reasonable assumptions, it could be expected to improve affordability.

Affordable housing need assessment

- 2.23 The methodology for assessing affordable housing need is set out at 2a-022 to 029 and is largely unchanged from the methodology it supersedes (SHMA 2007). In summary, total affordable need is estimated by subtracting total available stock from total gross need. Whilst it has no bearing on the assessment of overall housing need, delivering the required number of affordable homes can be used to justify an increase in planned housing supply (2a-029).

“The total affordable housing need should then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments ... An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes.” (2a-029) (our emphasis)

B) LOCAL PLANNING POLICY**i) Medway Council Local Plan – Issues and Options 2012-2035 (January 2016)**

- 2.24 The Medway Council Local Plan Issues and Options Plan (draft Plan) represents the first formal stage of the Local Plan process, and sets out a strategy for development in Medway up to 2035.
- 2.25 In respect of the OAN for Medway, the Plan states the following:

“The Government requires Local Planning Authorities to determine the objectively assessed needs (OAN) for housing in their strategic housing market areas. Work carried out for the North Kent Strategic Housing and Economic Needs Assessment (SHENA) in 2015 has analysed demographic, economic and market signal information to assess the quantity and types of housing that will be needed to meet the projected growth in households over the plan period. This concludes that the Local Plan needs to make provision for up to 29,463 new homes by 2035.”²

- 2.26 The OAN determined by the Strategic Housing and Economic Needs Assessment (SHENA) equates to 1,281 dwellings per annum over the period 2012-2037, not the plan period (2012-2035). The Plan states how the Council is committed to planning positively to meet the development needs of Medway.
- 2.27 The study Barton Willmore presents here provides a full critique of the SHENA to evaluate whether the OAN is positively prepared in line with the requirement of the NPPF.

² Paragraph 7.8, page 21, Medway Council Issues and Options Consultation Document, January 2016

2.28 The Issues and Options Plan also identifies Medway as a major economic hub within the South East region and Medway's location within the Thames Gateway offers excellent opportunities to stimulate business growth.

2.29 A key issue for the Local Plan will be:

"To secure a successful economic base in Medway, providing a range of jobs for residents and securing sustainable growth without exacerbating the need to travel to access high quality job opportunities."³

2.30 Furthermore, the Issues and Options Plan outlines the scale of economic growth forecast for Medway as follows:

"To forecast the scale and nature of economic growth anticipated in Medway over the plan period, calculations have been carried out based on an assessment of the population growth projections, the strengths of the local economic, knowledge of growth sectors, and impacts of major strategic developments such as London Paramount. The research has forecast a growth of around 17,200 new jobs in Medway up to 2037. Over half of these jobs are expected in non-B class activities, such as retail and healthcare."⁴

C) SUMMARY

2.31 The NPPF and PPG requires that in planning for future levels of housing, local authorities should boost significantly the supply of housing in their area that meets in full, the objectively assessed need for market and affordable housing. In doing so local authorities should;

- identify a scale of housing that meets household and population projections;
- account for migration and demographic change in formulating housing requirements;
- ensure that assessment of, and strategies for, housing, employment and other uses are integrated, and that they take full account of relevant market and economic signals; and
- work closely with the business community to understand their changing needs and identify and address barriers to investment, including a lack of housing.

³ Paragraph 8.18, page 32, Medway Council Issues and Options Consultation Document, January 2016

⁴ Paragraph 8.19, page 32, Medway Council Issues and Options Consultation Document, January 2016

- 2.32 The following sections of this report provide an analysis of the starting point in objectively assessing overall housing need according to PPG – official ONS and CLG projections and estimates – and a full review of the SHENA and the OAN it determines for Medway. This will enable us to reach a conclusion as to whether the SHENA provides for full OAN.

3.0 HOUSEHOLD DEMOGRAPHICS

- 3.1 The PPG advises that the starting point for estimating overall housing need should be the latest household projections produced by the Department for Communities and Local Government (CLG) and that account should be taken of the most recent demographic evidence, including Office for National Statistics (ONS) population estimates.
- 3.2 This section reviews the latest official ONS demographic and CLG household data for Medway. Comparisons are made alongside the South East region and the national average.
- 3.3 To align with the assessment of housing need in the Council's draft Plan and the SHENA, we provide our analysis in this section (where possible) based on the 23-year period 2012-2035.

i) Historic population growth – ONS Mid-Year Population Estimates

- 3.4 Medway is currently estimated to have a population of 274,000 according to the ONS 2014 Mid-Year Population Estimates. Since 2001 Medway's population has grown by 24,300 which is equivalent to a rate of 9.7%. Medway's rate of population growth is slightly lower than the national average (9.8%) and lower than the regional average (10.6%) as shown in Table 3.1.

Table 3.1: Historic population change (2001-2014)

	2001	2014	2001-2014 change	
			No.	%
Medway	249,700	274,000	24,300	9.7%
South East	8,023,400	8,873,800	850,400	10.6%
England	49,449,700	54,316,600	4,866,900	9.8%

Source: Mid-Year Population Estimates, Office for National Statistics

All figures have been individually rounded to the nearest one hundred and may not sum

Percentages have been calculated using unrounded numbers

- 3.5 Population changes as a result of net migration and natural change. Table 3.2 provides the detailed components of change for Medway.

Table 3.2: Components of population change – Medway

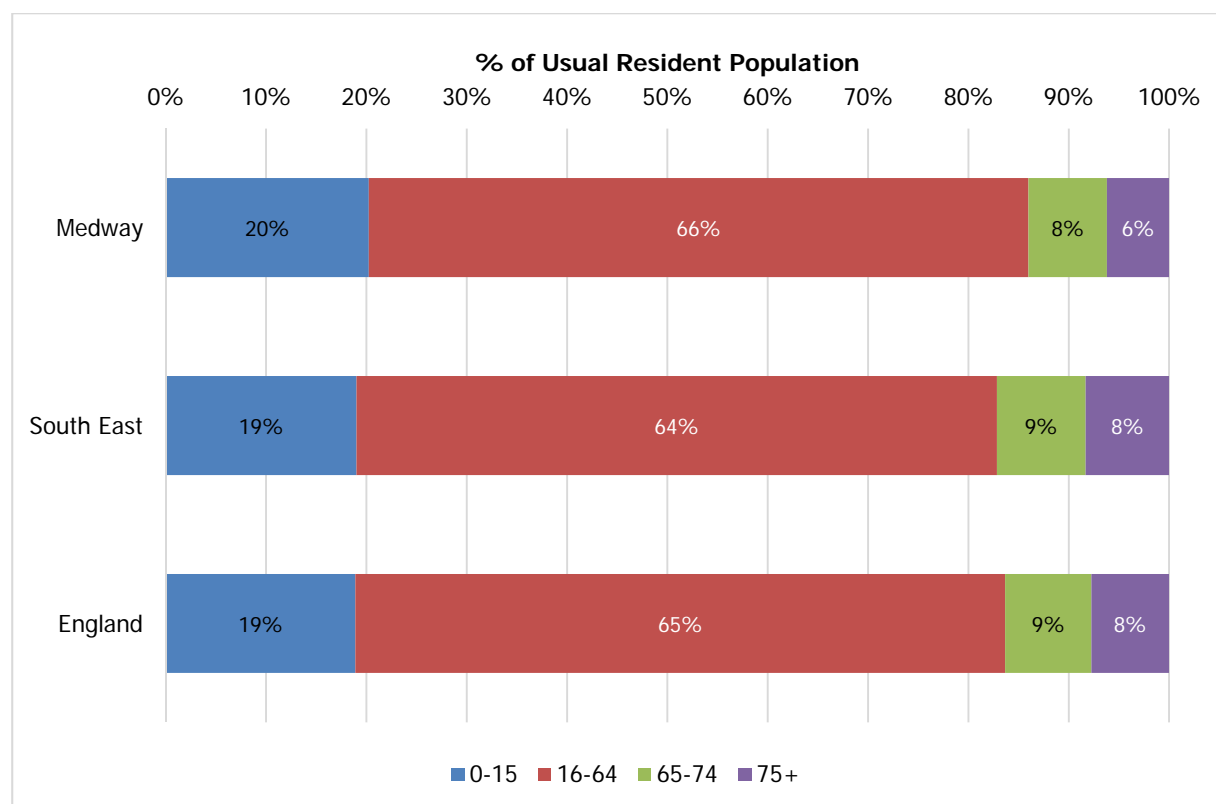
	Natural change	Net Migration	Other changes	Total change
2001/02	879	-250	-71	558
2002/03	1046	-270	121	897
2003/04	988	-782	94	300
2004/05	1,030	-691	300	639
2005/06	1,033	115	232	1,380
2006/07	1,247	969	130	2,346
2007/08	1,304	998	98	2,400
2008/09	1,383	374	249	2,006
2009/10	1,450	776	282	2,508
2010/11	1,539	652	-44	2,147
2011/12	1,546	1,793	-6	3,333
2012/13	1,452	1,280	155	2,887
2013/14	1,510	1,296	104	2,910
Average 2001/14	1,262	482	126	1,870
Average 2007/12	1,444	919	116	2,479
Average 2009/14	1,499	1,159	98	2,757
Average 2004/14	1,349	756	150	2,256

Source: Mid-Year Population Estimates, Office for National Statistics

- 3.6 At the start of the decade Medway experienced net outward migration. However, since 2005 net migration to Medway has been positive meaning that more people have moved to Medway than moved out.
- 3.7 Medway has also experienced positive natural change (more births than deaths) which has increased between 2001 and 2014. In addition there is positive 'other' change (change that is not possible to identify as either migration or natural change) equating to 1,640 people, or an average of 130 people per annum over the period 2001-2014.
- 3.8 Over the period 2001 and 2014, population change in Medway has largely been as a result of natural change (67%). However more recent trends reflect a shift in the components of population change as a result of net migration increasing considerably since 2011.

- 3.9 Medway has a younger age profile than the regional and national averages, with a larger proportion of the population aged 0-15 years and 16-64 years, as shown in Figure 3.1.

Figure 3.1: Age profile, 2011



Source: 2011 Census

ii) Office for National Statistics (ONS) population projections

- 3.10 The ONS produces population projections for all local authority areas in England. These are referred to as the Sub National Population Projections (SNPP) and are published by the ONS usually every two years.
- 3.11 The ONS SNPP are trend-based projections. That is, they project forward past demographic trends in births, deaths and migration. They do not take account of any future changes to government policy which may affect these past trends.
- 3.12 Table 3.3 sets out the official ONS SNPP in chronological order from the 2008-based series to the most recent 2012-based SNPP (29 May 2014). The 'interim' 2011-based SNPP and 2012-based SNPP take account of findings from the 2011 Census of the population. Growth is considered over the period 2012-2033 (2008-based) and 2012-2037 (2012-based). However, in line with the Medway Plan period, growth has also been considered over the period 2012-2035. The shorter period presented in respect of the 2008-based series is due to the projections finishing in 2033.

Table 3.3: ONS Population Projection series for Medway

Series	2012	2021	2033/35	2037		2012-21 (per annum)	2012-33/35 (per annum)	2012-37 (per annum)
2012-based	268,200	290,500	322,700*	326,800		22,300 (2,480)	54,500 (2,370)	58,600 (2,340)
2011-based (interim)	267,300	290,300				23,000 (2,560)		
2008-based	257,600	269,700	286,300**			12,100 (1,340)	28,700 (1,370)	

Source: Office for National Statistics (rounded to nearest 100) Note: Figures may not sum due to rounding

*2035; **2033.

- 3.13 The latest 2012-based SNPP project significantly higher population growth than the previous full 25-year projection series (the 2008-based SNPP) and marginally higher growth than the interim 2011-based series. This is expected given the analysis presented earlier in this chapter which shows net migration to Medway increasing in recent years.
- 3.14 Despite the 2012-based SNPP projecting the highest population growth, it is important to note that the 2012-based SNPP are underpinned by trends captured over the 2007-2012 period. This period was characterised by an economic recession and for this reason, resulted in atypical migration trends in some areas.
- 3.15 From reference to the 2012-based ONS SNPP components of change, the 2012-based ONS SNPP is underpinned by average net in-migration of 840 people per annum, 2012-2035. However, analysis of net migration trends from the period 2007-2012 from which the 2012-based SNPP trends are drawn puts average net migration at 919 people per annum. This compares to the most recent long-term trend (2004/5-2013/14) of 760 people per annum and the most recent 5-year trend (2009/10-2013/14) of 1,160 people per annum.
- 3.16 The analysis of migration trends for Medway therefore suggests a short-term trend in Medway is a prudent base from which to plan. However, whilst the most recent 5-year migration trend suggests higher net migration to Medway (largely influenced by the three most recent years) than the 2012-based SNPP, it is not possible to say with any certainty whether Medway will see a continued rise in migration. On this basis, the 2012-based SNPP are considered to provide a reasonable demographic projection for Medway.
- 3.17 However, the 2012-based SNPP are considered to represent the very minimum of future population growth in Medway given the 2012-based SNPP are considered to be conservative due to the national projections which underpin them. The 2012-based SNPP are constrained to the 2012 National Projections published in 2013. The national projection is based on an

assumption of 165,000 net international migrants coming into the UK per annum, and this assumption is projected forward per annum over the full 25 years of the 2012-based SNPP period. However net international migration of 165,000 people per annum conflicts significantly with the latest migration statistics report by the ONS, which shows net international migration of 336,000 people in the year ending June 2015, over double the 2012-based SNPP assumption.

- 3.18 The ONS appear to have noted this significant increase in net international migration, recently publishing the 2014 National Projections and assuming 185,000 net international migrants per annum. However this remains significantly lower than has been seen in the recent past. Although the forthcoming 2014-based ONS SNPP (expected May 2016) will project higher population growth across the country on the basis of these revised 2014-based National Projections, the assumption of 185,000 net international migrants per annum remains a very conservative estimate on the basis of recently recorded trends.
- 3.19 In this context the 2012-based SNPP are considered to be underpinned by assumptions which lead to a minimum level of population growth over the Plan period (2012-2035). Therefore the projected population growth presented in Table 3.3 is very likely to be conservative given that Medway is historically a net receiver of international migrants.
- 3.20 It is important to be aware of the issues related to the SNPP because the CLG household projections underpinned by the 2012-based SNPP. The household projections are derived by applying household representative rates to the ONS population projections. Household projections will be discussed in the next section.
- 3.21 The 2012-based ONS SNPP project the working age population to grow at a much slower rate than the population as a whole as is shown in Table 3.4. Given the extension of State Pension Age, there will be an increasing number of people working beyond the age of 64 years and therefore it is also important to consider the projected growth of the 65-74 year old population.

Table 3.4: Working Age Population Change, 2012-2035

Age Group	Medway
16-64	18,050 (10.3%)
65-74	11,900 (53.5%)
Total (16-74 years)	29,950 (15.2%)
Total (all ages)	57,800 (21.8%)

Source: 2012-based SNPP, Office for National Statistics (rounded to nearest 100) Note: Figures may not sum due to rounding. Percentages calculated using unrounded numbers.

- 3.22 It is evident from Table 3.4 that the growth in the working age population (16-74 years) in Medway is heavily driven by the growth in the population aged 65-74 years (53.5% growth). Realistic assumptions need to be applied as to how greatly people over the age of 65 years can contribute to the resident labour force.
- 3.23 The PPG states 'where the supply of working age population that is economically active (labour force supply) is less than the projected job growth, this could result in unsustainable commuting patterns' (PPG, ID2a, 018). Whilst the 2012-based SNPP do project an increase in the working age population in Medway, further work is required in order to determine whether the level of workforce growth is sufficient to support the projected level of job growth.

iii) Communities and Local Government (CLG) household projections

- 3.24 Table 3.5 sets out the official CLG household projections in chronological order from the 2008-based series to the most recent 2012-based series (27 February 2015).

Table 3.5: CLG Household Projections for Medway

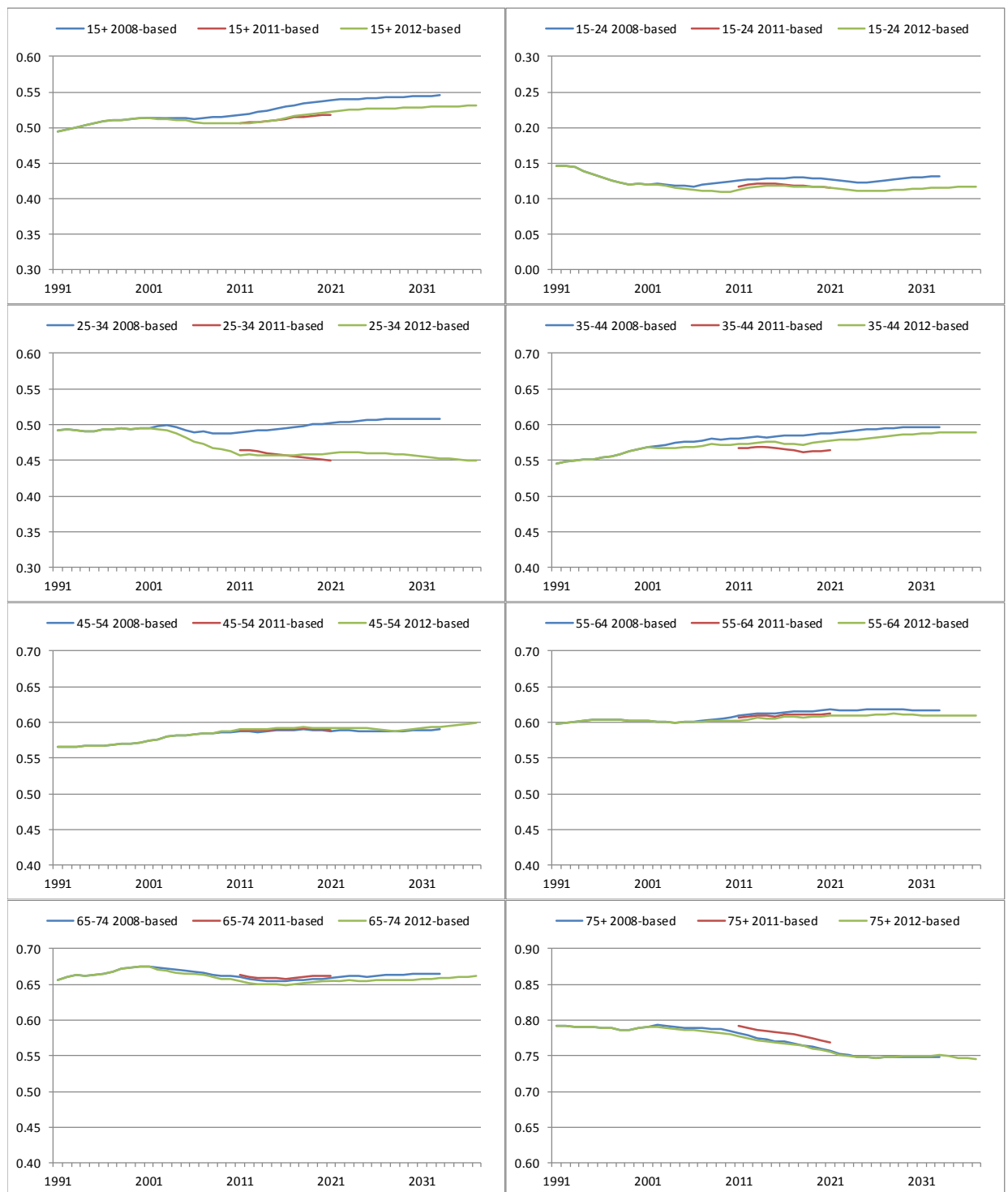
Series	2012	2021	2033/35	2037	2012-21 (per annum)	2012-33/35 (per annum)	2012-37 (per annum)
2012-based	108,190	120,470	137,640*	139,950	12,280 (1,360)	29,450 (1,280)	31,760 (1,270)
2011-based (interim)	107,970	119,320			11,350 (1,260)		
2008-based	107,470	116,090	125,890**		8,620 (960)	18,420 (880)	

Source: (CLG) Communities and Local Government (rounded to nearest 100) Note: Figures may not sum due to rounding
 *2035; **2033

- 3.25 As the PPG states the CLG projections should form the 'starting point estimate' only of overall housing need as part of a full objective assessment of need. The latest CLG 2012-based household projections show growth of 1,280 households per annum in Medway over the Plan period (2012 and 2035). To reach a dwelling requirement, account needs to be taken of vacant and second homes. For Medway this rate is 3.27%⁵ resulting in a dwelling projection of 1,323 dwellings per annum, 2012 to 2035.
- 3.26 The growth projected by the CLG 2012-based household projections is higher than the growth projected by the previous two series of household projections (the 'interim' 2011 and 2008-based series), but this is expected given the 2012-based SNPP projected higher population growth than the other two series.

⁵ CLG, CTB 2014 (Second Homes); CLG Live Table 125/615 (Vacant)

- 3.27 However, like the 2012-based SNPP, the 2012-based household projections are also underpinned by recessionary trends in relation to household formation, whereas the 2008-based projections are underpinned by trends gathered prior to the recession and are therefore higher in terms of projected household formation, particularly in younger age groups.
- 3.28 The CLG have published household formation data for the 2012-based household projections (household formations rates by age and gender). The rates show that household formation in the 2012-based projection still projects a declining household formation rate trend in the 25-34 and 35-44 age groups (see Figure 3.2 below) when compared with the interim 2011-based and 2008-based projections.
- 3.29 The interim 2011-based household projections were widely regarded to project forward very low household formation in younger age groups. This was due to the trends underpinning the projections covering the period just prior to and including the recessionary period, when housing became rapidly less affordable for people in the younger age groups due to a lack of supply.
- 3.30 Figure 3.2 illustrates that the 2012-based rates for Medway follow a similar trajectory to that of the interim 2011-based projections before them. After 2025 the 2012-based projection shows a declining trend which results in the gap between the 2008 and 2012-based rates increasing, and suppression in the 2012-based rate worsening.

Figure 3.2: Household Formation Rates, Medway

Source: CLG

- 3.31 The trend for declining household formation in the 25-44 age group is likely to be caused in part by worsening affordability. Planning for housing on the basis of a continuation of these suppressed household formation rates is not supported by PPG which recommends adjustments to households formation rates to reflect factors not captured in past trends (ID 2a-015).
- 3.32 Furthermore, planning on the basis of the 2012-based household formation rates is not considered to be in accordance with the principles of positive planning, and would likely place significant pressure on housing supply. Recent Planning Inspectorate decisions concur with this view.⁶
- 3.33 In this context, and given that the 2012-based projections show slightly lower household formation particularly for 25-44 year olds than the pre-recessionary 2008-based projections, it is considered that an adjustment needs to be made to comply with the National Planning Policy Framework's (NPPF) clear policy to 'boost significantly' the supply of housing, 'promote economic growth' and 'positively prepare' Local Plans.
- 3.34 How this adjustment should be applied has been subject of much debate, and there is not considered to be one correct answer, as it is a matter of judgement. However Barton Willmore would suggest a blended approach whereby the 2012-based HFRs are applied in all age groups, as published, with the exception of the 25-44 age group. In this age group it is considered that a gradual return to the projected 2008-based HFRs by the end of the Plan period is applied. This is considered to comply with the NPPF requirement to ensure that Local Plans are positively prepared, and a significant boost is made to housing supply.

iv) Housing Completions

- 3.35 A lack of housing completions can have a significant impact on the ability for people to move into an area to live, and for existing residents to have the opportunity to purchase their own property. A lack of housebuilding can lead to existing residents having to migrate out of the area. Table 3.6 sets out net completions for Medway over the past 10 years.

⁶ Paragraph 3.8, page 7, Cornwall Local Plan Strategic Policies – Examination: Preliminary findings following the hearings in May 2015; Paragraph 29, page 6, Appeal Decision APP/G2435/W/15/3005052; Paragraph 1.28, page 6, Arun District Local Plan OAN Conclusions, 02 February 2016

Table 3.6: Net Completions, Medway

Year	Net Completions	Plan Target	Surplus/Deficit
05/06	562	700	-138
06/07	591	815	-224
07/08	761	815	-54
08/09	914	815	+99
09/10	972	815	+157
10/11	657	815	-158
11/12	809	1,000	-191
12/13	565	1,000	-435
13/14	579	1,000	-421
14/15	483	1,000	-517
Total	6,893	8,775	-1,882

Source: Annual Monitoring Report

- 3.36 As Table 3.6 shows, since 2005/06 the number of completions has consistently fallen below Development Plan targets, with the exception of two years (08/09 and 09/10). This has resulted in a deficit of -1,882 dwellings over 10 years, representing 20% of planned supply.
- 3.37 Furthermore when compared against the official CLG household projections set out above in Table 3.6, the starting point estimate of need has been at least 1,260 per annum, which suggests under-delivery has been even worse than the comparison against Plan targets.
- 3.38 Notwithstanding this it is considered that this persistent under-delivery in Medway will have had a significant impact on the propensity of people to migrate into the area over the last 10 years. The net-migration trends can therefore be considered to have been constrained by a lack of delivery.

v) Summary

- 3.39 In summary, this section has considered the most up-to-date official population and household projections published by CLG and ONS. The key headlines from this section are as follows:
- The PPG emphasises that CLG household projections should only form the 'starting point' in an objective assessment of the overall housing need, and that sensitivity testing based on alternative demographic and household formation assumptions may be considered;

- This 'starting point estimate' is currently growth of 1,281 households per annum in Medway, using the latest 2012-based CLG household projections over the period 2012-2035 (Medway's plan period). Applying a household/dwelling adjustment (to account for vacancy and second home rates) the overall housing need is 1,323 dwellings per annum;
- However, Barton Willmore consider that growth of 1,323 dwellings per annum could represent an underestimate of demographic-led housing need for a number of reasons:
- The 2012-based household projections are based on household formation rate trends observed over the recessionary period, when affordability worsened significantly. There remains suppression in the household formation rates for 25-34 year olds in Medway. PPG states that adjustments may be required to the household projection estimate of need if rates have suppressed historically (paragraph 15). An adjustment in Medway is considered necessary in the 25-34 age group to address this suppression;
- Analysis of net housing completions has highlighted that annual completions have consistently fallen below the level of need required by consecutive Development Plans, and below official CLG household projections, inhibiting the propensity of people to migrate into Medway. This would have directly influenced the net migration trends underpinning the 2012-based ONS SNPP and the 2012-based CLG household projection;
- The 2012-based ONS SNPP are also considered a conservative projection in respect of the international migration assumption they are underpinned by (165,000 people per annum). This is less than half the most recent trend data from ONS shows (336,000 people per annum).
- Analysis of migration trends has concluded that the 2012-based SNPP provide a reasonable basis on which to assess demographic-led need in Medway at this point in time. However, for the reasons set out above the 2012-based SNPP should be considered a very minimum and if subsequent releases of Mid-Year Population Estimates provide evidence of net migration to Medway continuing to increase, then an updated short term migration should be considered.

3.40 This section identifies how the starting point estimate of OAN (1,323 dpa, 2011-2031) for Medway should be considered a very minimum.

3.41 The following section of this study considers the evaluation of official ONS and CLG data in the context of the Council's OAN evidence.

4.0 REVIEW AND CRITIQUE OF THE STRATEGIC HOUSING AND ECONOMIC NEEDS ASSESSMENT (SHENA)

A) INTRODUCTION

- 4.1 The Strategic Housing and Economic Needs Assessment (SHENA) dated November 2015 provides the evidence base to support the Council's determination of Objectively Assessed Need (OAN) for housing in Medway. The report has been prepared by Bilfinger GVA.
- 4.2 In the context of our assessment of demographic data in the previous section of this study, the following section provides an analysis and evaluation of the SHENA's approach to OAN in Medway. The analysis we present follows the methodological requirements of section ID2a – 'Housing and Economic Development Need Assessments' (HEDNA) to determine whether the Council's proposed housing target (1,281 dwellings per annum) represents full, unconstrained OAN.
- 4.3 It is important to note that the SHENA has assessed OAN over the period 2012-2037 which is the time period considered by the latest 2012-based projection series. However, the draft Local Plan covers the period 2012-2035.

B) NORTH KENT STRATEGIC HOUSING AND ECONOMIC NEEDS ASSESSMENT (SHENA)

- 4.4 The 2015 SHENA seeks to establish the OAN for Medway following the methodology outlined in PPG. We would comment on the SHENA as follows:

i) Housing Market Area (HMA)

- 4.5 The SHENA begins with an assessment of the appropriate HMA in which to assess housing needs for Medway as required by PPG (ID 2a-010-20140306). The assessment's analysis draws on research published by CLG in 2010 titled 'Geography of Housing Market Areas'. In essence this research is based on work undertaken by the Centre for Urban & Regional Development Studies (CURDS) at Newcastle University.
- 4.6 The CURDS analysis is correctly presented by the SHENA as identifying Medway as falling within the London Strategic Housing Market Area which contains over 70 local authority areas. The SHENA considers this HMA definition is unmanageable and impractical (paragraph 2.9). Barton Willmore concurs with this conclusion.

- 4.7 For this reason, the SHENA also considers travel to work and migration patterns, and house price data and concludes that Medway has strong relationships with a number of neighbouring local authority areas. On this basis, the SHENA identifies a wider HMA which includes: Medway; Gravesham; Swale; Maidstone; and Tonbridge & Malling. The housing needs of the wider HMA are assessed in the SHENA
- 4.8 Barton Willmore consider the HMA definition applied in the SHENA to be inconsistent with the approach adopted in several of the authorities included within the definition. For example, Swale's housing needs were considered in isolation at the recent (November 2015) Local Plan Examination after the evidence base suggested Swale formed a HMA on its own. Similarly, Maidstone Borough are assessing their housing needs in isolation. Although Maidstone's SHMA identifies functional relationships between Maidstone and Medway, the Maidstone SHMA concludes that there is justification to distinguish Maidstone from Medway in market terms⁷. On this basis, the Maidstone SHMA considers Maidstone represents a HMA on its own.
- 4.9 On the basis of Maidstone Council and Swale Council both assessing their needs in isolation, Barton Willmore, for the purposes of this critique, consider Medway's needs in isolation.

ii) Starting point estimate

- 4.10 The SHENA gives detailed consideration to the latest 2012-based ONS Sub National Population Projections (SNPP) and CLG household projections as representing the 'starting point' estimate of need. Growth of 1,270 households per annum over the period 2012-2037 is correctly presented. However, it is important to note that over the period covered by the draft Local Plan (as presented in the current Issues and Options consultation as being 2012-2035) growth is 1,280 households per annum. The SHENA does not present this.

iii) Demographic adjustments

- 4.11 The PPG (paragraph ID2a-017) states how plan makers may consider sensitivity testing, specific to their local circumstances, based on alternative assumptions in relation to underlying demographic projections and household formation rates. Account should also be taken of the most recent demographic evidence including the latest ONS population estimates.

⁷ Paragraph 2.39, page 29, Maidstone Strategic Housing Market Assessment – Maidstone Borough Council, Final report, January 2014, GL Hearn

Adjustment to household formation rates

- 4.12 The SHENA does not undertake any sensitivity testing in relation to household formation.
- 4.13 The analysis presented in Chapter 3 of this report has shown clear suppression in household formation for those people aged 25-44 years, which Barton Willmore considers should be addressed through making an adjustment to the rates.
- 4.14 The danger of planning on this basis of the 2012-based household formation rates would be to exacerbate this suppression over a 23-year Plan period, adding to the trend of worsening affordability in Medway, and the inability of first time buyers to form their own households. This is not considered to comply with the NPPF requirement to positively prepare Development Plans.
- 4.15 Recent appeal decisions⁸ have agreed that there remains an element of suppression in the 2012-based household formation rates. A more positive approach to household formation in this age group would increase the starting point estimate above 1,270 households per annum (2012-2037)/ 1,280 households per annum (2012-2035).

Adjustment to the demographic projections

- 4.16 The SHENA presents three sensitivity scenarios with regards to the underlying population projections as an alternative to the published 2012-based ONS SNPP.
- 4.17 The **first** demographic sensitivity scenario included by GVA incorporates the 2013 and 2014 Mid-Year Population Estimates (MYPE), published by the ONS after the 2012-based SNPP were published. Despite the 2013 and 2014 MYPE projecting higher population growth than projected in the 2012-based SNPP, the effect of the SHENA incorporating the 2013 and 2014 MYPE into the 2012-based SNPP is to reduce household growth from 1,270 to 1,235 households per annum (2012-2037).
- 4.18 This seems counterintuitive (a point which the SHENA also raises at paragraph 5.38). However, the SHENA states that the reduction in household growth is due to the different age/ gender profile applied as a result of taking account of the 2013 and 2014 MYPE. This requires further investigation through bespoke modelling to establish whether this statement is correct.

⁸ Coalville and Cornwall

- 4.19 The **second** is a long-term (2005-2014) net-migration scenario which results in household growth of 1,148 households per annum – again lower than the ‘starting point’ estimate for 1,270 households per annum (2012-2037) as indicated by the 2012-based CLG household projections. This scenario projects household growth that is 10% lower than the starting point estimate.
- 4.20 Lower household growth is the result of lower projected population. The long-term trend (2005-2014) projects lower population growth because net migration is assumed to be lower (756 net migrants per annum) compared to the average net migration assumption of the 2012-based ONS SNPP (840 people per annum based on trends from the period 2007-2012).
- 4.21 At paragraph 5.39 the SHENA states that the later years of the inter-Census period (2001-2011), and the last three years since the 2011 Census (2012-2014) show the highest levels of population growth in Medway since 2001. The SHENA then goes on to state how the 2012-based CLG household projections are underpinned by trends drawn “principally from this period of high growth”⁹, and it is therefore appropriate to consider longer term trends from 2004-2014.
- 4.22 In this regard the latest Planning Advisory Service (PAS) guidance on OAN summarises the problems of using the 2007-2012 period as follows:

“The base period used in the latest official projections, 2007-12, is especially problematic. The period covers all of the last recession, in which migration was severely suppressed as many households were unable to move due to falling incomes and tight credit. Therefore the official projections may underestimate future migration - so that they show too little population growth for the more prosperous parts of the country, which have been recipients of net migration in the past. If so, by the same token the projections will also overestimate population growth for areas with a history of net out-migration.”¹⁰

- 4.23 Whilst Barton Willmore do not disagree with the consideration of longer term trends, the PPG supports adjustments to the ‘starting point’ estimate of need in relation to the underlying demographic projections and household formation rates. However, PPG states that any local changes would need to be clearly explained and justified on the basis of the established sources of robust evidence (ID 2a-017-20140306). In this instance, consideration of longer term trends does not seem appropriate for Medway as analysis of components of population change (see

⁹ Paragraph 5.39, page 93, North Kent Strategic Housing and Economic Needs Assessment: Strategic Housing Market Assessment, Final Report, Medway Council, November 2015, Bilfinger GVA

¹⁰ Paragraph 6.23, page 23, PAS OAN Technical Advice Note: Second Edition, July 2015

Table 3.2 presented in Chapter 3 of this report and Figure 29 of the SHENA) clearly identifies net migration to Medway increasing since 2011. Therefore to consider a level of net in-migration lower than the 2012-based ONS SNPP in Medway is considered to wholly contradict the advice of the PAS Guidance.

- 4.24 GVA have chosen not to analyse a more recent 5-year trend, a decision Barton Willmore do not consider to be justified.
- 4.25 Analysis of migration trends, presented in Chapter 3 of this report, has illustrated that a more recent 5-year migration trend (2009/10 – 2013/14), which incorporates the last few years of recession, and the recent economic upturn, suggests net migration of 1,159 per annum. This is higher than the assumptions which underpins the 2012-based SNPP (840 migrants per annum) based on trends from the period 2007-2012.
- 4.26 However, there is not sufficient data at this point in time to say with any certainty whether Medway is experiencing a reversal of trend in terms of net migration. For this reason, despite a more recent 5-year trend showing higher net migration than the 2012-based SNPP, it is considered that the 2012-based SNPP provide the most reasonable demographic projection at this point in time. However, the 2012-based SNPP should provide the very minimum projection of population growth given the issues highlighted in Chapter 3 of this report. Furthermore, we reserve the right to amend this approach if subsequent releases of Mid-Year Population Estimates indicate that net migration to Medway is continuing to increase.
- 4.27 A **third** sensitivity scenario is the long-term net-migration scenario (2005-2014) including the ‘unattributable population change’ (UPC) recorded by ONS for Medway. The UPC is an element of population change which the ONS cannot account for. There is the possibility that it may be due to under recorded levels of international migration, but it could equally be due to other reasons.
- 4.28 The effect of including UPC within the long-term migration trend scenario is to reduce household growth to 1,124 households per annum (compared to growth of 1,148 households per annum excluding UPC) over the period 2012-2037.
- 4.29 Barton Willmore’s approach is to exclude UPC from demographic modelling scenarios. This is based on the following:
- ONS’ confirmation that UPC has been excluded from the calculation of the 2012-based ONS SNPP;

- Advice sent by email from ONS to Barton Willmore that it would be 'sensible' to exclude UPC from the calculation of net-migration trends;
- The ONS statement that if UPC was due to international migration, its effect would have been in the first half of the decade, after which the recording of international migration was improved;
- Local Plan Examination decisions where UPC has been excluded (Aylesbury Vale, Eastleigh, Arun). In the case of the most recent decision in Arun (February 2016), UPC was significant, yet the Inspector noted that if UPC were to be attributed to migration, errors would have been earlier in the 2001-2011 period;
- The ONS' statement that UPC is only applicable to the 2001-2011 period and does not introduce a bias that will continue in future projections.

4.30 The UPC scenario is therefore not considered to be a robust scenario for growth in Medway.

4.31 The SHENA presents demographic-led need in Medway to be between 1,124 and 1,270 households per annum over the period 2012-2037 based on the results of the two long-term migration trend scenarios. Once an allowance for vacancy has been applied this results in dwelling growth of between 1,167 and 1,317 dwellings per annum.

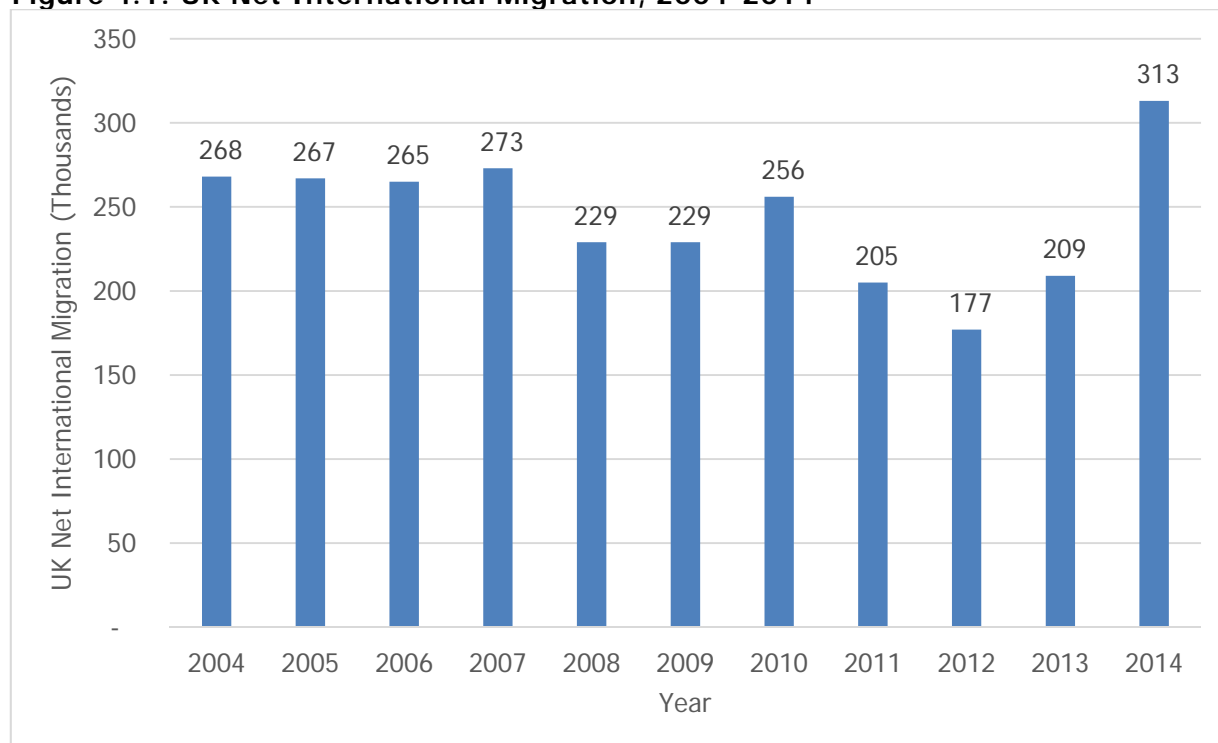
4.32 However, the SHENA acknowledges that due to the uncertainty of UPC, it is appropriate to consider an average of the two long-term migration scenarios (including and excluding UPC)¹¹. This results in growth of 1,136 households (1,179 dwellings) per annum over the period 2012-2037.

4.33 Barton Willmore consider that OAN of less than the 2012-based CLG household projection should not be considered, for the following reasons:

4.34 First, the 2012-based ONS SNPP were underpinned by net migration trends between 2007 and 2012, and as this analysis shows, they are underpinned by three years (2008-2011) when net in-migration fell significantly below two of the years prior to the 2007-2012 period. This contradicts GVA's statement that the later years of the 2001-2011 period show the highest levels of growth. This statement by GVA is not considered to be justified.

¹¹ Paragraph 5.47, Page 95, North Kent Strategic Housing and Economic Needs Assessment: Strategic Housing Market Assessment, Final Report, Medway Council, November 2015, Bilfinger GVA

- 4.35 The **second point** concerns the assumption of net international migration in the 2012-based ONS National Projections, which underpin the 2012-based ONS SNPP. The 2012-based ONS national population projections are based on net international migration of 165,000 people per annum continuing every year up to 2037.
- 4.36 The assumption of net international migration in the ONS 2012-based national projections is considered by Barton Willmore to be a significant underestimate. This view is based on more recent evidence from ONS which shows how international net-migration was 336,000 people in the most recently recorded year (ending June 2015) – over double the 2012-based ONS national projection assumption. The 10-year average has also been circa 240,000 people per annum (see Figure 4.1 below).
- 4.37 On this basis alone, it is considered the 2012-based ONS SNPP, and therefore the 2012-based CLG household projections, are based on conservative assumptions and for this reason should be considered a minimum projection of future growth.
- 4.38 This is emphasised further by the more recent 2014-based national projections (29 October 2015) which have increased the assumption to 185,000 people per annum. The effect of this increase will be seen in the 2014-based SNPP, which are due for release in the first half of 2016.
- 4.39 A further effect on in-migration is the delivery of housing. Table 3.6 in this study has shown how delivery has fallen below planned targets in all but two of the past ten years. The cumulative effect has been for a deficit in delivery of 1,882 dwellings (20% lower than planned supply). This will have constrained in-migration to Medway, and trends would have been higher if planned housing targets had been met and the homes were there to be filled.

Figure 4.1: UK Net International Migration, 2004-2014

Source: Migration Statistics Quarterly Report, November 2015

4.40 Finally it is considered the past three years net in-migration to Medway (1,280, 1,293, and 1,793 people per annum respectively) highlight how the 2012-based SNPP and CLG projections are based on a conservative net in-migration assumption of only 840 people per annum.

4.41 However, given there is no degree of certainty as to whether Medway is experiencing a reversal of trend in relation to net migration, it is considered that the 2012-based SNPP at the very least should provide the minimum projection of future population growth. On this basis, for the Medway SHMA to favour the long-term migration trend approach (which projects lower population growth) is considered inappropriate.

4.42 In summary, it is not considered justified to project lower population or housing growth than the starting point estimate.

iv) Adjustments to support economic growth

4.43 The approach applied by GVA in the SHENA to economic-led OAN is generally considered robust, save for the assumptions in respect of job growth forecasts. GVA use a single source, Experian Economics, from quarter 1 of 2015. Experian is considered a robust source of job growth forecasts, however it is Barton Willmore's view that an average forecast should be taken from three sources; Experian Economics, Cambridge Econometrics, and Oxford Economics. This view has been taken following criticism of the use of using a single source in some Local Plan

examinations, given the fluctuation in forecasts, which are often published on a quarterly basis. This triangulated approach was supported by the South Worcestershire Local Plan Inspector¹².

- 4.44 In terms of unemployment assumptions, Barton Willmore's approach would be to assume a return to pre-recessionary rates of unemployment over the first ten years of the Plan period. This is a similar approach to the GVA method although they do differ slightly.
- 4.45 Economic activity rate assumptions must also be entered into demographic modelling software to generate the labour force growth required to fill jobs. GVA's approach is to use the Kent County Council 'Technical Paper Activity Rate Projections to 2036' paper (October 2011). This is the same source used by Barton Willmore, and is considered to be a robust independent method which provides unbiased assumptions of how economic activity will increase in older age groups over the next 25 years. However it should be noted that a more recent (November 2014) paper is available and this should be used in preference to the October 2011 edition.
- 4.46 The SHENA also undertakes a sensitivity test of economic activity which incorporates assumptions from Experian's Report 'Employment Activity and the Ageing Population' which has the effect of increasing economic activity of women in line with past trends from 1981, along with significantly increase economic activity for older people.
- 4.47 The commuting ratio is the final assumption which can have a significant effect on economic-led housing need. GVA's approach is to use the 2011 Census ratio of 1.28, and for this to remain static over the Plan period. This is considered a robust approach to apply.
- 4.48 The SHENA considered three economic scenarios but only presented the results of two – the Sector Based Growth scenario and the Sector Based & London Paramount Indirect Scenario. Housing need to support both economic scenarios increases above the baseline demographic needs (1,179 dwellings per annum as indicated by the mid-point of the two long-term migration trends) if KCC economic activity rates are applied; to support the Sector Based Growth scenario 1,197 dwellings per annum are required and to support the London Paramount Indirect scenario a total of 1,213 dwellings per annum are required.
- 4.49 If Experian's economic activity rates are applied, housing need to support both economic scenarios is below the baseline demographic need (1,020 dpa required to support Sector Growth scenario and 1,036 dpa to support the London Paramount scenario).

¹² Stage 1 of the Examination of the South Worcestershire Development Plan; Inspector's Further Interim Conclusions on the Outstanding Stage 1 Matters, 31 March 2014

- 4.50 It is important to note that the level of housing need identified from both economic scenarios and both economic sensitivity tests, is below the 'starting point' estimate of 1,270 households/1,317 dwellings per annum (2012-2037) as indicated by the CLG 2012-based household projections.

v) Market signals adjustment

- 4.51 The GVA report provides a summary of median **house price** increases in Medway between 2000 and 2013. The source used by GVA in obtaining this information (CLG) is considered robust. As GVA summarise, between 2000 and 2013, values in Medway increased by 128.6%; the second fastest rate observed out of seven authorities analysed. The rate also exceeded inflation in the south east region as a whole (96%).¹³
- 4.52 The SHENA's summary of rental prices shows a significant worsening in the lower quartile **rental prices** in Medway. Over the short period analysed (2010-2014), lower quartile rents increased by 10%; the second highest of the seven authorities analysed. This represents an increase of double that experienced in the south east region (4.3%), and triple the increase across England (3.3%). There is a clear affordability problem in respect of lower quartile rents in Medway when compared to surrounding areas.
- 4.53 The change in the **affordability ratio** is often the most crucial of market signals indicators, and the GVA report provides a summary of the lower quartile and median affordability ratios in Medway, compared to seven Kent authorities, the south east region, and nationally. The GVA report highlights how the lower quartile affordability ratio in Medway had increased by 65% between 2000 and 2013, and that this increase represents a more acute increase than the region (51%) and nationally (65%).¹⁴ This highlights how affordability has significantly worsened in Medway over the thirteen years analysed.
- 4.54 This study (section 3) identifies how household formation is suppressed in the 25-34 age group in the most recent 2012-based CLG household projections. The result of assuming the formation rates as published, and planning for growth based on them, will be a failure to address the significant increase in **concealed households** in Medway between the 2001 and 2011 Censuses. This increase across the country has been due to the significant worsening affordability of housing, leading to two or more adult households living with one another rather than forming their own households.

¹³ Paragraph 5.90, SHENA

¹⁴ Paragraph 5.97, SHENA

- 4.55 This trend is evidenced in Medway by the 68% increase in concealed households between the 2001 and 2011 Census'. This is broadly comparable to the regional and national averages (71%) although the SHENA states that concealment is not deemed to be worsening at a significant rate. However, the rate of increase in Medway is higher than in Canterbury (66%), Sevenoaks (56%), and Tonbridge and Malling (54%).
- 4.56 Furthermore the SHENA acknowledges a 13.03% increase in concealed households in the under 25 age group (13%). This is higher than the national average (12.76%) and several other Kent local authorities (Canterbury, Dartford, Maidstone, and Swale).¹⁵ Despite this, the SHENA concludes that the market signals information in respect of concealed families does not provide strong evidence of supply led pressures in Medway¹⁶. Barton Willmore disagree and a response in establishing the OAN for Medway is needed to alleviate this worsening trend.
- 4.57 The **rate of development** is also considered as a market signal, with the PPG stating how future supply should be increased to reflect the likely under-delivery of a Plan, if the rate of development has been lower than the planned number. A meaningful period must be assessed in line with PPG, and as this study has shown (Chapter 3), delivery in Medway has been 20% lower than the planned number over the past 10 years.
- 4.58 The GVA report also identifies this lack of delivery, but over the intercensal period (2001-2011) rather than the last 10 years considered in this study (2005-2014). Notwithstanding this difference, GVA identify growth in Medway's housing stock of 7.3%; lower than the sub-regional, regional, and national averages. Furthermore GVA identify how completions have exceeded planned targets in only three of the 12-year period between 2001/02 and 2012/13¹⁷.
- 4.59 In summary, it is important to note the PPG, which states the following in respect of market signals:

"The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings." ¹⁸

"Appropriate comparisons of indicators should be made. This includes comparison with longer term trends (both in absolute levels and rates of change) in the: housing market area; similar demographic and economic areas; and nationally. A worsening trend in any of these indicators will require upward adjustment to planned housing numbers compared to ones based solely on household projections." ¹⁹
(Our emphasis)

¹⁵ Table 51, SHENA

¹⁶ Paragraph 5.108, SHENA

¹⁷ Paragraph 5.118, SHENA

¹⁸ ID2a-019, Housing and Economic Development Needs Assessments, PPG

¹⁹ ID2a-020, Housing and Economic Development Needs Assessments, PPG

- 4.60 In the context of the PPG, and the analysis set out by GVA, it is clear that an upward adjustment to the CLG household projection for Medway is required. Failure to do so will only serve to exacerbate the conditions which have led to the affordability problems experienced in Medway over the past 10 to 15 years.
- 4.61 The PPG does not quantify the market signals uplift, other than to say how “plan makers should set this adjustment at a level that is reasonable” and “on reasonable assumptions could be expected to improve affordability.”²⁰ Local Plan Examination decisions are the only source in which market signals adjustments have been quantified. At the Eastleigh Local Plan Examination, the Inspector recommended a 10% uplift to demographic-led projections in order to alleviate market pressure considered as “modest”. This level of uplift was considered “cautious” by the Inspector.²¹ The same level of uplift was also considered applicable by the Uttlesford Local Plan Inspector.
- 4.62 An equally cautious uplift of 10% to the 2012-based CLG household projection in Medway would result in an increase to at least **1,456 dwellings per annum**.
- 4.63 The SHENA considers the level of uplift the economic-led scenarios with KCC economic activity rates applied would make to the baseline demographic level of need (mid-point between the two long term migration trends). This is presented as between a 1.5% and 2.9% uplift which is not considered sufficient to respond to the local market signals.²² Barton Willmore agree.
- 4.64 As an alternative, the SHENA also considers the level of uplift the CLG 2012-based household projections, updated to take account of the 2013 and 2014 MYPE, provides to the mid-point of the two long-term migration trends. This is presented as being equivalent to an 8.6%, which the SHENA considers a significant uplift.²³
- 4.65 On this basis the **SHENA concludes on OAN for Medway of 1,281 dwellings per annum** (2012-2037) as indicated by the CLG 2012-based household projections updated to take account of the 2013 and 2014 MYPE.
- 4.66 Barton Willmore do not consider the market signals uplift applied in the SHENA to be sufficient. The SHENA’s ‘uplift’ is applied to the SHENA’s long-term migration trend which is already below the starting point estimate according to PPG. Therefore even applying the market signals ‘uplift’ results in OAN that is still below the starting point estimate (1,281 dpa compared to 1,323 dpa).

²⁰ ID2a-020, Housing and Economic Development Needs Assessments, PPG

²¹ Paragraphs 39-41, Eastleigh Borough Local Plan, Inspector’s Report, February 2015

²² Paragraph 5.129, SHENA

²³ Paragraph 5.130, SHENA

vi) Affordable housing need

- 4.67 As stated in the NPPF, LPAs are required to ensure their local plans meet OAN for both market and affordable housing. The Satnam v Warrington BC High Court Judgment provides useful guidance on the proper exercise that needs to be undertaken to assess affordable need as part of OAN. That is:

“(a) having identified OAN for affordable housing, that should then be considered in the context of its likely delivery as a proportion of mixed market/affordable housing development; an increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes; (our emphasis)

(b) the Local Plan should then meet the OAN for affordable housing, subject only to the constraints referred to in NPPG, paragraphs 14 and 47.”²⁴

- 4.68 The ELM Park v Kings Lynn and West Norfolk BC High Court Judgment (July 2015) provides a more recent judgement on the role of affordable housing need within OAN, determining that affordable need did not have to be met in full when determining OAN but rather:

“This consideration of an increase to help deliver the required number of affordable homes, rather than an instruction that the requirement be met in total, is consistent with the policy in paragraph 159 of the Framework requiring that the SHMA “addresses” these needs in determining the FOAN. They should have an important influence increasing the derived FOAN since they are significant factors in providing for housing needs within an area.”²⁵

- 4.69 It is therefore clear that where there is significant affordable housing need, although it is not required to be met in full, an increase should be considered.

- 4.70 In the context of this, the Council's draft Plan states the following in respect of affordable housing need in Medway:

“The Strategic Housing Market Assessment (SHMA) carried out in 2015 for Medway identified a high level of demand for affordable housing, at 17,112 over the plan period. The Local Plan needs to be deliverable, and must demonstrate that the policies are viable. Initial analysis indicates that a percentage of 25% affordable housing would be deliverable on developments of over 15 units, taking into account land values and development costs.”²⁶ (our emphasis)

²⁴ Paragraph 43 (iv) (a) and (b), High Court Judgement CO/4055/2014, Satnam Millennium Limited v Warrington Borough Council, 19/02/2015

²⁵ Paragraph 33, page 11, High Court Judgement CO/914/2015, Borough Council of Kings Lynn and West Norfolk v Secretary of State for Communities and Local Government, ELM Park Holdings Ltd, 09/07/2015

²⁶ Paragraph 7.12, page 21, Medway Council Issues and Options Consultation Document, January/February 2016

- 4.71 This is a significant level of affordable housing need, equating to 744 affordable dwellings per annum. To deliver this level of affordable housing in full, at provision of 25%, would require full OAN of circa 3,000 dwellings per annum, 2012-2035. It is accepted that 3,000 dwellings per annum is unrealistic, but a figure in excess of the Council's existing target would help to meet some of this affordable need.

vii) Summary

- 4.72 In summary, the SHENA identifies OAN for Medway as being 1,281 dwellings per annum over the period 2012-2037 based on the results of the CLG 2012-based household projection adjusted to take account of 2013 and 2014 Mid-Year Population Estimates.
- 4.73 This level of housing need has been taken forward in the draft Local Plan to represent need over the period 2012-2035.
- 4.74 OAN of 1,281 dwellings per annum is not considered to represent full OAN for Medway over the plan period (2012-2035) for the following reasons:
- There is not considered to be any justification for a reduction to the starting point estimate (2012-based CLG household projection) of OAN in Medway. This starting position is for provision of 1,323 dwellings per annum, 2012-2035;
 - The starting point estimate is based on a 23-year projection of suppressed household formation in the 25-44 age group, the age group most likely to be first time buyers. This suppression will lead to a significant increase in concealed households in this age group unless the OAN adjusts the household formation rates in this age group. The GVA SHENA proposes no adjustment to account for this suppression. To comply with the NPPF requirement to ensure Local Plans are 'positively prepared' an upward adjustment should be applied for the 25-44 age group. This would lead to an OAN in excess of the starting point estimate;
 - The 2012-based CLG household projection is underpinned by the 2012-based SNPP which is considered to provide the very minimum projection of future population growth in Medway due to the low international migration assumptions they are underpinned by and in light of recent data suggesting that net migration to Medway is in fact significantly higher than the trends underpinning the 2012-based SNPP;

- The GVA SHENA considers alternative long-term migration trends but fails to pay regard to a more recent 5-year migration trend. The SHENA adopts the use of a long-term migration trend to reflect demographic-led need in Medway which projects lower population growth than the 2012-based SNPP and for the reasons outlined above we believe to be inappropriate;
- The GVA SHENA's approach to addressing an uplift to OAN to accommodate economic growth is considered relatively robust. However we would suggest the use of three sources of job growth forecasts to ensure as robust an assessment as possible;
- The GVA SHENA identifies a number of market signals that have worsened to a greater extent than neighbouring authorities, the south east region, and the national average. The SHENA considers that an upward adjustment to the demographic-led OAN is required in order to alleviate the identified market pressure. Barton Willmore support this conclusion. However, it is considered that the market signals uplift that is applied in the SHENA is insufficient given that it results in OAN that is still below the starting point estimate;
- The GVA SHENA and draft Plan identify significant affordable housing need (744 affordable dwellings per annum, 2012-2035). Delivered at a rate of 25%, this would require OAN of 3,000 dwellings per annum if it were to be delivered in full. High Court judgements confirm that Local Plans do not have to meet affordable need in full, but should be 'addressed', and an increase to OAN considered to help to deliver the affordable housing. The existing OAN determined by the GVA SHENA does not address the significant affordable housing need in Medway.

5.0 SUMMARY AND CONCLUSIONS

- 5.1 This review of the Strategic Housing and Economic Needs Assessment (SHENA) has considered the objectively assessed need (OAN) for housing over the period 2012-2037 which has been taken forward in the Medway Council Plan Issues and Options document which is planning for housing needs over the period 2012-2035. **Full OAN is presented in as being 1,281 dwellings per annum over the period 2012-2035.**
- 5.2 In short it is considered the OAN presented in the SHENA plans for very low levels of demographic growth over the Plan period, and does not represent a positively prepared OAN. From the outset, it is important to note how the level of OAN presented in the SHENA is below the PPG's starting point estimate of need – the latest CLG household projection (1,323 dpa, 2012-2035).
- 5.3 The SHENA's OAN conclusion is underpinned by applying 2012-based household formation rates to their preferred population projection (a revised 2012-based ONS SNPP scenario to reflect 2013 and 2014 ONS Mid-Year Population estimates). The 2012-based CLG household projection projects suppressed household formation for those aged 25-44 years of age; those most likely to represent concealed households and first time buyers. Barton Willmore consider it necessary to apply an adjustment to address this suppression and positively prepare the Local Plan, an exercise which has not been undertaken in the SHENA. This approach is supported by recent Planning Inspectorate decisions, which note continuing suppression in the 2012-based CLG projections.²⁷
- 5.4 Notwithstanding that the starting point estimate of OAN (1,323 dpa, 2012-2035) is higher than the Council's proposed level of provision, the starting point estimate should be considered a very minimum for a number of reasons.
- 5.5 The 2012-based CLG household projection is underpinned by the 2012-based Sub National Population Projections (SNPP) which assume very low net international migration to the UK (165,000 people per annum) compared with more recent trends (336,000 people in the last recorded year), an assumption which filters down to local authority level and has been identified by recent Local Plan Inspector's decisions²⁸. PAS Guidance also identifies how the net migration of the 2012-based ONS SNPP may well be an underestimate²⁹.

²⁷ Paragraph 3.8, page 7, Cornwall Local Plan Strategic Policies – Examination: Preliminary findings following the hearings in May 2015; Paragraph 29, page 6, Appeal Decision APP/G2435/W/15/3005052; Paragraph 1.28, page 6, Arun District Local Plan OAN Conclusions, 02 February 2016

²⁸ Paragraph 1.12, page 3, Arun District Local Plan OAN Conclusions, 02 February 2016

²⁹ Paragraph 6.23, page 23, PAS OAN Technical Advice Note: Second Edition, July 2015

- 5.6 Furthermore, analysis of migration trends has identified that the net migration assumptions of the 2012-based SNPP (840 net migrants per annum, 2012-2037) is low in the context of a more recent 5-year trend given that net migration to Medway has increased over recent years.
- 5.7 However, because it cannot be said with any certainty whether Medway is experiencing a reversal of trend in respect of migration, it is considered reasonable to use the 2012-based SNPP as the most appropriate demographic population projection at this point in time. However, if subsequent releases of Mid-Year Population Estimates provide evidence of net migration to Medway continuing to increase then it would be considered appropriate to change this approach.
- 5.8 With the above points in mind, it is considered that the 2012-based SNPP should provide the very minimum projection of population growth in Medway.
- 5.9 The approach to assessing an uplift for economic growth is considered to be broadly sound. However it is considered that the use of only one forecast is a weak approach. Given the fluctuation of job growth forecasts, Barton Willmore would recommend an average of the three leading forecasting houses; Experian Economics, Cambridge Econometrics, and Oxford Economics. This approach was endorsed by the South Worcestershire Local Plan Inspector.
- 5.10 The SHENA does not suggest a direct uplift to account for worsening market signals. The SHENA acknowledges that some market signals in Medway have worsened to a greater extent than neighbouring local authorities, the south east region, and the national average. The PPG states that an upward adjustment to the demographic starting point should be applied in the event that any of the market signals indicators show a worsening trend. The SHENA considers the level of uplift the economic scenarios provide to be insufficient, however, the 8.6% uplift provided by the CLG 2012-based household projections (adjusted to take account of the 2013 and 2014 MYPE) is considered by the SHENA to provide a significant uplift.
- 5.11 Barton Willmore do not agree. The level of uplift considered by the SHENA is considered in the context of a baseline demographic level of need that is already 10% below the starting point estimate (1,136 compared to 1,270 households per annum) over the period 2012-2037. In effect, the uplift considered by the SHENA still falls below the starting point estimate of need as indicated by the CLG 2012-based household projections, and which Barton Willmore consider to provide a conservative projection of future housing need.
- 5.12 The GVA SHENA and draft Plan identify significant affordable housing need (744 affordable dwellings per annum, 2012-2035). Delivered at a rate of 25%, this would require OAN of 3,000 dwellings per annum if it were to be delivered in full. High Court judgements confirm that Local

Plans do not have to meet affordable need in full, but should be 'addressed', and an increase to OAN considered to help to deliver the affordable housing. The existing OAN determined by the GVA SHENA does not address the significant affordable housing need in Medway.

Way Forward

- 5.13 The PPG states how the OAN should be an unconstrained assessment. The SHENA's approach to OAN is not considered to comply with the PPG in this regard, and sets an OAN below the PPG's starting point estimate. Adjustments for household formation suppression, more recent migration trends, worsening market signals, and affordable housing need indicate a requirement for OAN significantly higher than the starting point estimate of OAN, 1,323 dwellings per annum (2012-2035). The OAN suggested by the SHENA is considered to be wholly inappropriate and not positively prepared, as required by paragraph 182 of the NPPF.

Appendix 3

**Barton Willmore The North Field, Halling: Landscape Appraisal and Green Belt Review
(Barton Willmore, February 2016)**

The North Field, Halling: Landscape Appraisal and Green Belt Review

Prepared on behalf of Redrow Homes Ltd

February 2016

The North Field, Halling: Landscape Appraisal and Green Belt Review

Prepared on behalf of Redrow Homes Ltd

Project Ref:	23486/A5
Status:	Final
Issue/ Rev:	1
Date:	February 2016
Prepared by:	ET
Checked by:	ET
Authorised by:	MDC

Barton Willmore LLP
7 Soho Square
London
W1D 3QB

Ref: 23486/A5
Date: February 2016
Status: Final

COPYRIGHT

The contents of this document must not be copied or reproduced in whole or in part without the written consent of Barton Willmore LLP.

All Barton Willmore stationery is produced using recycled or FSC paper and vegetation oil based inks.

CONTENTS

1.0 Introduction 1

2.0 The Site, its Location and Context 2

3.0 Relevant Planning Policy 4

4.0 Landscape Character 5

5.0 Visual Appraisal 8

6.0 Opportunities and Constraints 10

7.0 Green Belt Review 11

8.0 Summary and Conclusion 14

ILLUSTRATIVE MATERIAL

Figure 1: Site Context Plan

Figure 2: Site Appraisal Plan

Site Appraisal Photographs (to be read in conjunction with Figure 2)

Site Context Photographs (to be read in conjunction with Figure 1)

1.0 INTRODUCTION

- 1.1 Barton Willmore Landscape LLP (BWLLP) were commissioned by Redrow Homes Ltd to undertake a Landscape and Visual Appraisal of land adjoining North Halling, west of the A228 (Formby Road / Rochester Road) with the purpose of identifying its suitability for residential development and subsequent release from the Green Belt.
- 1.2 The extent of the Site, is illustrated within Figure 1: Site Context Plan. Figure 2: Site Appraisal Plan illustrates an aerial view of the Site.
- 1.3 The Landscape and Visual Appraisal of the Site has been undertaken to:
 - i) Establish the landscape and visual sensitivity of the Site;
 - ii) To assess the Site's contribution to the purposes of the Green Belt, as stated in the National Planning Policy Framework (NPPF) and locally; and
 - iii) Inform any future development of a masterplan for residential development on the Site.

2.0 THE SITE, ITS LOCATION AND CONTEXT

- 2.1 The Site is located within Halling, Kent, on the western slope of the shallow valley formation of the River Medway, which extends northwards, to meet the River Thames at Rochester.
- 2.2 Land use along the western side of the River Medway within the vicinity of the Site and Halling is mixed, and includes industrial buildings, marinas, and residential development. The A228 and Pilgrims Road / Way (west of the Site) provide connectivity to the residential settlements and various land uses along the valley. Beyond this to the west, land rises more steeply, forming a backdrop that is primarily wooded with exposed chalk scarps.
- 2.3 Land use on the eastern side of the River Medway is less urbanised, and comprises primarily agricultural fields and scattered farmsteads. This land is within the Kent Downs AONB.
- 2.4 The Site is adjoined by residential properties on three sides; namely to the north, west and south, accessed from either the A228 or Pilgrims Way / Road.
- 2.5 The Site is approximately 6.8 hectares in area. The Site is an unmanaged, sloping field which falls from 35m AOD in the south-west to 5m AOD in the south-east. It comprises a block of woodland in the southern corner adjoining the A228 and an area of scrub / woodland the south-westernmost corner adjoining Pilgrims Road. Pylons extend along the southern boundary of the Site, beyond which is the recently constructed residential development to the south of the Site ("St Andrews Park").
- 2.6 With regards to relevant landscape and planning policy designations, the Site and / or the surroundings are subject to the following:
- The Site is within the Green Belt;
 - The Kent Downs Area of Outstanding Natural Beauty extends east-west across Kent, however, the River Medway and the urbanised land to the west of the River Medway (which includes Halling and the Site) are excluded from the Kent Downs AONB;
 - The River Medway and the land east of the A228, east of the Site are designated Strategic Gap. The Site is not included within this designation;
 - Much of the woodland which forms the steep wooded slopes to the west of the Site and Halling is designated as ancient woodland. There are no areas of ancient woodland within the Site;
 - The Site is not within or adjoined by a Special Landscape Area / Area of Local Landscape Importance as identified within the Medway Local Plan 2003;
 - There are no listed buildings within the Site or adjoining the Site; and
 - There are no Scheduled Ancient Monuments within the Site or adjoining the Site.

- 2.7 With regards to Public Rights of Way (PRoW), PRoW RS220 extends along the northern boundary of the Site, between the Site and residential properties to the north. Other PRoWs within the vicinity of the Site include PRoW RS201 which extends westwards from Pilgrims Way up the wooded scarp to the south-west of the Site from where elevated views across the River Medway can be obtained, and MR 1 along the eastern bank of the River Medway.
- 2.8 As demonstrated by the above, the Site is located within an urbanised area situated on the lower slopes of the western side of the valley of the River Medway. The Site is within the Green Belt, however, is surrounded by residential properties on 3 sides (including recent residential development to the south of the Site). With the exception of its Green Belt designation, the Site is not subject to any other landscape-related or planning policy designations.

3.0 RELEVANT PLANNING POLICY

- 3.1 The Site is within the Green Belt, as identified within the Medway Local Plan 2003 (saved Policy BNE 30). The preamble to saved Policy BNE 30 states that:

“In Kent, the Metropolitan Green Belt has helped to preserve the open countryside between the edge of Greater London and the urban areas of Medway, Maidstone, Tunbridge Wells, Sevenoaks and Tonbridge. At a more local level, it has helped maintain the open area between Medway and Gravesend.”

- 3.2 Under National Planning Policy Framework (2012), Green Belt is a functional designation, its purpose being to prevent urban sprawl by keeping land permanently open and as such the essential characteristics of Green Belts are their openness and permanence. Refer to Section 7 ‘Green Belt Review’ for further details.
- 3.3 To the east of the Site (east of the A228) is land designated as Strategic Gap (saved Policy BNE 31). The aim of this policy is, amongst other things, to prevent development that would result in the degradation of the open character or separating function of the land specifically included within the Strategic Gap. Due to the fact that the Site is not within the Strategic Gap, development on the Site would not affect the ability of land within the Strategic Gap to fulfil its function.

4.0 LANDSCAPE CHARACTER

National Landscape Character

Natural England's National Character Area Profile 119: North Downs

4.1 The Site lies within the North Downs Landscape Character Area (LCA), which extends from Guildford to Dover. Key characteristics identified on page 8 include:

- *"...A distinctive chalk downland ridge...*
- *... Chalk soils are predominant across the NCA...*
- *The area is cut by the deep valleys of the Stour, Medway, Darent, Wey and Mole...which contrast with the steep scarp slope...*
- *Woodland is found primarily on the steeper slopes... Well wooded hedgerows and shaws are an important component of the field boundaries, contributing strongly to a wooded character...*
- *Small, nucleated villages and scattered farmsteads including oasts and barns form the settlement pattern... "*

4.2 Key Landscape opportunities within NCA Profile 119 identified on page 54 include:

- *"Protect, conserve, an appropriately manage the highly distinctive chalk cliff coastline...*
- *Protect, conserve and enhance the character of much of the downland landscape devoid of development and urban intrusions... .*
- *...restoring, significantly expanding and relinking the wetland habitats of the Medway Gap...*
- *Manage, conserve, enhance and restore the characteristic pattern of thick well-treed hedgerows and shaws, forming a predominantly irregular field pattern."*

County Landscape Character

Kent County Council's Landscape Assessment of Kent 2004: Kent Downs – Medway, Western and Eastern Scarp.

4.3 The Site lies within the Kent Downs – Medway, Western and Eastern Scarp LCA, and is characterised by:

- Gently undulating arable farmland;
- Quarries;
- Open and wild character on eastern slopes with wide views; and
- Sparse remnant hedges leading up to wooded ridges with wide views from open and wild eastern slopes.

- 4.4 The LCA is described as a generally incoherent landscape of poor condition in which features do not reflect or enhance the landform, and that there are many visual detractors. The Medway Valley is described as having a significant landform, however, the lower slopes are described as unremarkable when considered in isolation. The LCA describes the landscape as open with moderate visibility, and states that hedged field boundaries and woodland are limited. With regard to the sensitivity of the landscape, the LCA describes this as low.
- 4.5 The Landscape Actions described within the LCA include the creation of a landscape framework to provide an urban edge arable fields and other farmland and the creation of shaws or wide hedgerows as enclosure and to provide a network of semi-natural habitats.

Borough Landscape Character

Medway Borough Council's Landscape Character Assessment March 2011: Character Area 39: Halling Quarries

- 4.6 The Site is located within Character Area 39: Halling Quarries. The Landscape Type is Rural Fringe, sub-type Rural fringe with urban/industrial influences. Characteristics are as follows:
- *“Scarp floor with rolling arable fields, interspersed with small settlements, disused quarries, industrial heritage and Peter’s Pit development infrastructure works*
 - *Heavily wooded disused pits fragment character but screen visual interruption*
 - *Blue Lake to south west of Halling Cement Works forms distinctive landscape feature; overhead pylons and cement works are detracting features*
 - *Southern part of character area extends into Tonbridge and Malling”*
- 4.7 The LCA is described as being of moderate condition, with some detracting features and moderate sensitivity. ‘Issues’ identified on page 105 include the new development proposals for Halling Cemex (south of the Site), and loss of rural character from new developments. ‘Guidance’ includes ensuring the use of appropriate native planting to screen new development from footpaths, roads, existing settlements and rural areas.
- 4.8 The substantial housing development that has been constructed within LCA 39 represents a substantial change to the character area. This residential development is not reflected within LCA 39, which was produced prior to the construction of the development.

Localised Appraisal of the Site and its context

- 4.9 The published landscape character assessments describe a predominantly chalk landscape, cut by deep valleys including the Medway Valley, where the upper slopes are typically well wooded. More locally, the Medway Valley is described as an incoherent landscape with wide,

open views, and of poor condition. Guidelines include the creation of a strong landscape framework incorporating wide hedgerows and shaws to provide a network of semi-natural habitats, and screening development with appropriate native planting from footpaths, roads, existing settlements and rural areas.

- 4.10 The published assessments broadly reflect the local landscape character of the western edge of the River Medway, which is incoherent and of low sensitivity. At a site specific level, the Site is unmanaged and overgrown, however, does comprise two woodland blocks which should be retained and enhanced as part of any proposed development in accordance with the published guidelines. The guidelines were written prior to the construction of the recent residential development to the south of the Site, which replaced former employment uses.

5.0 VISUAL APPRAISAL

- 5.1 A visual appraisal to ascertain the visibility of the Site in the wider landscape was undertaken in November 2015.
- 5.2 Figure 1: Site Context Plan sets out the viewpoint locations and the extent of visibility of the Site, to be read in conjunction with Site Context Photographs 1 - 10.
- 5.3 Site Context Photograph 1 is taken from the A228 (Formby Road / Rochester Road) looking west towards the north-eastern corner of the Site. The dense boundary vegetation along the A228 largely screens views from this fast moving, heavily trafficked road.
- 5.4 Site Context Photograph 2 is taken from PRow RS220 which adjoins the northern boundary of the Site. PRow RS220 is a narrow path, enclosed to the north by close boarded fencing of the adjoining residential properties and to the south by the scrub and trees which form the northern boundary of the Site. The Site and the recent residential development beyond this are visible, partially screened by the boundary vegetation.
- 5.5 Site Context Photograph 3 is taken from Pilgrims Road, west of the Site at the junction with PRow RS220. The Site is not visible from this location, screened by a block of intervening woodland, the eastern edge of which forms part of the boundary to the Site.
- 5.6 Site Context Photograph 4 is taken from the westernmost edge of the Site, where part of the Site (that comprises a block of woodland) adjoins Pilgrims Road. Due to the dense woodland structure, only a limited part of the rest of the Site is visible from this location.
- 5.7 Site Context Photograph 5 is taken from PRow RS201, south-west of the Site, on elevated land overlooking the Medway Valley. The recently constructed residential development to the south of the Site is visible, beyond which is the River Medway and associated industrial land uses. The woodland blocks within the Site are partially visible from this location.
- 5.8 Site Context Photograph 6 is taken from the A228 south of the Site, within proximity of the recently constructed residential development. The woodland blocks and boundary vegetation along the southern and eastern edges of the Site are visible, screening views into the Site.
- 5.9 Site Context Photographs 7 to 10 are taken from footpaths and roads to the east of the River Medway, looking across the River Medway. Existing development is prominent along the lower slopes of the Medway Valley, beyond which, land rises substantially, forming a backdrop to the view comprising woodland, scattered fields and chalk scarp. The Site is visible from these locations, seen in the context of residential properties to the west (visible above the Site), north and recently constructed properties to the south.

Summary:

- 5.10 The photographs demonstrate that the Site is partially visible from its immediate surroundings, however, views are typically filtered by intervening vegetation. More open views into the Site are obtained from land to the east of the River Medway, however, where these views are obtained, the Site is seen in an urbanised context of the lower slopes of the Medway Valley, beyond which land rises to form a predominantly wooded backdrop to the views.

6.0 OPPORTUNITIES AND CONSTRAINTS

6.1 The following landscape opportunities and constraints should be considered when developing a masterplan for residential development on the Site:

- Existing vegetation structure should be retained, reinforced and enhanced. Implement effective landscape management to ensure thinning, selective felling and replanting to achieve a varied age structure comprising locally indigenous species;
- Development should incorporate tree planting along the contours throughout the scheme, including along roads and within public open spaces within the Site to mitigate views from across the River Medway, in order to reduce the perception of the built form within the Site;
- Built form should follow the contours of the Site to reduce the cut and fill requirements;
- The amenity value of PRow RS220 along the northern edge of the Site should be enhanced, as currently it is a narrow corridor route, separated from the Site by scrub and scattered trees. Pockets of open space and more open views into the Site and the River Medway to the east should be introduced, with the potential for play areas incorporated within a parkland setting along this route; and
- The wider pedestrian connectivity locally should be enhanced, by introducing pedestrian connections between Pilgrims Way to the west of the Site and PRow RS220 to the north of the Site, through the Site.

7.0 GREEN BELT REVIEW

7.1 As illustrated on Figure 1: Site Context Plan much of the undeveloped land to the west of the River Medway, including the Site, is designated as Green Belt land. The Green Belt designation excludes land to the north and south of the Site (which comprises residential development), however, indiscriminately washes over residential properties adjoining the western edge of the Site, and other properties along Pilgrims Way.

7.2 Under National Planning Policy Framework (2012), Green Belt is a functional designation, its purpose being to prevent urban sprawl by keeping land permanently open and as such the essential characteristics of Green Belts are their openness and permanence. More specifically Green Belt serves the following five purposes:

- *“to check the unrestricted sprawl of large built-up areas;*
- *to prevent neighbouring towns merging into one another;*
- *to assist in safeguarding the countryside from encroachment;*
- *to preserve the setting and special character of historic towns; and*
- *to assist in urban regeneration, by encouraging the recycling of derelict and other urban land.”*

7.3 The NPPF states that the key characteristics of the Green Belt are ‘their openness and their permanence,’ (paragraph 79).

7.4 The Site has been assessed in terms of the five purposes set out within the NPPF. In evaluating the contribution of the land to the Green Belt, the Green Belt function of the Site has been ranked within a series of levels or categories, indicating a gradation from none to significant. These thresholds are set out in Table 1 below, while Table 2 sets out an assessment of the Green Belt function of the Site.

Table 1: Contribution of Green Belt function categories

Table Heading	Assessment
Significant	Significant landscape and visual contribution towards purpose of Green Belt
Some	Some landscape and visual contribution towards purpose of Green Belt
Limited	Limited landscape and visual contribution towards purpose of Green Belt
Small	Small landscape and visual contribution towards purpose of Green Belt
None	No landscape and visual contribution towards purpose of Green Belt

- 7.5 An assessment has been made of the openness of the Green Belt in this particular location and to what extent the removal of the Site would have on the perception of openness in the remaining designated area.

Definitions

- 7.6 When considering the ability of the Site to meet each of the purposes of the Green Belt, the following definitions should be considered.

Sprawl

- 7.7 Disorganised and unattractive extension to developed area (perhaps lacking defensible boundary), spread out over a large area in an untidy or irregular way. This takes into account the local settlement pattern.

Encroachment

- 7.8 The gradual advancement of development beyond an acceptable or established limit. This takes into account the condition of the land within the Site and the value it contributes to Green Belt (countryside).

Defensible boundaries

- 7.9 The NPPF states that, when choosing boundaries, 'local authorities should define boundaries clearly, using physical features that are readily recognisable and likely to be permanent,' (paragraph 85).

Table 2: The Site's Contribution to the Purposes of the Green Belt

Green Belt Function	Assessment	Green Belt Contribution (None / Very Small / Limited / Some / Significant)
To check the unrestricted sprawl of large built-up areas	<p>The Site is enclosed and adjoined by residential development to the north, west and south and the A228 to the east, and therefore development on the Site would not result in sprawl, as is contained by development that surrounds it.</p> <p>There is an opportunity to reinforce the existing landscape structure through the enhancement of the landscape buffers around the Site, comprising native species hedgerows and trees, which would provide a defined edge to the development, whilst also contributing positively to local landscape character.</p> <p>Therefore, it is considered that the Site has the ability to absorb development without contributing to an increase in the extent of unrestricted sprawl of the</p>	None

Green Belt Function	Assessment	Green Belt Contribution (None / Very Small / Limited / Some / Significant)
	existing settlement pattern.	
To prevent neighbouring towns merging into one another	<p>Due to the urbanised nature of the lower valley slopes on the western side of the River Medway, there is no clear distinction between settlements locally.</p> <p>Policy BNE 30 of the Medway Local Plan states that the Metropolitan Green Belt has helped to maintain the open area between Medway and Gravesend, and the open area between London and other urban areas of Medway, Maidstone, Tunbridge Wells, Sevenoaks and Tonbridge. The geographic location of the Site is not applicable to these functions and cannot be described as 'open countryside'.</p>	None
To assist in safeguarding the countryside from encroachment	<p>The variety of land uses lead to an incoherent character locally with strong urban fringe characteristics, and as demonstrated in the visual appraisal section, visibility into the Site is limited and filtered due to intervening vegetation and built form, with the exception of the longer views from the east of the River Medway, from which the strong urban fringe character of this location is evident.</p> <p>As a result the contribution the Site makes to the 'openness' of Green Belt is limited.</p> <p>Furthermore, the perception of 'countryside' is further reduced by the presence of the fast-moving A228 road adjoining the eastern edge of the Site which is audibly intrusive.</p> <p>The introduction of development would result in the replacement of a field with built form, however, the effect would be perceived within a limited visual envelope, constrained by local topography, intervening vegetation and built form, and seen in the context of the Site's urbanised surroundings.</p>	Limited
To preserve the setting and special character of historic towns	The Site is not within, or visible from any historic towns, and is not within or visible from any Conservation Area. Therefore, the development of the Site would have no effect on the setting or character of any historic towns.	None

7.10 The fifth NPPF Green Belt function to assist in urban regeneration is not a landscape and visual consideration. Should the Site be brought forward for redevelopment, this would not prejudice derelict land coming forward in the future.

7.11 The above demonstrates that due to the urbanised context of the Site's surroundings, the Site makes little to no contribution to the purposes of Green Belt, and therefore that the Site could be released from the Green Belt, and residential development accommodated within the Site.

8.0 SUMMARY AND CONCLUSION

The Site and Context

- 8.1 The Site is located within an urbanised area situated on the lower slopes of the western side of the valley of the River Medway. The Site is within the Green Belt, however, is surrounded by residential properties on 3 sides including recent residential development to the south of the Site. The A228 and Pilgrims Road / Way provide connectivity to the residential settlements and various land uses along the valley. Beyond this to the west, land rises more steeply, forming a backdrop that is primarily wooded with exposed chalk scarps.
- 8.2 With the exception of being within the Green Belt, the Site is not subject to landscape-related or planning policy designations.
- 8.3 The Site is approximately 6.8 hectares in area. The Site is an unmanaged, sloping field which falls from 35m AOD in the south-west to 5m AOD in the south-east. It comprises a block of woodland in the south-eastern corner adjoining the A228 and an area of scrub / woodland the south-westernmost corner adjoining Pilgrims Road / Way. Pylons extend along the southern boundary of the Site, beyond which is the recently constructed residential development to the south of the Site ("St Andrews").

Landscape Character

- 8.4 The published landscape character assessments describe a predominantly chalk landscape, cut by deep valleys including the Medway Valley, where the upper slopes are typically well wooded. More locally, the Medway Valley is described as an incoherent landscape with wide, open views, and of poor condition. Guidelines include the creation of a strong landscape framework incorporating wide hedgerows and shaws to provide a network of semi-natural habitats, and screening development with appropriate native planting from footpaths, roads, existing settlements and rural areas.
- 8.5 The published assessments broadly reflect the local landscape character of the western edge of the River Medway, which is incoherent and of low sensitivity. At a site specific level, the Site is unmanaged and overgrown, however, does comprise two woodland blocks which should be retained and enhanced as part of any proposed development in accordance with the published guidelines. The guidelines were written prior to the construction of the recent residential development to the south of the Site, which replaced former employment uses.

Visual Appraisal

- 8.6 The Site Context Photographs which accompany this Appraisal demonstrate that the Site is partially visible from its immediate surroundings, however, views are typically filtered by intervening vegetation. More open views into the Site are obtained from land to the east of the River Medway, however, where these views are obtained, the Site is seen in an urbanised context of the lower slopes of the Medway Valley, beyond which land rises to form a predominantly wooded backdrop to the views.

Opportunities and Constraints

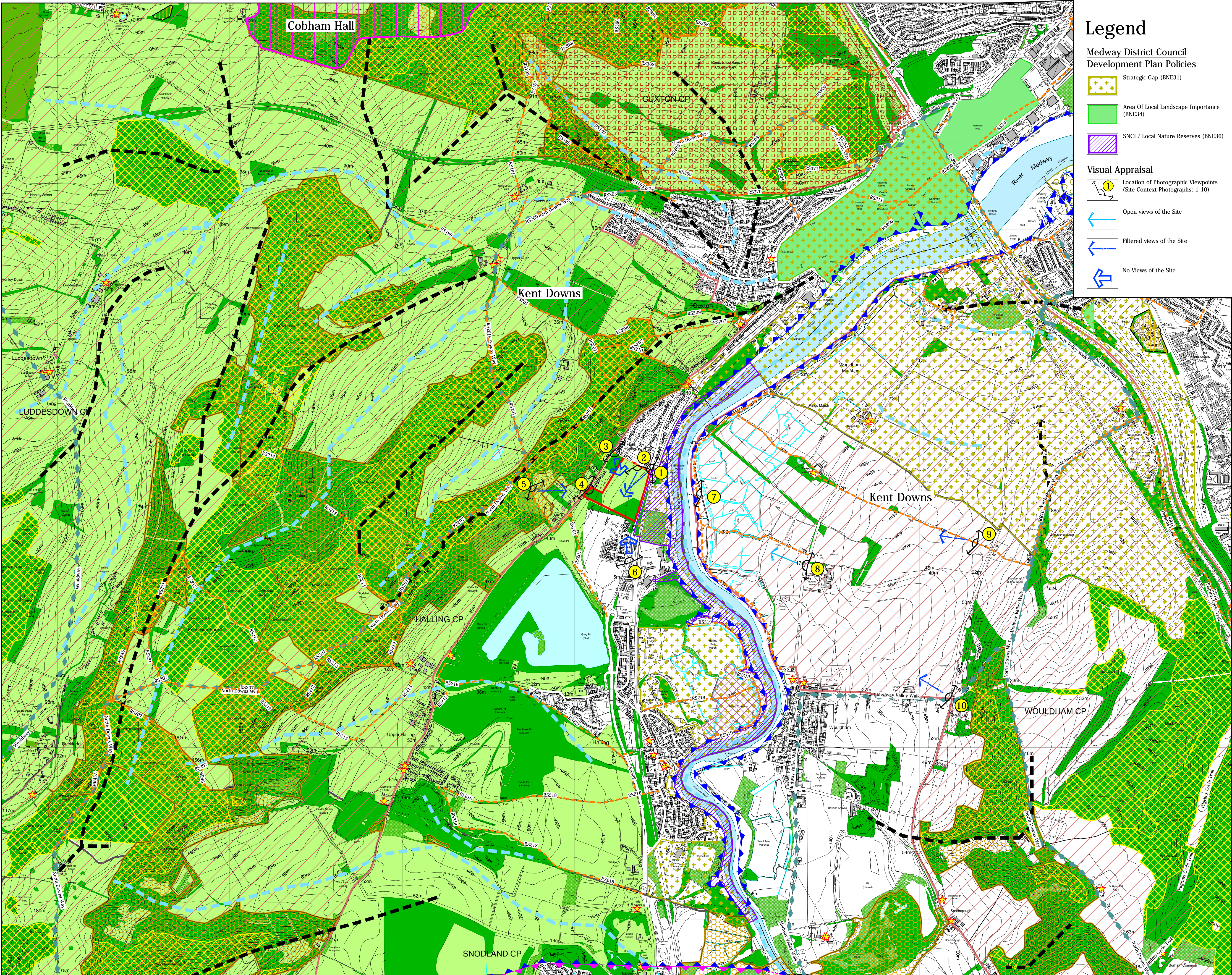
- 8.7 The following landscape opportunities and constraints should be taken into consideration when developing a masterplan for development on the Site, to help assimilate the development into the Site and its context:
- Retain and enhance existing vegetation including the woodland blocks within the Site to enhance visual amenity and biodiversity;
 - Incorporate tree planting throughout the scheme to reduce the perception of built form within the Site, particularly from the eastern side of the River Medway and ensure that development follows the contours of the Site;
 - Enhance the amenity value of the footpath (PRoW RS220) which adjoins the northern edge of the Site by introducing new pockets of open space and along the route and managing the vegetation to allow more open views towards the River Medway; and
 - Enhance local pedestrian connectivity, by incorporating new pedestrian routes through the Site from Pilgrims Road / Way in the south-west to PRoW RS220 in the north.

Green Belt Review

- 8.8 The Site has been assessed in terms of the five purposes set out within the NPPF. As demonstrated within the table in Section 7 of this Appraisal, the Site makes **no contribution** to checking the unrestricted sprawl of large built-up areas, preventing neighbouring towns merging into one another, and preserving the setting and special character of historic towns); makes a **limited contribution** to assisting in safeguarding the countryside from encroachment; and **would not prejudice** derelict land coming forward in future for development.
- 8.9 The above demonstrates that the Site could be released from the Green Belt, and residential development accommodated within the Site.

Conclusion

- 8.10 As a result of the above considerations it is concluded that sympathetic development within the Site would be acceptable in landscape and visual terms and would result in limited to no effect on the function of the Green Belt. The Site could successfully accommodate residential development, assimilated into the existing development pattern of its urbanised surroundings, which includes residential development on 3 sides of the Site.



Legend

Medway District Council Development Plan Policies

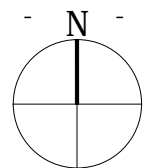
- Strategic Gap (BNE31)
- Area Of Local Landscape Importance (BNE34)
- SNCI / Local Nature Reserves (BNE36)

Visual Appraisal

- Location of Photographic Viewpoints (Site Context Photographs: 1-10)
- Open views of the Site
- Filtered views of the Site
- No Views of the Site

The scaling of this drawing cannot be assured

Revision Date Dm Ckd



- Site Boundary
- Existing Woodlands, Copses and Tree Belts
- Existing Water Courses and Features
- Contours/Spot Heights (Metres AOD)
- Ridgelines
- Valleys
- Public Rights of Way
- Distance Walks
- Listed Buildings
- Scheduled Monument
- Registered Parks and Gardens
- Ancient Woodland
- Area of Outstanding Natural Beauty
- Green Belt
- Countryside Rights of Way Access Areas
- Sites of Special Scientific Interest
- Country Park
- National Character Area Profiles
- 119: North Downs
- 120: Wealden Greensand

Sources:
- GIS Mapping
- Natural England GIS Data Set
- Historic England National Monument Record GIS Data Set
- Medway Debut Map
- Sustrans National Cycle Network GIS Data
- Department for Communities and Local Government GIS Data

Data collected for constraints and analysis mapping is based on publicly available sources at the time of preparation inserted using the British National Grid and may itself not be accurate. Barton Willmore shall not be liable for the accuracy of data derived from external sources.

Figure 1

Project
North Field,
Halling, Kent
Drawing Title
Site Context Plan

Date	Scale	Drawn by	Check by
08.12.2015	1:10,000 @A1	ZR	ET
Project No	1:20,000 @A3		Revision
23486	L1		-

BARTON
WILLMORE

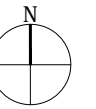
0800 1 234 567 890 / 1 234 567 890
567 890 1 234 567 890 / 890 1 234 567 890
890 1 234 567 890 / 1 234 567 890

bartonwillmore.co.uk

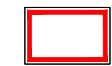


The scaling of this drawing cannot be assured

Revision	Date	Drn	Ckd
----------	------	-----	-----



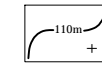
LEGEND



7 Site Boundary



Existing Water Courses and Features ^



Contours/Spot Heights (Metres AOD) ^



Public Rights of Way *



Location of Photographic Viewpoints
(Site Appraisal Photographs: A-C)

Sources:

^ OS Mapping

* Meadway Definitive Map

Data collated for constraints and analysis mapping is based on publicly available sources at the time of preparation inserted using the British National Grid and may itself not be accurate. Barton Willmore shall not be liable for the accuracy of data derived from external sources.

Figure 2

Project

North Field,
Halling, Kent

Drawing Title

Aerial Plan of Site

Date
08.12.2015

Scale
1:2,000 @A3

Drawn by Check by
ZR ET

Project No
23486

Drawing No
L2

Revision



**BARTON
WILLMORE**

Dubb|b| 'A^ug^mDubb|b| / 'I fVb|'8Yg| b
5fW|Hw| fY| 'AbXgWdYDubb|b| / '8Yg| b| 'Drc'Yw|GYf| Wg
9bj|fcb| YbH| / G| g|U|b| |Im5gYga Yb| : fUd\|W8Yg| b

bartonwillmore.co.uk

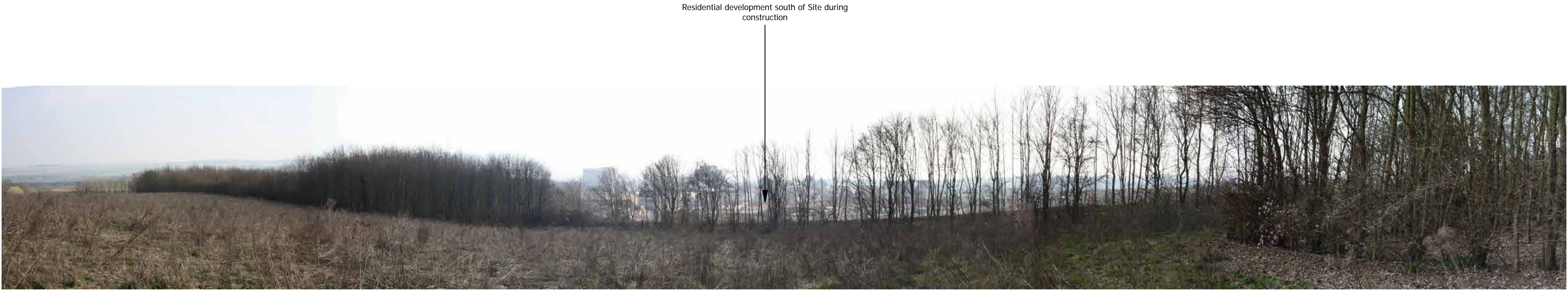


Offices at Reading London Bristol Cambridge Cardiff Ebbsfleet Edinburgh Leeds Manchester Solihull



SITE APPRAISAL PHOTOGRAPH A : VIEW FROM SOUTH-WESTERN PART OF SITE, LOOKING SOUTH-EAST

Date Taken: November 2015



SITE APPRAISAL PHOTOGRAPH B : VIEW SOUTH FROM SITE TOWARDS FORMER CEMENT WORKS AND ADJOINING RESIDENTIAL DEVELOPMENT (DURING CONSTRUCTION)

Date Taken: March 2014



SITE APPRAISAL PHOTOGRAPH C : VIEW FROM THE NORTHERN BOUNDARY OF THE SITE, LOOKING SOUTH-EAST

Date Taken: March 2015

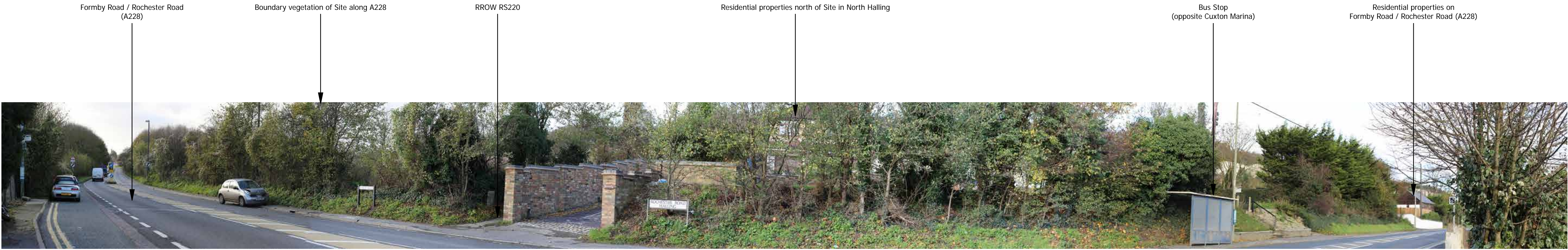
**NORTH FIELD,
HALLING, KENT**

**SITE APPRAISAL
PHOTOGRAPHS: A - C**

**RECOMMENDED VIEWING
DISTANCE: 20CM @A1**

PROJECT NUMBER: 23486

**BARTON
WILLMORE**



SITE CONTEXT PHOTOGRAPH 1: VIEW FROM ROCHESTER ROAD/ FORMBY ROAD (A228), LOOKING WEST
Distance: 19m



SITE CONTEXT PHOTOGRAPH 2: VIEW FROM PROW RS220
Distance: 2m



SITE CONTEXT PHOTOGRAPH 3: VIEW FROM PILGRIMS ROAD / WAY, LOOKING SOUTH-EAST
Distance: 71m

**NORTH FIELD,
HALLING, KENT**

**SITE CONTEXT
PHOTOGRAPHS: 1 - 3**
**RECOMMENDED VIEWING
DISTANCE: 20CM @A1**
DATE TAKEN: NOV 2015
PROJECT NUMBER: 23486



SITE CONTEXT PHOTOGRAPH 4: VIEW FROM PILGRIMS ROAD / WAY, LOOKING EAST

Distance: 5m



SITE CONTEXT PHOTOGRAPH 5: VIEW FROM PROW RS201, LOOKING EAST

Distance: 310m



SITE CONTEXT PHOTOGRAPH 6: VIEW FROM FORMBY ROAD / ROCHESTER ROAD (A228), LOOKING NORTH

Distance: 240m

**NORTH FIELD,
HALLING, KENT**

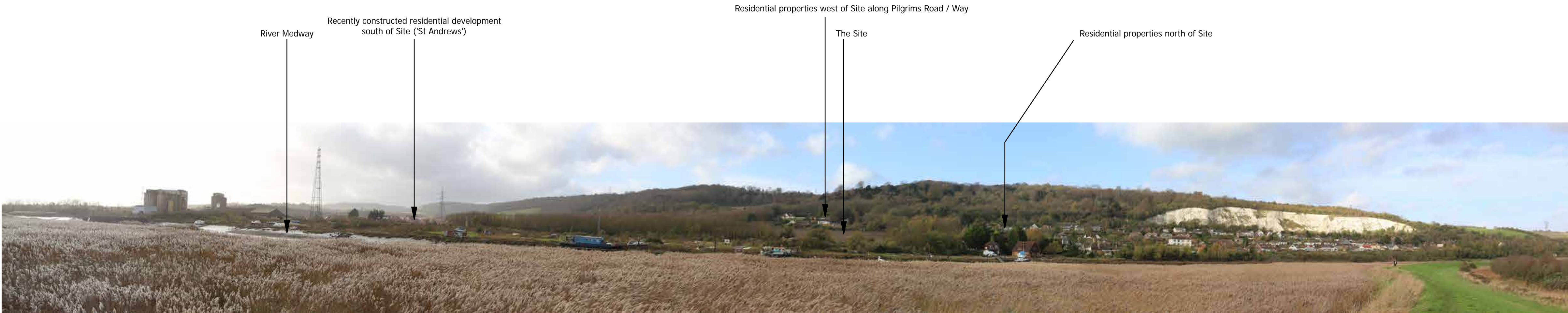
**SITE CONTEXT
PHOTOGRAPHS: 4 - 6**

**RECOMMENDED VIEWING
DISTANCE: 20CM @A1**

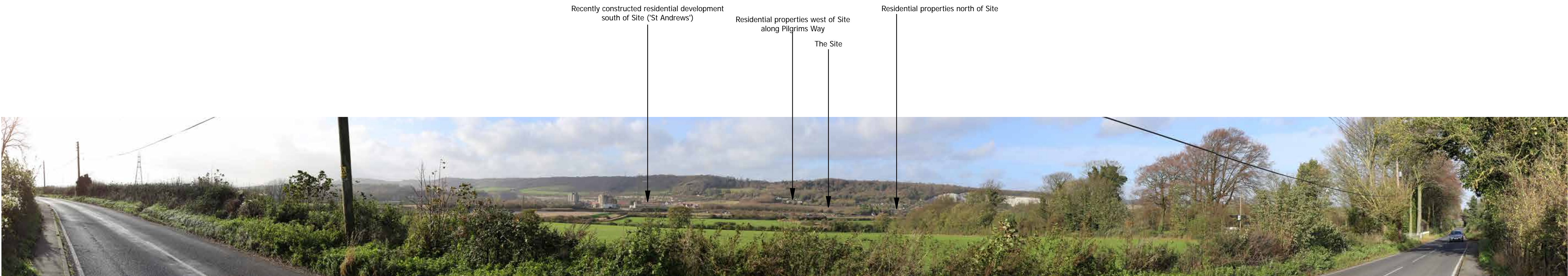
DATE TAKEN: NOV 2015

PROJECT NUMBER: 23486

**BARTON
WILLMORE**



SITE CONTEXT PHOTOGRAPH 7: VIEW FROM AONB (KENTS DOWNS), LOOKING WEST
Distance: 327m



SITE CONTEXT PHOTOGRAPH 8: VIEW FROM WOULDHAM ROAD, LOOKING NORTH-WEST
Distance: 1.03km



SITE CONTEXT PHOTOGRAPH 9: VIEW FROM PROW/MR2, LOOKING WEST
Distance: 1.95km

**NORTH FIELD,
HALLING, KENT**

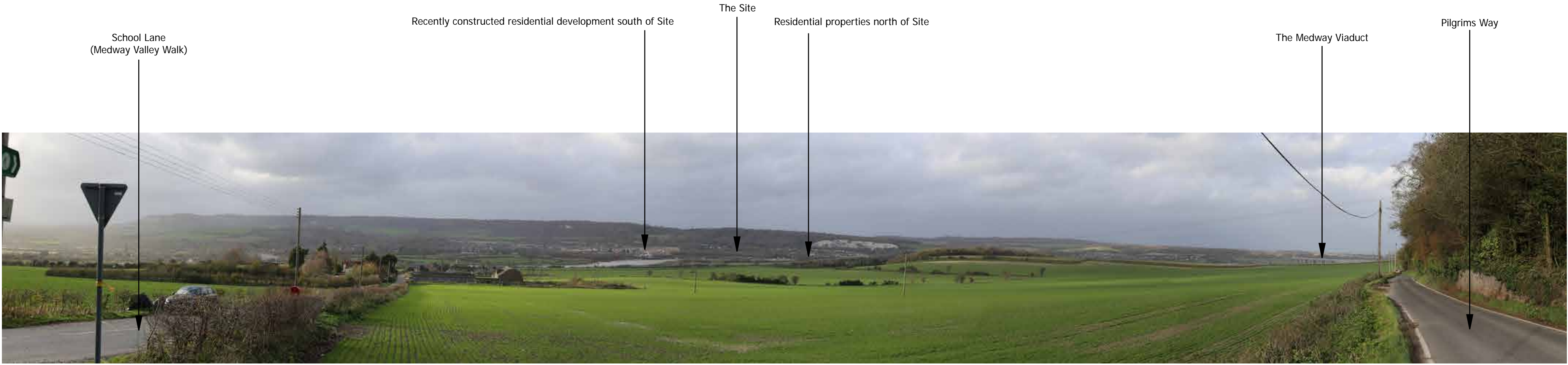
**SITE CONTEXT
PHOTOGRAPHS: 7 - 9**

**RECOMMENDED VIEWING
DISTANCE: 20CM @A1**

DATE TAKEN: NOV 2015

PROJECT NUMBER: 23486

**BARTON
WILLMORE**




SITE CONTEXT PHOTOGRAPH 10: VIEW FROM PILGRIMS WAY, LOOKING NORTH-WEST
Distance: 2.1m

APPENDIX 3

SLAA Extract

**North Field, Halling – Site Proforma
(Medway Council, November 2015)**

Site	
Reference	352
Address	North Field, Halling
Description	Site is located adjacent to the new housing development of St Andrews Park and is identified within the planning application for St Andrews Park as an area of open space. The site slopes gently to the south-east and is bounded by a number of mature trees. Much of the site is overgrown. Access could be created through the St Andrews Park development or onto Formby Road.
Size (ha)	6.65 (part of wider site 80.79 with Planning Permission)
Relevant policy guidance	-
Location Plan	

Development Potential		
Residential (units)	193	
Employment (m ²)	Office	66,500
	Industrial	26,600
	Storage	26,600
Main Town Centre Uses (m ²)		
Other Uses		

Suitability - General		
Facilities & Services Accessibility	Site has moderate access to services and facilities.	
Public Transport	Site has moderate access to public	

Suitability - General		
Accessibility	transport opportunities.	
Highway Network Capacity	<p>Access to the strategic highway network (M2/A2), and around the Medway urban distributor network generally, is likely to be constrained by a number of identified congestion hotspots.</p> <p>Whilst it is possible that strategic infrastructure upgrades may address these congestion issues, improving capacity on the network, there are no upgrades planned or identified at present.</p> <p>Further detailed assessment would need to be undertaken (as part of the Local Plan or development management process) to demonstrate how traffic generated by the development could be accommodated on the network.</p> <p>Developer contributions may be required to fund any infrastructure upgrades necessary to address network capacity constraints.</p>	
Site Access	<p>It is likely a suitable vehicular access could be created on to Formby Road, which is directly adjacent to the site.</p> <p>Notwithstanding the above, the suitability of the prospective access would need to be further investigated through the Development Management Process.</p>	
Ecological Potential	<p>An ecological survey of the site has not been investigated as part of this high level assessment and as such the presence or absence of protected species and/or habitats cannot be established at this stage.</p> <p>Further assessment would therefore need to be undertaken through the Local Plan or Development Management process, before development could be supported or rejected.</p>	
Designated Habitats	Natural England guidance (Impact Risk Zones) indicates that development of this site poses a potential risk to a SSSI.	

Suitability - General		
	Further assessment of the potential impacts of development upon designated habitats would therefore need to be undertaken through the Local Plan or Development Management process, before development could be supported or rejected.	
Landscape	<p>Whilst the site is situated outside of the built up area, the landscape is considered less sensitive and to have some potential to accommodate change.</p> <p>Further assessment of the potential impacts of development upon the local landscape would need to be undertaken through the Local Plan or Development Management process, before development could be supported or rejected.</p>	
Heritage	Development is unlikely to have an impact upon any designated heritage assets.	
Air Quality	Site is unlikely to be constrained by air pollution.	
Contamination	Contamination is not suspected on the site.	
Site Developability	The site is free from known development 'abnormals'.	
Agricultural Land	Site is on the edge of a built up area and development would not result in the loss of any agricultural land.	
Open Space	Site is not designated open space, however it has been identified in planning application MC/12/1791 (neighbouring development) as an informal open space, trim trail and pedestrian footpaths.	

Suitability – Housing		
Flood Risk	Site is at low risk of flooding.	
Noise	Noise pollution may affect the site, but it is likely that this could be mitigated.	
Amenity/Overlooking	<p>The site has the potential to impact upon amenity of nearby residential properties.</p> <p>Whilst this is likely to be resolvable through sensitive design, it is likely this would have implication for site capacity.</p>	
Employment Land	Site is not designated employment land.	

Overall	Whilst the site is subject to some potential development constraints, it is considered that these could be resolved, subject to further assessment.	
----------------	--	--

Suitability – Economic Development

Flood Risk	Level of flood risk on the site is considered acceptable for commercial uses.	
Noise	The site may be affected by noise pollution, but it is likely that this could be mitigated for commercial uses.	
Amenity	Mainly residential with few commercial uses.	
Overall	Whilst the site is subject to some potential development constraints, it is considered that these could be resolved, subject to further assessment.	

Suitability – Mixed Use

Overall	Whilst the site is subject to some potential development constraints, it is considered that these could be resolved, subject to further assessment.	
----------------	--	--

Availability

Landowner is actively promoting the site for redevelopment.	
A SLAA submission has been received for the site – housing.	

Planning Policy
Medway Council,
Gun Wharf,
Dock Road, Chatham,
Kent ME4 4TR

10 April 2017
GW/LAK

SENT VIA EMAIL TO futuremedway@medway.gov.uk

Dear Sir

**REPRESENTATIONS TO MEDWAY LOCAL PLAN 2035
DEVELOPMENT OPTIONS CONSULTATION
ORCHARD KENNELS, RAINHAM**

Please find below representations to the Development Options consultation on behalf of our client Scoop Asset Management (Scoop AM).

Scoop AM has an interest in the Orchard Kennels site, Meresborough Road, Rainham. This representation therefore considers the development options publication and promotes the allocation of the Orchard Kennels site for residential led development. A Development Feasibility Study produced by Pod Architects is submitted alongside these representations and considers the site context and opportunities in further detail.

Strategic Objectives

Medway is the biggest regeneration zone in the Thames Gateway Regeneration Area, which seeks to raise economic success and boost the delivery of infrastructure and housing.

We therefore support the ambitions of the Council [and their vision for Medway in 2035] in seeking to harness the opportunities of Medway (including its high-speed train links, universities, and its diverse offer of services and businesses) to establish a regional profile for successful and ambitious growth that will share the accrued benefits from wider strategic developments.

Housing Requirements

A key objective of the Local Plan is to provide for the housing needs of the Medway communities, that meets the range of size, type and affordability the area needs.

The North Kent Strategic Housing and Economic Needs Assessment (NKSHEA) identifies a need of 29,463 homes. The Council's own assessment of supply suggests that it currently has



Registered in England
Number: OC342692

Barton Willmore LLP
Registered Office:
The Blade
Abbey Square
Reading
RG1 3BE
F/ +44 (0)118 943 0001

supply to accommodate 18,206 units although this includes 5,000 homes at Lodge Hill. There is therefore a need to identify sites to accommodate at least 11,257 units, but on the basis that Lodge Hill is not currently policy compliant, we consider there to be an unidentified supply figure of c16,500 homes.

We agree that any development strategy should first seek to make efficient use of existing previously developed land and promote regeneration. This is entirely consistent with the NPPF and Planning Practice Guidance. However, in providing a wide choice of housing and locations, such aspirations need to be balanced with greenfield release in sustainable locations otherwise there would be a preponderance to urban living and flatted development that not everyone desires or requires. Indeed, we concur with the Council (para 3.15) that the scale of growth projected will require more than riverside regeneration proposals and incremental growth around the edge of towns. Larger strategic development proposals need to be considered that can provide a range of housing types and tenures and infrastructure improvements.

Development Options

Having considered the development options, we consider the strategy should be a balance between all Scenarios – urban regeneration, complemented by greenfield development in suburban locations.

Suburban expansion has the best opportunity to provide new greenfield development in locations close to existing public transport. It is also the best way to provide new services and facilities that will benefit both existing and new communities.

A strategy that was a mixture of Scenarios would still incorporate suburban development in the Hoo to meet aspirations for better services and facilities in this area, but focus would be as great on sustainable settlements elsewhere in the district as well.

Orchard Kennels, Rainham

In promoting a strategy that focuses on urban regeneration and suburban development, we consider the Orchard Kennels site, Rainham, to be an appropriate opportunity for development.

This site is located adjacent to the recently approved Redrow development at Oastview. It is in close proximity to Rainham station and provides a sustainable suburban development opportunity (as acknowledged by the approval of the Redrow scheme).

The site can come forward independently for residential use and open space with enhanced access via Meresborough Road. Alternatively, it could come forward as part of a wider strategic allocation at Siloam Farm as considered by the SHLAA site assessment 0847.

The accompanying Development Feasibility Report provides further details regarding the site's potential for development and provides an initial illustrative scheme as to how the site could be designed to accommodate 101 homes and 0.35ha of open space. This constitutes a density of 27 dwellings per hectare, which is considered appropriate for the location.

The scheme also includes the potential for a large bespoke (perhaps self-build) dwelling to provide interest and character.

If you would any further information regarding the site, please don't hesitate to contact me.

Yours faithfully



Graeme Warriner

Director

Enc. Development Feasibility Study by Pod Architects

BRISTOL
CAMBRIDGE
CARDIFF
EBBSFLEET
EDINBURGH
LEEDS
LONDON
MANCHESTER
NEWCASTLE
READING
SOLIHULL
SOUTHAMPTON

**BARTON
WILLMORE**

bartonwillmore.co.uk
The Observatory
Southfleet Road
Ebbsfleet
Dartford
Kent
DA10 0DF
T/ 01322 374 660

Planning Policy Team
The Planning Service
Medway Council
Civic Headquarters
Gun Wharf
Dock Road
Chatham
Kent ME4 4TR

VIA EMAIL: futuremedway@medway.gov.uk

27109/A3/HH/kf

13 April 2017

Dear Karen

**REPRESENTATIONS TO MEDWAY LOCAL PLAN 2012 – 2035 DEVELOPMENT OPTIONS
LAND EAST OF FORMBY ROAD, HALLING, ROCHESTER, ME2 1BA
ON BEHALF OF REDROW HOMES (SOUTH EAST)**

These representations are submitted on behalf of Redrow Homes (South East) in response to Medway Council's Local Plan 2012 – 2035 Development Options Consultation Document (MCDOD) published in January 2017. As a landowner within Medway, Redrow Homes has a direct interest in the Local Plan and the long-term development strategy for Medway. Representations to the MCDOD have also been submitted in respect of Redrow Homes site at 'The North Field, Halling.' These Representations should be read alongside each other in conjunction with incremental growth in Halling.

These representations focus on supporting the promotion of Redrow Homes' site known as 'Land East of Formby Road, Halling' (The Site). A Site Location Plan is included at Appendix 1. A Full planning application was submitted to Medway Council on 07 April 2017 for a residential development comprising 36 apartments with associated parking and landscaping.

The Site is located to the east of Formby Road (A228) and forms part of the wider St Andrews Park Development which was granted a hybrid planning permission on 29 August 2013 (application reference MC/12/1791). The application description was as follows:

Hybrid application for outline details for demolition of existing buildings and provision of employment up to 3,000sqm floorspace (B1, B2, B8), doctor's surgery up to 1,000sqm (D1) and/or a 40-unit extra care facility, pub/restaurant up to 850sqm (A3/A4), new pedestrian/cycleway bridge across A228; alterations to public highway; sports pitches and ancillary structures including means of access with all other matters reserved. Full details for 385 residential dwellings including demolition of existing structures, vehicular access and landscaping; open space; nature conservation facilities; ground modelling and earthworks and ancillary buildings.

The residential development at St Andrews Park is currently under construction and a number of dwellings are now occupied. The Site now subject to these representations is located in an area granted Outline planning permission for an employment use (B1, B2, B8 uses) as part of the Hybrid planning permission. The Site has most recently been used as a construction compound for works being undertaken at the St Andrews Park development to the west of the A228.



FS 29637

Registered in England
Number: 0C342692

Barton Willmore LLP
Registered Office:
The Blade
Abbey Square
Reading
RG1 3BE
F/ +44 (0)118 943 0001

Delivering Sustainable Development – Options

The MCDOD identifies 4No. development scenarios that could provide the basis for Medway's development up to 2035. All 4No. potential scenarios include incremental expansions of villages, as shown on the maps included in Appendix 1B-1E of the MCDOD, including Halling, Cuxton, Cliffe Woods, Cliffe, High Halstow, Allhallows, Grain and Lower Stoke. We support the recognition that the Villages should be supported with development growth in order to maintain their vitality and viability.

Paragraph 4.5 of the MCDOD confirms that further work and supporting technical studies will be undertaken to help determine the capacity for areas to accommodate development and the most sustainable locations for growth. However, given the constraints to development within Medway Council area, and the identified shortfall between housing requirements and identified supply, we consider that a combination of the proposed scenarios will need to be considered to meet the growth requirements.

As noted above, any strategy for growth will need to have consideration to the desire for an increased access to housing in rural areas, which should be allowed to grow and diversify. The final growth strategy for Medway will include the growth of villages, including those in the Medway Valley, to meet the identified range of development needs for the district.

The Site would support the growth scenarios as set out in the MCDOD, allowing for incremental growth of the village of Halling.

Employment Land Needs

The employment land needs for the Plan period 2012-2035 are set out within the MCDOD. Various options for meeting this need are identified within para. 5.18 including consolidation and intensification of existing employment sites and exploring opportunities to provide employment floorspace on edge of centre locations.

Para. 5.19 sets out that the Local Plan needs to provide a range of sites to meet the employment needs identified in the Employment Land Needs Assessment (ELNA) (2015). Part of this strategy involves the retention of existing employment sites. The Site is included within the ELNA, identified as part of a larger area which is classified as an 'other employment site', which is defined as 'sites which represent employment use within an urban and edge-of-urban location'.

The Site forms part of Site Reference 21, Formby Road and the advice for future action suggest that the site should be retained and encourage use intensification.

The ELNA identifies the whole of the former CEMEX Site for employment development, including the area of land which is currently under construction for residential development. It therefore does not take account of the changing character of the local area and the shift away from employment uses.

The ELNA identifies that there is a considerable supply of vacant land identified for future employment use; however, the majority of the land is provided in a small number of locations with a very similar scale and character. The ELNA concludes that it is questionable whether the existing employment land will be able to provide the nature of environment suitable to cater for all future requirements. As such, the ELNA identifies opportunity for the provision of large scale employment floor space at a number of strategic sites including the Hoo Peninsula and Rochester Airport which are more appropriate for new employment development to meet future needs than the Site at Formby Road.

Paragraph 182 of the National Planning Policy Framework (NPPF) directs that 'A local planning authority should submit a plan for examination which it considers is "sound" – namely that is:

- **Positively prepared** – the plan should be prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development;
- **Justified** – the plan should be the most appropriate strategy, when considered against the reasonable alternatives, based on proportionate evidence;
- **Effective** – the plan should be deliverable over its period and based on effective joint working on cross-boundary strategic priorities; and,
- **Consistent with national policy** – the plan should enable the delivery of sustainable development in accordance with the policies in the NPPF.

In this respect, we consider that the ELNA, as a supporting evidence base document for the emerging Local Plan, is not 'Justified' as it continues to support the use of the entire wider former CEMEX Site for employment land despite the wider Site having gained residential-led planning consent. Furthermore, it is not considered to be 'Effective' as the wider former CEMEX Site is not deliverable for employment land uses. The evidence base therefore does not comply with paragraph 182 of the NPPF.

We support the Council's approach in assessing the potential for employment land at 'edge of centre' locations such as Chatham and Strood and consider that this is more appropriately located rather than within villages such as Halling.

In summary, we are generally supportive of the identified incremental expansion of Halling as a potential growth option and consider that this is detailed further within future iterations of the emerging Local Plan. Clearly, further evidence base work needs to be carried out regarding an update to the ELNA to reflect changing site circumstances and to provide an up-to-date evidence base for the emerging Local Plan in line with Planning Practice Guidance (PPG) which requires Plan makers to provide an appropriate and proportionate evidence base. (Paragraph: 014 Reference ID: 12-014-20140306). Accordingly, we consider that the 'Land East of Formby Road, Halling' Site, as shown on the enclosed Site Location Plan, should be removed altogether from the ELNA so that this land is not protected for employment purposes. Medway Council should take into account the changing character of the area and the fact that the Site is a small existing employment site adjacent to the larger residential development at St Andrew's Park and is not proposed to be developed for employment land uses.

Yours sincerely



KATE HOLLAND
Associate Planner

Appendix 1 – Land east of Formby Road Site Location Plan

Appendix 2 – Site Location Plan of land to be removed from the ELNA

cc. Josephine Baker : Redrow Homes


REDROW
HOMES
Redrow Homes (South East) Limited
Prince Regent House, Chatham Maritime, Kent ME4 4QZ
Tel: 01634 899850 Web: www.redrow.co.uk
Legal Disclaimer TBC

This layout has been designed after due consideration of our Context & Constraints Plan

BRISTOL
CAMBRIDGE
CARDIFF
EBBSFLEET
EDINBURGH
LEEDS
LONDON
MANCHESTER
NEWCASTLE
READING
SOLIHULL
SOUTHAMPTON

**BARTON
WILLMORE**

bartonwillmore.co.uk
The Observatory
Southfleet Road
Ebbsfleet
Dartford
Kent
DA10 0DF
T/ 01322 374 660

BY POST AND EMAIL

Planning Policy Team
Medway Council
Gun Wharf
Dock Road
Chatham
KENT
ME4 4TR

15144/A3/JM/SF/djg

18th April 2017

Dear Sir or Madam

MEDWAY LOCAL PLAN 2012-2035 – DEVELOPMENT OPTIONS CONSULTATION

We are pleased to respond to the above consultation, on behalf of our client Goodman. Goodman is the owner of the London Medway Commercial Park (previously known as the Kingsnorth Employment Area).

The emerging Local Plan recognises that a diverse and flexible portfolio of employment land is needed in Medway and reference is made to the focus on more land intensive light and heavy industrial activities at Kingsnorth. The London Medway Commercial Park is recognised as an important component of the mix within the proposed 'policy approach' to economic development, which supports sustainable employment uses for the strategic site at Kingsnorth. The Kingsnorth area is also identified as employment land at Appendices 1A and 1B.

Goodman supports Medway Council's emerging policy approach to the London Medway Commercial Park, which has a good degree of consistency with the existing adopted Local Plan. The continued allocation of the London Medway Commercial Park for large scale employment development is supported for the following reasons:

- Following outline approval of the development (ref MC/08/0370 and MC/13/1594), the implementation has progressed significantly, with one unit now completed, and several more in the pipeline. Furthermore, a number of reserved matters applications have also been approved. It is therefore the case that a stable and robust planning policy context for economic development would assist in the continued implementation of the development that is envisaged within the outline planning permission.

It would be much appreciated if you would please continue to keep me informed of any future developments or consultations in relation to the emerging Local Plan.

Yours faithfully

[Redacted Signature]

SIMON FLISHER
Director



FS 29637

Registered in England
Number: 0C342692

Barton Willmore LLP
Registered Office:
The Blade
Abbey Square
Reading
RG1 3BE
F/ +44 (0)118 943 0001

MEDWAY COUNCIL LOCAL PLAN
2012 - 2035
REGULATION 18 CONSULTATION

Response to Public Consultation

On behalf of
Taylor Wimpey Strategic Land

May 2017

**MEDWAY COUNCIL LOCAL PLAN
2012 – 2035 REGULATION 18 CONSULTATION**

RESPONSE TO PUBLIC CONSULTATION

**ON BEHALF OF
TAYLOR WIMPEY STRATEGIC LAND**

Project Ref:	20894/A5/EW
Status:	FINAL
Issue/Rev:	01
Date:	16 May 2017
Prepared by:	Emma Wreathall
Checked by:	Tom Ashley
Authorised by:	Huw Edwards



 
Date: 16 May 2017

COPYRIGHT

The contents of this document must not be copied or reproduced in whole or in part without the written consent of the Barton Willmore LLP.

All Barton Willmore stationery is produced using recycled or FSC paper and vegetable oil based inks.

CONTENTS

PAGE NO.

1.0	INTRODUCTION	01
	i) Purpose of these Representations	01
	ii) Purpose of the LPDO	01
	iii) Content of Representations	02
2.0	LAND WEST OF HOO ST WERBURGH	04
	i) The Site and its Surroundings	04
	ii) Proposed Development	05
	iii) Previous SLAA Conclusions	05
	iv) Planning History	07
	v) Sustainable Development	08
3.0	OBJECTIVELY ASSESSED HOUSING NEED	10
	i) Medway Council OAN Work	10
	ii) Starting Point Estimate	10
	iii) Affordable Housing Need	12
	iv) Barton Willmore OAN Work	13
	v) Unmet Housing Needs	15
	vi) Under Delivery of Housing	17
4.0	DEVELOPMENT STRATEGY AND OPTIONS	18
	i) Identified Supply of Development Land	18
	ii) Development Strategy	20
	iii) Development Options	20
5.0	OTHER POLICY APPROACHES	23
	i) Housing Mix	23
	ii) Securing Strong Green Infrastructure	23
	iii) Heritage	24
	iv) Transport	24
6.0	CONCLUSIONS	26

APPENDICES

Appendix A: Site Location Plan (M01)

Appendix B: National Planning Policy Context

Appendix C: Critical Review of Medway Council OAN Evidence Base (Barton Willmore Research, February 2016)

Appendix D: Objectively Assessed Housing Need Dashboard (Barton Willmore Research, February 2016)

1.0 INTRODUCTION

i) Purpose of these Representations

- 1.1 These representations are submitted on behalf of Taylor Wimpey Strategic Land in response to Medway Council's (MC) Local Plan 2012-2035 Development Options (Regulation 18) consultation (LPDO, January 2017). Taylor Wimpey Strategic Land has land interest in a site known as 'Land West of Hoo St Werburgh' (hereafter referred to as 'the Site'). A Site Location Plan is included at **Appendix A**.
- 1.2 These representations seek to demonstrate that the Site is a sustainable location for development, which should be allocated as part of the Council's new Local Plan.
- 1.3 The Site is also being promoted as part of a Consortium of landowners and promoters with interests around Hoo St Werburgh. The Consortium has developed a vision for the expansion of Hoo St Werburgh into a sustainable rural town, for mixed-use development including circa 6,500 dwellings. The vision for Hoo is set out in detail in the Hoo Development Framework Document (HDFD), which is submitted to the LPDO on behalf of the Consortium.
- 1.4 Notwithstanding Taylor Wimpey's support for the Hoo St Werburgh vision, these representations demonstrate that the Site is a sustainable location for development in its own right.
- 1.5 These representations have been prepared in objective terms and in recognition of prevailing planning policy – in particular Government guidance as set out in the National Planning Policy Framework (NPPF) (March 2012) and National Planning Practice Guidance (PPG) (March 2014).
- 1.6 On 07 February 2017, the Government published the Housing White Paper (February 2017) which sets out a programme of reform to tackle long-standing problems in the housing market and ensure homes are built in the right locations. These representations refer to the Government's proposed planning changes, where relevant, and which were subject to consultation until 02 May 2017.

ii) Purpose of the LPDO

- 1.7 MC previously undertook a period of public consultation on its Local Plan Issues and Options (LPIO) document between January and February 2016. The LPIO consultation was in advance of the preparation of a new Local Plan under the Local Planning Regulations.

- 1.8 It sought representations on key contextual matters and potential approaches for the new Local Plan strategy, and did not set out detailed policies or identify specific development sites.
- 1.9 The current LPDO (Regulation 18) consultation progresses forward from the LPIO, by setting out potential development options available to meet Medway's identified needs over the Plan period 2012-2035, which are sought to be in line with a draft vision and strategic objectives for the area.
- 1.10 The four development options that are considered within the LPDO are as follows:
1. Maximising urban regeneration opportunities;
 2. Supporting suburban expansion at a significant scale;
 3. Promoting development on the Hoo Peninsula; and
 4. Securing urban regeneration and a rural town.
- 1.11 The LPDO consultation document is accompanied by evidence base work that has been prepared to inform the new Local Plan strategy, namely the Strategic Housing Market Assessment (2015) and Strategic Land Availability Assessment (2017). Ongoing and additional technical work is still underway to assess the sustainability of the different development options and policy approaches being explored in the LPDO document.

iii) Content of Representations

- 1.12 The content of National planning policy and guidance relevant to the LPDO and the new Local Plan strategy is contained in **Appendix B**, and referred to throughout these representations.
- 1.13 These representations are structured as follows:
- Section 2.0: Land West of Hoo St Werburgh;
 - Section 3.0: Objectively Assessed Need;
 - Section 4.0: Development Strategy;
 - Section 5.0: Other Policy Approaches; and
 - Section 6.0: Conclusions.
- 1.14 In summary, these representations set out the following comments:
- The North Kent SHENA identifies the Objectively Assessed Need (OAN) for Medway as being 1,281 dwellings per annum (dpa) over the period 2012-2037, which does not represent the full OAN for Medway over the Plan period 2012-2035;

- Medway's OAN figure is below the starting point estimate of the 2012-based projections and further below the 2014-based projections. No justification has been provided for this reduction;
- In the context of the 2012-based projections as the starting point estimate, the figure of 1,489 dpa for the Plan period 2012-2035 would represent the full OAN for Medway;
- The latest 2014-based starting point estimate for Medway is 1,388 dpa for the Plan period 2012-2035. In accordance with the PPG, this should be adjusted to take account of factors not captured in past trends, namely to address worsening market signals, suppressed household formation rates, historic under-supply and the 2015 SHMA identified affordable need of 744 affordable dwellings per annum;
- The Local Plan should seek to meet unmet requirements from neighbouring LPAs where it is reasonable and consistent with National policy. Clarity is required on the position between Medway Council and Gravesham Borough Council to ensure the respective Local Plans meet the level of growth required;
- The development strategy for the new Local Plan needs to provide circa 16,500 dwellings to meet Medway's current identified supply. It is considered that a combination of 4no. development scenarios explored in the consultation document will need to be taken forward to meet Medway's development needs in full;
- All of the 4no. scenarios in the consultation document envisage development at Hoo St Werburgh and the majority specifically include the Site. This approach is supported in that it recognises the sustainability of Hoo St Werburgh and the suitability of the Site.
- The Site itself is particularly suitable for development, given the absence of overriding constraints and its location at the urban edge.
- The Site is suitable, deliverable, achievable and therefore developable for residential development and should be allocated accordingly in the new Local Plan.

2.0 LAND WEST OF HOO ST WERBURGH

i) The Site and its Surroundings

- 2.1 The Site lies to the west of Hoo St Werburgh, Kent. The settlements of Wainscott and Strood lie to the south west and a Ministry of Defence landholding at Chattenden lies to the north (Lodge Hill). Nearby to the west is Chattenden whilst Upnor is to the south west on the River Medway. Hoo Marina and Caravan Park are located to the south on the river frontage whilst Kingsnorth Power Station and associated industrial development lie to the east.
- 2.2 The Site is approximately 32.82 hectares in total and extends between the existing urban edge of residential properties on Aveling Close to the east and the A228 dual carriageway to the north-west. The Site is greenfield, currently in agricultural use, and is divided into two parcels of land. The Site comprises predominantly Grade 3b agricultural land, i.e. not 'best and most versatile agricultural land', with small areas of Grade 3a on the eastern edge of the site.
- 2.3 The landform of the Site is undulating, and generally falls in level from north east to south west from a height of around 63 metres above ordnance datum (AOD) to a low of around 30 metres AOD before rising again at the extreme south west. The highest section of the Site forms part of the Deangate Ridge which rises beyond the Site to the north.
- 2.4 Hoo's village centre lies to the south-east of the settlement, approximately 1.6km from the centre of the Site. However, the Site is closer to the second broad group of facilities in Hoo that run along Main Road, including a primary school (circa 0.9km), leisure centre (circa 0.6km), health facilities (circa 1.2km) and convenience shops (circa 1km). Hoo is also well served by public transport, with Main Road acting as an established route for a number of bus services.
- 2.5 The Hundred of Hoo Academy, which is located immediately south of the Site, is a 6FE mixed-gender comprehensive school for pupils aged 11-19. The Academy has been granted planning consent (MC/16/1845), which is presently under construction, for a new Primary School to the west of the access track that divides the Academy building and its grass sports pitches. The 1FE facility is designed to be able to extend to a 2FE facility, and is intended to be fully operational from September 2017.
- 2.6 As such, whilst the Site is currently outside but adjacent to the settlement boundary of Hoo St Werburgh, it is in proximity to existing development.

- 2.7 The Site is not subject to any International, National or local landscape designations. Its development should be considered proportionate to this context, in accordance with the NPPF (para 113).

ii) Proposed Development

- 2.8 The Site is being promoted for a housing-led scheme comprising a mix of dwellings types and sizes, including an element of affordable housing. It is anticipated that approximately 450-550 dwellings could be delivered on the Site, together with substantial open space provision.

iii) Previous SLAA Conclusions

- 2.9 The Site was assessed in both the November 2015 Strategic Land Availability Assessment (SLAA) and January 2017 SLAA (Site Reference: 0753).
- 2.10 The November 2015 SLAA concluded that the Site is unsuitable for residential development unless the identified constraints can be addressed.
- 2.11 In summary, the Site was assessed as follows:
- Suitable vehicular access could be created onto Main Road, directly adjacent to the Site;
 - Development is unlikely to have an impact upon any designated heritage assets;
 - Low risk of flooding;
 - Contamination is not suspected on the Site;
 - Mitigation likely to be deliverable to overcome any air pollution constraints;
 - Site is not designated open space or employment land.
- 2.12 The constraint to development identified in the SLAA, that led to the conclusion that it is unsuitable for development, was due to the Site's location in relation to public transport opportunities, facilities and services. In addition, the Site is located outside of the built-up area and in an area of locally valued landscape (Hoo Farmland and Deangate Ridge) set out within the Medway Landscape Character Assessment (MLCA) (2011) and which is considered sensitive to change. Development is therefore considered "likely" to have a detrimental impact upon such landscapes.

- 2.13 The subsequent January 2017 SLAA has not been accompanied by individual site assessment proformas. Appendix 5 of the document indicates that the Site was excluded at Stage 4 of the assessment as it was not considered to be suitable.
- 2.14 The SLAA methodology advises that a site's suitability is assessed against a number of factors (18 in total), however as the individual proformas are not available, the exact conclusions on these factors are unknown and therefore not possible to comment upon.
- 2.15 As noted in Section 4.0 of these representations, the January 2017 SLAA has only identified a potential capacity of 5,980 dwellings on sites deemed to be suitable, available and achievable. This quantity of supply is not sufficient to meet the housing requirement for Medway, and therefore a further re-evaluation of the SLAA is necessary (PPG Reference: 3-002-20140306).
- 2.16 It is anticipated that a further review of the SLAA will be undertaken by MC in advance of the publication of the Regulation 19 Draft Local Plan, and that this will be informed by the Council's "preferred" spatial strategy for the Borough.
- 2.17 As explained under Section 4.0 of these representations, all the "Development Scenario Options" in the LPDO direct at least some strategic growth towards Hoo St Werburgh. Within this emerging strategic planning context, the Site is considered to be sustainable and suitable for development for the following reasons:
- The Site is free from International and National designations and other environmental constraints;
 - The Site is of comparatively low landscape value, notably the site is not located within an Area of Local Landscape Importance (ALLI), as such any landscape harm would be outweighed by the benefits of new housing;
 - The Site is located on the urban edge of Hoo St Werburgh, one of the most sustainable strategic location in the Borough, with the ability to contribute directly to the sustainable expansion of the settlement;
 - The Site is available for development, owned by Taylor Wimpey a large national housebuilder, and has a realistic prospect of delivering housing within five years to meet short term development needs; and
 - The Site is viable with the ability to contribute towards the delivery of necessary infrastructure improvements and securing policy compliant affordable housing.
- 2.18 It is recommended that the forthcoming SLAA review reflects the positive assessment of the site in these regards, judging it to be suitable, achievable and deliverable.

iv) Planning History

- 2.19 In November 2014, an Outline planning application (MC/14/3405) was submitted to MC for mixed-use development on the Site, including the erection of up to 475 dwellings including affordable housing (Use Class C3), up to 200sqm of commercial floorspace (Use Classes A1/A3/A5) and up to 200sqm sports pavilion (Use Class D2).
- 2.20 The Outline planning application was refused by MC's Planning Committee in April 2015 for 2no. Reasons for Refusal. A Section 78 Appeal was subsequently lodged against the refusal, heard by way of a Public Inquiry in August 2016, and dismissed on 06 September 2016 (APP/A2280/W/15/3132141).
- 2.21 The S78 Inspectors principal concern related to the sustainability of the site, particularly in respect of the high degree of reliance on car travel. However, the S78 Inspector's conclusion was arrived at outside of the emerging strategic planning context which has identified Hoo St Werburgh as a potential strategic location for accommodating Medway's growth needs in the next Plan Period. As discussed in Section 4 of these representations, at least some growth is identified at Hoo St Werburgh under all the LPDO "Scenarios", with large scale strategic growth identified under Scenarios 3 and 4.
- 2.22 The assessment of the sustainability and suitability of the Site that needs to be undertaken as part of the preparation of the new Local Plan, clearly needs to have regard to this emerging strategic context with its implied support for strategic development at Hoo St Werburgh. The conclusion of the S78 Inspector can therefore provide only relatively limited guidance in respect of the suitability and sustainability of the site.
- 2.23 This notwithstanding the Section 78 Inspectors report provided some important guidance in respect of the technical assessment of the site.
- 2.24 Notably in respect of the landscape value of the site (para 84), where the S78 Inspector concluded that the Site has no special or unusual character in terms of its character and appearance. Similarly, in respect of the perceived coalescence of Hoo and Chattenden the S78 Inspector concluded that:

The fundamental landscape function of the Deangate Cockham Farm ridges in providing structure to the landscape would not be compromised, so in regard to the coalescence element of harm to character and appearance as relatively minor. Clearly, although harm to character and appearance would be an enduring, on its own it would not outweigh the benefits of the development. (paragraph 84)

2.25 In addition, the S78 Inspector noted that the benefits of the Outline scheme (MC/14/3405) are substantial (para 82), and specifically noted the following (para 80):

- Economic output generated by future residents (typically, 559 economically active residents generating an economic output of £21.9m per annum);
- Local commercial expenditure by future residents (£8.3m per annum);
- Construction employment opportunities (79 construction jobs).

v) Sustainable Development

2.26 The NPPF (para 151) is clear that Local Plans must be prepared with the objective of contributing to the achievement of sustainable development and should be consistent with the presumption in favour of sustainable development.

2.27 It is considered that the most sustainable approach to accommodating development at Hoo St Werburgh is through a co-ordinated and planned approach to growth, and to this end Taylor Wimpey have sought to engage with other promoters, through the Consortium, to prepare a comprehensive vision for the expansion of the settlement into a small rural town. This vision is set out in the Hoo Development Framework Document (HDFD) so is not repeated here. It is however emphasised that the Site is a critical part of the overall vision for the expansion of the settlement.

2.28 However even if the large-scale growth envisaged in the HDFD is not preferred by MC, it is evident from the LPDO that at least some strategic growth will nevertheless need to be directed towards Hoo St Werburgh to ensure that Medway's housing needs are properly accommodated.

2.29 Within this context it is evident that the Site represents an entirely sustainable location for development given that:

- The Site is free from environmental constraints and designations;
- The Site is of comparatively low landscape sensitivity;
- The Site is of low agricultural quality, in comparison to other sites surrounding Hoo St Werburgh;

- The Site would deliver policy compliant affordable housing; and
- The Site has the potential to deliver significant economic benefits.

- 2.30 The recent planning application and appeal serve to confirm these facts, as borne out by the S78 Inspectors comments highlighted above.
- 2.31 The development of the Site would meet the three strands of sustainable development, as set out in the NPPF (para 7). Enabling residential development would support economic growth in Medway and surrounding areas, providing employment opportunities through the construction phase. The Site has the potential to contribute towards the delivery of much needed housing within Medway and deliver a mix of housing types in accordance with the NPPF (para 47).
- 2.32 It is therefore evident that the Site's development would be sustainable development in this regard, in that the harm would be outweighed by the benefits of the development proposals (NPPF, para 14).
- 2.33 Overall, the Site is suitable for development, given the absence of overriding constraints, and would deliver sustainable patterns of growth. In addition, the Site is available for development, owned by Taylor Wimpey as a large National housebuilder, and has a realistic prospect of delivering housing within 5 years to meet short term development needs.

3.0 OBJECTIVELY ASSESSED HOUSING NEED

- 3.1 The LPDO sets out a housing requirement of 29,463 dwellings over the Plan period 2012-2035, equating to 1,281 dpa.
- 3.2 This section of the representations considers the proposed housing target against National requirements, notably paragraph 47 of the NPPF (2012) which directs LPAs to use their evidence base to ensure that their Local Plan meets the full OAN for market and affordable housing in the Housing Market Area (HMA), as far as is consistent with the NPPF policies.

i) Medway Council OAN Work

- 3.3 The NPPF (para 159) requires LPAs to prepare a Strategic Housing Market Assessment to identify the scale and mix of housing and range of tenures that the local population is likely to need over the Plan period, working with neighbouring LPAs where HMAs cross administrative boundaries.
- 3.4 MC jointly prepared a North Kent Strategic Housing and Economic Needs Assessment (SHENA) with Gravesham Borough Council, comprising a Baseline Report (March 2015) and Strategic Housing Market Assessment (SHMA) (November 2015).
- 3.5 The North Kent SHENA identifies the OAN for Medway as being 1,281 dpa over the period 2012-2037 based on the results of the CLG 2012-based household projections adjusted to take account of 2013 and 2014 Mid-year Population Estimates. This level of housing need has been taken forward in the LPDO to represent the Plan period of 2012-2035.
- 3.6 There has been no justification for this deviation from the Evidence Base.

ii) Starting Point Estimate

- 3.7 The PPG (Reference ID: 2a-017-20140306) directs LPAs to take account of the most recent household projections, in line with the NPPF (para 157) requirement that Local Plans are kept up-to-date.
- 3.8 Since the publication of the 2015 SHMA, the ONS 2014-based Sub-National Population Projections and CLG 2014-based household projections have been published (25 May and 12 July 2016 respectively). These new data releases provide an updated starting point estimate for assessing overall housing need.

- 3.9 MC has not undertaken an updated assessment or published an Addendum to its 2015 SHMA to take account of the new starting point estimate.
- 3.10 The PPG (Reference ID: 2a-016-20150227) advises that housing assessments are not automatically rendered outdated by the publication of new projections, however assessments should be informed by the latest available information wherever possible. We would stress the PPG's use of "wherever possible", notably as MC is still at an early stage of its Plan-making process.
- 3.11 The LPDO (page 5) advises that the anticipated timescale for the Local Plan's submission is Spring 2018. Based on the timetable for new National projections, it is likely that new projections (providing a new starting point estimate) will be released at the same time of the Local Plan's submission, or whilst the Local Plan is subject to Examination.
- 3.12 The subsequently appointed Local Plan Inspector will be required to explore the implications of new data releases on the proposed housing target, to ensure that the housing assessment(s) submitted for Examination are appropriate and that the Local Plan is seeking to meet full OAN in accordance with the NPPF (para 47).
- 3.13 The 2014-based projections, providing the latest starting point estimate, are set out below against the Plan period 2012-2035 and SHMA period 2012-2037.

Table 3.1: CLG Projections for Medway

Series	2012-2035 Plan period	2012-2037 SHMA period
2012-based	1,323 dpa	1,317 dpa
2014-based	1,388 dpa	1,380 dpa
Difference from 2012 to 2014 projections	+4.9%	+4.7%

- 3.14 All variations of the starting point estimate (Table 3.1 above) are above MC's identified OAN figure. MC's identified OAN figure is below the 2012-based starting point, upon which the 2015 SHMA was based, and further below the latest 2014-based starting point. No justification has been provided for the reduction to the starting point estimate.

- 3.15 The 2014-based projections generate a starting point (1,388 dpa) which is 8.3% above MC's identified OAN figure of 1,281 dpa for the Plan period 2012-2035. For the SHMA period 2012-2037, the 2014-based projections starting point (1,323 dpa) is 7.73% above Medway's OAN figure.
- 3.16 The PPG (Reference ID: 2a-015-20140306) directs that the CLG projections only provide the "starting point estimate" of overall housing need, and adjustment may be required to reflect factors affecting local demography and household formation rates not captured in past trends. Notably, formation rates may have been suppressed by historic under-supply.
- 3.17 This is a pertinent issue for Medway, in that the Council has failed to achieve its housing target in the last 5 years and has only met/exceeded its target 3 out of the last 24 years. MC accepts that this represents persistent under-delivery and therefore a 20% buffer is required to provide a realistic prospect of achieving planned supply, and ensure choice and competition in the market for land (NPPF, para 47).

iii) Affordable Housing Need

- 3.18 The NPPF (para 47) directs that LPAs should ensure that their Local Plans meet the full OAN for both market and affordable housing.
- 3.19 There are a number of High Court Judgments¹ that provide useful guidance on the proper exercise that needs to be undertaken to assess affordable need as part of OAN (referred to in **Appendix B**, paras 4.67-4.68). Notably, the ELM Park v Kings Lynn and West Norfolk BC High Court Judgment provides guidance on the role of affordable need with OAN, determining that affordable need did not have to be met in full, but rather:

This consideration of a n i ncrease to help d eliver the r equired number of affordable homes, rather than a n instruction that the requirement b e m et in t o tal, is consistent w ith th e p olicy in paragraph 1 59 o f t he Fr amework requiring t hat t he SHMA "addresses" t hese n eeds in d etermining t he FOAN². T hey s hould have an important influence increasing the derived FOAN since they are s ignificant factors i n p roviding f or housing needs w ithin a n area.

- 3.20 It is clear that where there is significant affordable housing need, although it is not required to be met in full, an increase should be considered.

¹ Satnam Millennium Limited v Warrington Borough Council (19 February 2015) [2015] EWHC 370 (Admin) & Borough Council of Kings Lynn and West Norfolk v SSCLG, ELM Park Holdings Ltd (09 July 2015) [2015] EWHC 2464 (Admin)

² Full Objectively Assessed Need for Housing

- 3.21 In the context of Medway, the LPDO (para 4.10) states the following in respect of affordable housing need:

[t]he Strategic Housing and Economic Needs Assessment identified a need for 17,112 affordable dwellings over the plan period. However, the Local Plan needs to be deliverable, and must demonstrate that the policies are viable. Initial analysis indicates a percentage of 25% affordable housing could be achieved on development over 15 units.
[our emphasis]

- 3.22 The 2015 SHMA (para 6.53) also identified that the affordable housing 'need' is greater than the identified affordable housing 'supply' over: the projection period 2012-2037; the Local Plan period (which the SHMA references as 2017-2035); and on an annual basis.
- 3.23 The 2015 SHMA calculated a need of 744 affordable dwellings per annum, which is a significant level of affordable housing need. This would constitute 58% of MC's identified OAN figure of 1,281 dpa.
- 3.24 To deliver the affordable housing need for 744 affordable dpa in full, at a provision of 25% which initial analysis indicates could be achieved (LPDO, para 4.11), a full OAN of circa 3,000 dpa for 2012-2035 would be required. It is accepted that 3,000 dpa is unrealistic, but a figure in excess of the Council's current target would help to meet some of this affordable need.

iv) Barton Willmore OAN Work

Critical Review

- 3.25 As noted above, Barton Willmore Research undertook a critique of MC's OAN of 1,281 dpa (**Appendix B**) and did not consider it to represent the full OAN for Medway over the Plan period (2012-2035).
- 3.26 Notwithstanding the release of the 2014-based projections, which provide an updated starting point estimate, MC's OAN figure is based upon the 2015 SHMA and 2012-based projections and therefore the concerns set out in the Critical Review remain valid in this regard.
- 3.27 In summary, the issues raised are as follows:
- The starting point estimate is based on a 23-year projection of suppressed household formation in the 25-44 age group, the age group most likely to be first time buyers.

This suppression will lead to a significant increase in concealed households in this age group unless the OAN adjusts the household formation rates in this age group. The North Kent SHENA proposes no adjustment to account for this suppression. To comply with the NPPF requirement (para 182) to ensure Local Plans are 'Positively Prepared', an upward adjustment should be applied for the 25-44 age group. This would lead to an OAN in excess of the starting point estimate.

- The 2012-based CLG household projection is underpinned by the 2012-based SNPP which is considered to provide the very minimum projection of future population growth in Medway due to the low international migration assumptions they are underpinned by and in light of recent data suggesting that net migration to Medway is in fact significantly higher than the trends underpinning the 2012-based SNPP.
- The North Kent SHENA considers alternative long-term migration trends but fails to pay regard to a more recent 5-year migration trend. The SHENA adopts the use of a long-term migration trend to reflect demographic-led need in Medway which projects lower population growth than the 2012-based SNPP and for the reasons outlined (**Appendix B**) is considered inappropriate.
- The North Kent SHENA's approach to addressing an uplift to OAN to accommodate economic growth is considered relatively robust. However, we would suggest the use of three sources of job growth forecasts to ensure as robust an assessment as possible.
- The North Kent SHENA identifies a number of market signals that have worsened to a greater extent than neighbouring authorities, the south-east region, and the National average. The SHENA considers that an upward adjustment to the demographic-led OAN is required in order to alleviate the identified market pressure. Barton Willmore support this conclusion. However, it is considered that the market signals uplift that is applied in the SHENA is insufficient given that it results in OAN that is still below the starting point estimate.

Dashboard Assessment

- 3.28 Given the fundamental flaws identified in MC's own OAN assessment (as above), Barton Willmore Research undertook an assessment of MC's full OAN figure (**Appendix C**).

- 3.29 In the context of the 2012-based projections as the starting point estimate, it was considered that the figure of **1,489 dpa for the Plan period 2012-2035** would represent the full OAN for Medway.
- 3.30 As set out above, the release of the 2014-based projections provide the latest starting point estimate. For Medway, this equates to 1,388 dpa for the Plan period 2012-2035.
- 3.31 The CLG projections should only be regarded as the starting point estimate, but may require adjustment to reflect factors not captured in past trends (PPG Reference ID: 2 a-015-20140306).
- 3.32 The Dashboard Assessment highlights the following factors which would require an adjustment to the starting point estimate:
- Appropriate uplift to address worsening market signals (i.e. affordability);
 - Alleviation of the suppressed household formation rates in the 25-44 age group; and
 - Affordable housing needs; and
 - Historic under-supply.
- 3.33 On this basis, we do not consider that the housing needs calculated for Medway over the Plan period have been appropriately assessed. Overall it is considered that the LPDO does not seek to meet the full and correct OAN for Medway and is therefore not “sound”.
- 3.34 The content of the Housing White Paper (February 2017) is also noted, in that the Government will be consulting on a potential standardised approach to assessing housing requirements this year. Whilst the content of this approach, and the timescales for the consultation, is currently unknown, MC need to remain aware of this and any potential implications on the new Local Plan.

v) Unmet Housing Needs

- 3.35 In order for a Local Plan to be ‘Positively Prepared’, the Local Plan strategy should seek to meet unmet requirements from neighbouring LPAs under the Duty to Co-operate, where it is reasonable to do so and consistent with achieving sustainable development (NPPF, para 182). Nonetheless, the Duty to Co-operate is not a Duty to agree and LPAs are not obliged to accept unmet needs of other LPAs if they have robust evidence that this would be inconsistent with the NPPF (PPG Reference ID: 9-001-20140306).

North Kent HMA

- 3.36 The 2015 SHMA defines the Housing Market Area to comprise Medway, Gravesham, Swale, Maidstone and Tonbridge and Malling.
- 3.37 Gravesham Borough Council (GBC) in its representations (dated 29 February 2016) to the LPIO consultation advised that, due to Green Belt constraints on the Borough, it may not be possible for GBC to identify sufficient land to meet its own identified OAN. Discussions are/have been undertaken with MC in this regard and GBC's representations advises that, together MC and GBC are intending to meet the full OAN for the joint housing market area.
- 3.38 It is however noted that the LPDO does not make any reference to meeting any unmet needs from GBC. Clarity is therefore required to ensure that the LPDO effectively plans to meet the level of growth required and fulfil the test of being 'Positively Prepared'.
- 3.39 This issue is particularly pertinent in the context of St Albans City and District Council's (SACDC) Strategic Local Plan, which was submitted for Examination in August 2016. The appointed Inspector (letter dated 28 November 2016) concluded that the Duty to Co-operate has not been met, as it was not demonstrated that SACDC gave satisfactory consideration strategic to cross-boundary matters and priorities under the Duty. The Inspector had particular regard to representations from nearby LPAs, which outlined concerns that SACDC had not considered its potential ability to meet unmet needs from other LPAs and an outstanding request from Luton Borough Council to help meet its unmet needs.
- 3.40 In the case of MC, there appears to be potential unmet housing needs arising from Gravesham Borough, which GBC understand are to be met in Medway. MC should seek to meet such unmet needs in accordance with National policy, or demonstrate robust evidence that such provisions would be inconsistent with the Framework, in accordance with the test of 'soundness' (NPPF, para 182).

London City

- 3.41 The LPDO (paras 2.22 and 2.23) notes the relationship between Medway and London, in that there are commuting and migration links with the capital. Notably, the 2015 SHMA (paras 2.23 and 2.28) highlights that four of the top 10 LPAs in terms of total flows into Medway are London Boroughs, reflecting the strength of London's influence on Medway's migration contribution, and also the strong trends of people relocating from the capital to the Medway Authority.

- 3.42 The London Plan is unable to accommodate its housing need in full. There is a potential shortfall of circa 7,000 dwellings a year; comprising the difference between the identified capacity target of 42,000 dpa and the lower end of London's OAN which is 49,000 dpa.
- 3.43 It is considered appropriate that regard is given to the unmet needs of London and that the Council considers the potential of helping to meet some of this need given the strong relationship between Medway and London set out above.

vi) Under Delivery of Housing

- 3.44 The NPPF (para 47) requires LPAs to identify and update annually a supply of deliverable sites to provide 5-years of housing against their housing target with an additional 5% buffer, or a 20% buffer for LPAs who have a history of under delivery.
- 3.45 The Housing White Paper (February 2017) states that the Government intend to introduce a new housing delivery test to ensure that LPAs and wider interests are held accountable for their role in ensuring new homes are delivered in the area. The test will highlight whether the number of homes being built is below target, provide a mechanism for establishing the reasons why and where necessary, trigger policy responses that will ensure further land comes forward.
- 3.46 The proposed housing delivery test is particularly pertinent for Medway as the LPA is subject to a 20% buffer as it has persistently under-delivered against its housing target. This has been confirmed by S78 Planning Inspectors (e.g. APP/A2280/W/15/3002877) and is acknowledged by the Council (Statement of Common Ground for APP/A2280/W/15/3132141).
- 3.47 It is therefore necessary that MC identifies sufficient land in sustainable locations to ensure land is available to address previous under delivery rates in Medway.

4.0 DEVELOPMENT STRATEGY AND OPTIONS

- 4.1 The LPDO (para 31) sets out the level of growth required for the Plan period. This includes a need for 29,463 dwellings, 49,943m² of B1 office space, 34,900m² of comparison retail space and 10,500m² of convenience.
- 4.2 The Council notes that this scale of growth is challenging, and therefore meeting this challenge and achieving successful growth in Medway is the central focus for the new Local Plan (LPDO, para 3.3). This approach is welcomed and accords with the NPPF (para 14) in seeking positive opportunities to meet development needs of the area.

i) Identified Supply of Development Land

- 4.3 The LPDO (para 3.7) sets out the Council's currently anticipated supply of development land, and which is repeated below for ease.

Table 4.1: Medway's Current Supply of Development Land

	Status	Number of Dwellings
A	Completions 2012-2016	2,180
B	Sites with planning permission	6,251
C	Medway Local Plan 2003 Allocations	356
D	SLAA Pipeline sites	8,813
E	Windfalls (Years 3-5 only)	606
F	Total	18,206

Row D: SLAA Pipeline Sites

- 4.4 The Annual Monitoring Report (AMR) 2016 (Volume 2, Section 8) provides the list of SLAA residential pipeline sites, totalling 8,813 units for the Plan period. This list includes a number of Medway Local Plan 2003 Allocations, which are however listed as a separate source of supply above (Row C). As a result, it appears that such sites (i.e. Medway Local Plan 2003 Allocations) are accounted for as both a separate source of supply and a SLAA pipeline site i.e. have been double counted in the overall supply (Row F).
- 4.5 It is recommended that the Council revisits the inclusion of Medway Local Plan 2003 Allocations to ensure such sites are only accounted for once, to ensure MC's position is robust.

- 4.6 It is also noted that the January 2017 SLAA only identifies a potential capacity of 5,980 dwellings on sites deemed to be suitable, available and achievable for residential development; thereby conflicting with MC's figure of 8,813 units (Row D), published in the LPDO at the same time of the SLAA's release.
- 4.7 The 2016 AMR list of SLAA pipeline sites also includes Lodge Hill for 5,000 dwellings in the Plan period. This conflicts with the LPDO position (para 3.39) in which the development site is phased in the second half of the Plan period (2025-2035) given the present uncertainty. This will allow for consideration of the outcome of the Public Inquiry and allow time for alternative sources of land supply to be planned, if required.
- 4.8 The reliance on Lodge Hill for 5,000 units in the Plan period (in Row D) is not considered to be appropriate or realistic. It is contrary to the content and intentions of the LPDO to address future uncertainties by phasing development later in the Plan period. Notwithstanding the site's continued uncertainty, it is also wholly unrealistic to anticipate 5,000 dwellings to be delivered in 2025-2035, which would require 500 dwellings to be built per annum.
- 4.9 The total supply of SLAA pipeline sites should be amended to be in accordance with the LPDO's position, which will significantly reduce the total supply of current development land in Medway. Additional land is therefore required to provide an identified supply of land to meet the development needs of circa 30,000 dwellings for the Plan period.
- 4.10 It is also noted that additional sources of supply may in future be required to address the potential exclusion of Lodge Hill.

Row F: Total Supply

- 4.11 Table 4.1 above sets out Medway's current identified supply of 18,206 units. This generates a total of 11,257 units remaining unidentified for the Plan period.
- 4.12 Taking account of comments above, the unidentified supply figure could increase to circa 16,500 dwellings through the exclusion of Lodge Hill (5,000) and Medway Local Plan 2003 Allocations (356 units).
- 4.13 There could also have been double-counting between the SLAA pipeline sites and the 4 no. development scenarios in the LPDO, i.e. if the capacities of the SLAA pipeline sites have also been included in the estimated yields of the different scenarios (Appendices 1B to 1E of the LPDO).

ii) Development Strategy

- 4.14 The LPDO (para 3.9) acknowledged that the Council cannot meet its full development needs solely on brownfield land. The development of greenfield sites is required in suburban and rural areas, and will therefore form part of the Council's development strategy of the new Local Plan. We support the Council's approach to plan positively to meet its development needs in full.
- 4.15 The Council seek to make use of greenfield land that is free from environmental constraints, of lesser value for landscape and agricultural purposes, and well related to services and infrastructure.
- 4.16 Paragraph 110 of the NPPF advises that Local Plans should allocate land with the least environmental or amenity value, where consistent with other policies in the NPPF. The NPPF therefore advocates the use of "least" value, therefore a comparative exercise, rather than directing development that is wholly free of environmental constraints, as this may not be available in the District or Borough.
- 4.17 It is therefore considered appropriate that the development strategy is amended to direct development where land is of the least environmental or amenity value, taking account of other policies in the NPPF, to be consistent with paragraph 110.

iii) Development Options

- 4.18 The LPDO identifies a range of development scenarios as potential development patterns that could form part of a development strategy for the new Local Plan. These are namely as follows:
- Scenario 1 – Maximising the potential of urban regeneration;
 - Scenario 2 – Suburban expansion;
 - Scenario 3 – Hoo Peninsula focus/Rural focus;
 - Scenario 4 – Urban Regeneration and a Rural Town.
- 4.19 The scenarios explore potential growth at a combination of different strategic locations, which each make assumptions about the capacity of these strategic locations.
- 4.20 The HDFS sets out preliminary comments regarding the sustainability and deliverability of the different growth scenarios identified in the LPDO, and are therefore not repeated here.

- 4.21 It is however noted that all of the scenarios envisage some level of growth at Hoo St Werburgh, and Scenario 3 and Scenario 4 in particular identify the Site itself for mixed-use development as part of the creation of a small rural town at Hoo St Werburgh comprising 6,500 homes, investment in transport, a new retail centre and employment land, a secondary school and 5 primary schools, community facilities including a Healthy Living Centre, library and community centre, open space including play areas and local amenity greenspaces and two country parks around the Saxon Shore Way and Deangate.
- 4.22 In addition, it is noted that Scenario 2 shows a schematic area for mixed-use development surrounding Hoo St Werburgh. This is understood to include the Site, given its location adjacent the western extent of the settlement.
- 4.23 In directing significant growth towards Hoo St Werburgh, as proposed under Scenarios 3 and 4 and to a lesser extent 2, it is implicitly recognised that:
- The expansion of Hoo St Werburgh comprises an opportunity to realise genuinely sustainable development, delivering a mix of uses including retail and employment alongside housing, and properly served by infrastructure including transport investment, new schools, health and community centres, and open spaces including a new country park.
 - The land around Hoo St Werburgh is largely free from strategic environmental constraints, particularly in respect of International and National landscape designations.
 - That the infrastructure serving Hoo St Werburgh has the capacity to accommodate growth, or the potential for improvement. In contrast the suburban expansion is constrained by the capacity of the existing roads that serve the urban area, which have only limited potential for improvement.
 - That unconstrained greenfield land is less susceptible to viability constraints, and thereby more likely to secure affordable housing.
- 4.24 The LPDO recognition of the sustainability of Hoo St Werburgh to accommodate strategic growth, and thereby the suitability of the Site for development, is wholly supported.
- 4.25 The LPDO (paras 3.4 & 4.5) advises that further work and supporting technical studies will be carried out to determine the development capacities of the areas and the ability to deliver growth, taking account of infrastructure requirements, viability testing and environmental and economic considerations, in addition to representations to this consultation.

- 4.26 Given the shortfall in the housing requirement and identified supply, coupled with the constraints to development in Medway, it is considered appropriate that a combination of the different development scenarios will need to be taken forward to meet the development needs in full.
- 4.27 As noted above, all the scenarios envisage development at Hoo St Werburgh, most of which include the Site. It is therefore expected that the final development strategy for Medway will include development in this location.
- 4.28 Further detail on the Site is contained in Section 2.0, which demonstrates the Site's suitability as an allocation, together with the Greater Hoo suburban expansion.

5.0 OTHER POLICY APPROACHES

i) Housing Mix

- 5.1 The LPDO (page 30) sets out the Council's intended policy approach to the mix of housing for residential developments, including the provision of affordable housing.
- 5.2 It is stated that accommodation requirements detailed in the 2015 SHMA (or any future updates) will be used to inform which house sizes and mixes are delivered. This approach is in accordance with the NPPF (para 159) in which LPAs are directed to utilise a prepared SHMA to identify the scale, mix and tenure of housing that will be required over the Plan period.

ii) Securing Strong Green Infrastructure

- 5.3 The LPDO (page 65) advises that MC will protect the network of green infrastructure across Medway. The highest protection will be given to securing the ecological and landscape interest of internally designated sites, and the Council will also consider the need to protect features of regional importance.
- 5.4 Paragraph 113 of the NPPF directs that distinction should be made between the hierarchies of international, national and locally designated sites by setting criteria-based policies, so that protection is proportionate with such status and gives appropriate weight to their importance and the contribution that they make to wider ecological networks or landscape areas.
- 5.5 The proposed green infrastructure policy approach within the LPDO does make a distinction between the hierarchy of designated sites, which is in line with National policy above. However, the intended approach does not refer to an intended use of criterion in the future Local Plan policy, which will be required to be in line with the NPPF (para 113).
- 5.6 The Site is not subject to any International, National or local landscape designations and therefore its development should be considered proportionate to this context, in accordance with the NPPF. In addition, and as noted in Section 2.0, the S78 Inspector (APP/A2280/W/15/3132141) concluded that, whilst the Site's development would result in an element of harm to the character and appearance of the locality, this harm would not outweigh the benefits of the development.
- 5.7 To be 'Consistent with National policy', the new Local Plan for Medway should set 'criteria based' policies against which proposals in protected landscape areas can be judged.

- 5.8 For the new Local Plan to be 'Justified' in this respect, we recommend that a Medway-wide landscape review is undertaken to inform both the spatial strategy for the area and landscape based policies.

iii) Heritage

- 5.9 The LPDO (page 74) advises that the Council will support the conservation and appropriate enhancement of the historic environment. It is stated that the Council will restrict development that could have an unacceptable impact on a designated heritage assets and its setting.
- 5.10 The subsequent Local Plan policy will need to take account of the relevant tests within the NPPF. Notably, the NPPF (para 132) requires the consideration of development proposals to take account of the significance of a designated heritage asset, in that the most important the asset, the greater the weight to the asset's conservation should be.
- 5.11 Paragraphs 133 and 134 of the NPPF set out the relevant requirements of decision-taking for development proposals taking account of the harm or loss of a designated heritage asset.
- 5.12 Paragraphs 133 and 134 of the NPPF set out the relevant tests of decision-taking for development proposals that would lead to harm or loss of a designated heritage asset, namely whether the harm is substantial or a total loss of an asset's significance (para 133), or less than substantial (para 134). Such tests should be reflected in the future heritage policy for the Local Plan.
- 5.13 Mill House, a Grade II Listed Building, is located adjacent to the Site to the north. As part of the Outline planning application (MC/14/3405), MC concluded that, whilst the development of the Site would be visible from the vicinity of this dwelling, it is not considered that the countryside setting forms an integral part of its significance as the property does not have an intrinsic relationship with it.

iv) Transport

- 5.14 The LPDO (page 94) advises that the Council will work with relevant LPAs and transport providers to ensure development is located and designed to enable sustainable transport. This is in line with NPPF (para 29) which highlights the importance for the transport system to be balanced in favour of sustainable transport modes and provide users with a choice on how they travel, whilst acknowledging that different opportunities and measures will be required from urban to rural areas.

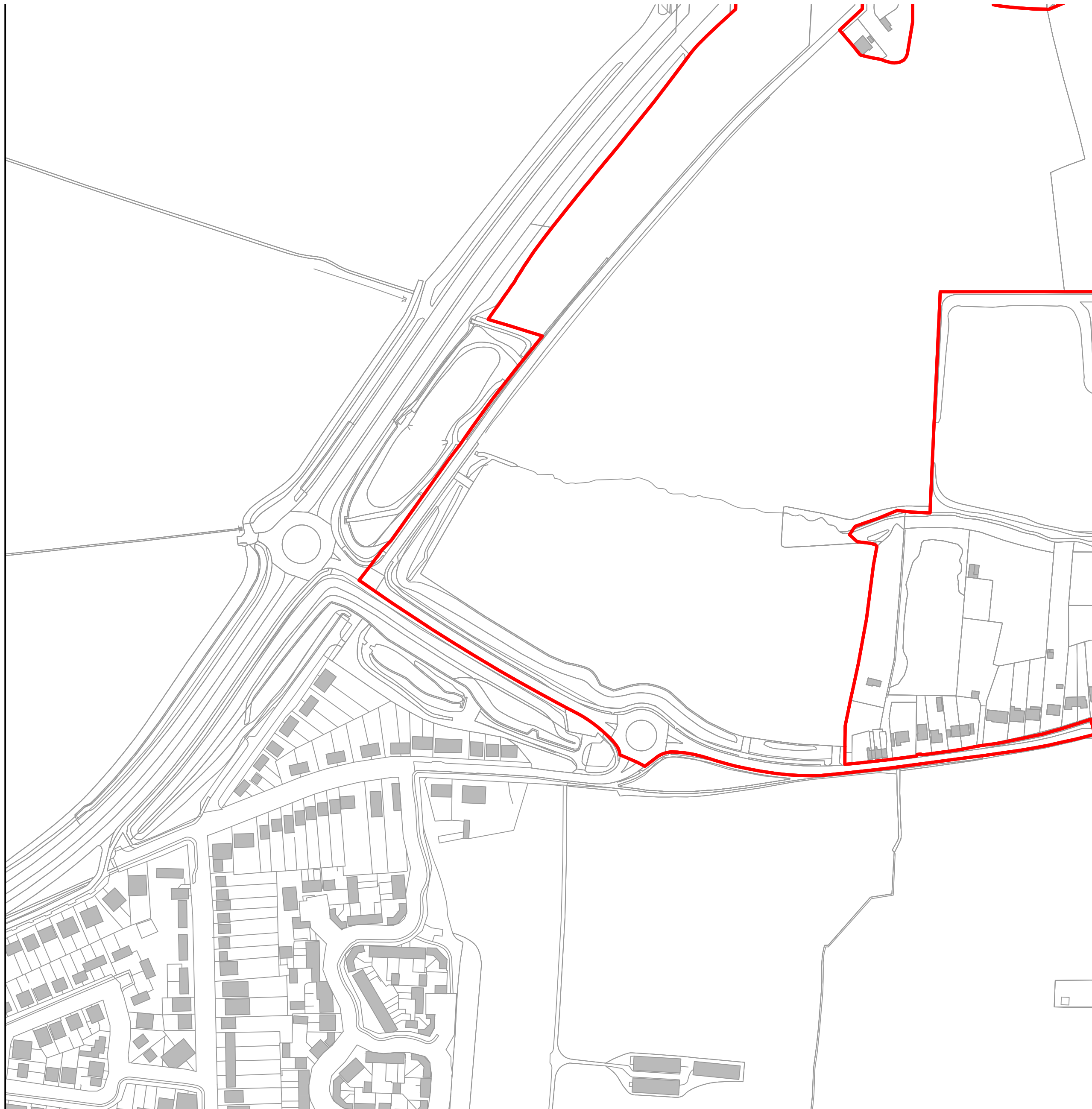
- 5.15 The new Local Plan for Medway should support the achievement of sustainable development by locating new development within or adjacent to existing built up areas where existing infrastructure is in place.
- 5.16 The Site itself is accessible, located adjacent to an existing local road network and in close proximity to the strategic highway network and railway.

6.0 CONCLUSIONS

- 6.1 We consider that there is further work to be done to ensure MC is working towards a “sound” Local Plan. Notably, the current identified housing figure needs to be revisited to identify the full OAN, as required by National policy.
- 6.2 The latest starting point estimate for Medway is 1,388 dpa for the Plan period 2012-2035. In accordance with the PPG, this should be adjusted to take account of factors not captured in past trends, namely to address worsening market signals, suppressed household formation rates and the 2015 SHMA identified affordable need of 744 affordable dwellings per annum.
- 6.3 The Local Plan should seek to meet unmet requirements from neighbouring LPAs where it is reasonable and consistent with National policy. Clarity is required on the position between Medway Council and Gravesham Borough Council to ensure the respective Local Plans meet the level of growth required.
- 6.4 The NPPF is clear that Local Plans must be prepared with the objective of contributing to the achievement of sustainable development and should be consistent with the presumption in favour of sustainable development (NPPF, para 151).
- 6.5 The development strategy for the new Local plan needs to provide circa 16,500 dwellings to meet Medway’s current identified supply. It is considered that a combination of 4no. development scenarios explored in the consultation document will need to be taken forward to meet Medway’s development needs in full, but with Hoo St Werburgh acting as the main focus for development given its sustainability credentials, lack of environmental and policy constraints, and relative simplicity of land ownership.
- 6.6 As noted above, all the scenarios envisage development at Hoo St Werburgh and most include the Site. This approach is supported in that it recognises the sustainability of Hoo St Werburgh and the suitability of the Site for sustainable development.
- 6.7 The Site is suitable, deliverable, achievable and therefore developable for residential development and should be allocated accordingly in the new Local Plan.

APPENDIX A

Site Location Plan (M01)



APPENDIX B

National Planning Policy Context

1.0 NATIONAL PLANNING POLICY CONTEXT

1.1 The NPPF places a strong 'presumption in favour of sustainable development' in all planning related matters and places a responsibility on Local Planning Authorities (LPAs) to encourage and support sustainable growth and to plan positively for new development. There are three dimensions to sustainable development in relation to the planning system as outlined in the NPPF (para 7). These include:

- **An economic role** – contributing to building a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth and innovation; and by identifying and coordinating development requirements, including the provision of infrastructure;
- **A social role** – supporting strong, vibrant and healthy communities, by providing the supply of housing required to meet the needs of present and future generations; and by creating a high quality built environment, with accessible local services that reflect the community's needs and support its health, social and cultural well-being; and
- **An environmental role** – contributing to protecting and enhancing our natural, built and historic environment; and, as part of this, helping to improve biodiversity, use natural resources prudently, minimise waste and pollution, and mitigate and adapt to climate change including moving to a low carbon economy.

1.2 The presumption in favour of sustainable development, as set out in the NPPF, should be seen as a golden thread, running through both plan-making and decision-taking. Paragraph 14 directs for plan-making this means that:

- LPAs should positively seek opportunities to meet the development needs of their area;
- Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change, unless:
 - Any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in the NPPF taken as a whole; or
 - Specific policies in the NPPF indicate development should be restricted.

i) National Policy and Plan Making

1.3 Paragraph 182 of the NPPF advises that LPAs should *"submit a plan for examination which it considers is "sound" – namely that it is"*:

- **Positively prepared** – the plan should be prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development;
- **Justified** – the plan should be the most appropriate strategy, when considered against the reasonable alternatives, based on proportionate evidence;
- **Effective** – the plan should be deliverable over its period and based on effective joint working on cross-boundary strategic priorities; and
- **Consistent with national policy** – the plan should enable the delivery of sustainable development in accordance with the policies in the NPPF.

1.4 Paragraph 156 of the NPPF states that LPAs should set out the strategic priorities for the area in the Local Plan. This should include strategic policies to deliver:

- The homes and jobs needed in the area;
- The provision of retail, leisure and other commercial development;
- The provision of infrastructure for transport, telecommunications, waste management, water supply, wastewater, flood risk and coastal change management, and the provision of minerals and energy (including heat);
- The provision of health, security, community and cultural infrastructure and other local facilities; and
- Climate change mitigation and adaptation, conservation and enhancement of the natural and historic environment, including landscape.

1.5 The NPPF (para 157) advocates that crucially Local Plans should:

- Plan positively for the development and infrastructure required in the area to meet the objectives, principles and policies of this Framework;
- Be drawn up over an appropriate time scale, preferably a 15-year time horizon, take account of longer term requirements, and be kept up to date;

- Be based on co-operation with neighbouring authorities, public, voluntary and private sector organisations;
- Indicate broad locations for strategic development on a key diagram and land-use designations on a proposals map;
- Allocate sites to promote development and flexible use of land, bringing forward new land where necessary, and provide detail on form, scale, access and quantum of development where appropriate;
- Identify areas where it may be necessary to limit freedom to change the uses of buildings, and support such restrictions with a clear explanation;
- Identify land where development would be inappropriate, for instance because of its environmental or historic significance; and
- Contain a clear strategy for enhancing the natural, built and historic environment, and supporting Nature Improvement Areas where they have been identified.

1.6 The NPPF (para 158) directs that LPAs should use a proportionate evidence base in plan-making. LPAs should ensure that the Local Plan is based on adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area. LPAs should ensure that their assessment of and strategies for housing, employment and other uses are integrated, and that they take full account of relevant market and economic signals.

1.7 The NPPF (para 159) directs LPAs to prepare an evidence base which indicates that objectively assessed needs for market and affordable housing are met. LPAs should plan for a housing mix which takes into account *"housing demand and the scale of housing supply necessary to meet this demand."* Household and population projections should also be a key consideration, taking into account of migration and demographic change.

ii) National Policy and Housing Need

1.8 The NPPF (para 47) requires LPAs to use their evidence base to ensure that their Local Plan meets the full, 'Objectively Assessed Needs' (OAN) for market and affordable housing in the housing market area, as far as is consistent with the policies set out in the Framework, including identifying key sites which are critical to the delivery of the housing strategy over the Plan period.

1.9 LPAs must plan for a mix of housing that *"meets housing and population projections, taking account of migration and demographic change"* (para 159). Significant weight should also be placed on the need to support economic growth through the planning system (para 19).

- 1.10 With regards to the methodology of assessing housing need and establishing a future housing requirement, the PPG (March 2014) states the following:

Household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need.

(Reference ID: 2a-015-20140306)

- 1.11 Although the official CLG household projections should therefore be considered, they only represent the starting point for assessing need. This is due to a number of reasons as the PPG explains:

The household projections are trend based, i.e. they provide the household levels and structures that would result if the assumptions based on previous demographic trends in the population and rates of household formation were to be realised in practice. They do not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour.

(Reference ID: 2a-015-20140306)

- 1.12 The Housing White Paper (February 2017) reaffirms the Government's commitment to significantly increase levels of housing delivery to meet widely recognised acute housing shortfall. The Paper refers to Britain's broken housing market as "*a national issue that touches every one of us*", which needs to be tackled head on by everyone involved in politics and the housing industry.

iii) Duty to Co-operate

- 1.13 The 'Duty to Co-operate' as provided for in Section 110 of the Localism Act 2011, came into effect on 15 November 2011. The Duty was introduced under the 2011 Act to address the impact of the loss of the "top-down" effect from the Regional Spatial Strategy (The South-East Plan) and to offer a transparent way in which authorities should relate to one another on cross boundary issues. The Duty is now shared between authorities requiring them to collaborate on cross-boundary matters and issues of sub-regional and regional importance, especially housing provision and related infrastructure issues.
- 1.14 Section 3 3A(2)(a) requires that local authorities "engage constructively, actively and on an ongoing basis" in the plan-making process. The NPPF refers to the 'Duty to Co-operate' in paragraphs 157 and 178-181. Crucially, paragraph 157 of the NPPF states that "*Local plans should be based on cooperation with neighbouring authorities...*".

- 1.15 Paragraphs 178-181 are clear in directing LPAs as to the importance of the 'Duty to Co-operate' and the proactive approach necessary to ensure a collaborative approach to reflect individual Local Plans. Paragraph 179 states *"joint working should enable local planning authorities to work together to meet development requirements which cannot wholly be met within their own areas – for instance, because of a lack of physical capacity or because to do so would cause significant harm to the principles and policies of this Framework"*.
- 1.16 Paragraph 182, as above, provides that an Inspector should assess *"whether the plan has been prepared in accordance with the Duty to Cooperate"* such that compliance with the Duty must also be reflected in the assessment of soundness.
- 1.17 In addition, the PPG contains considerable guidance on the Duty to Co-operate. This is largely due to the fact that the Duty to Co-operate has proved to be a contentious part of the NPPF, with numerous Local Plans being scrutinised at examination due to failure to fulfil the Duty.
- 1.18 The guidance emphasises the importance for LPAs to work together; stressing that *"Cooperation between local planning authorities, county councils and other public bodies should produce effective policies on strategic cross boundary matters. Inspectors testing compliance with the duty at examination will assess the outcomes of cooperation and not just whether local planning authorities have approached others"* (Reference ID: 9-010-20140306).
- 1.19 The PPG also states that LPAs must *"engage constructively, actively and on an ongoing basis to maximise the effectiveness of the plan-making process"* (Reference ID: 9-001-20140306). The ultimate outcome of the engagement should be the production of effective policies on cross boundary strategic matters.
- 1.20 In summary, there are two aspects to the 'Duty to Co-operate':
- 'Duty to Co-operate' – the s33A legal test is a 'process' preparation test. The Duty is incapable of modification at an Examination. Therefore, this is one of the first things that has to be examined because, if the legal requirement is not met, then the Inspector must recommend non-adoption of the Plan; and
 - Collaborative Joint Working – an aspect of soundness. It is primarily concerned with the 'positively prepared' and 'effectiveness' soundness test set out in paragraph 182 of the NPPF. This relates to outcome rather than process.

- 1.21 The 'Duty to Co-operate' between LPAs is a clear requirement of national planning policy, ensuring a proactive approach is taken to enable a collaborative way forward with plan-making. The NPPF directs that public bodies should work together to address planning issues that cross administrative boundaries, particularly such issues that relate to 'strategic priorities' as set out in paragraph 156 (para 178).
- 1.22 In addition, paragraph 179 requires LPAs to practice joint working to work together to meet development requirements which cannot wholly be met within their own areas. Consideration should be given to producing joint planning policies on strategic matters and informal strategies such as joint infrastructure and investment plans. Collaborative working between LPAs and private sector bodies, utility and infrastructure providers to deliver sustainable development with regards to strategic planning priorities is also encouraged (para 180). LPAs are required to demonstrate how they have met the requirements of the 'Duty to Co-operate' during the plan-making process (para 181).
- 1.23 The Housing White Paper (February 2017) re-emphasises the legal requirement of the Duty to Co-operate for LPAs to work collaboratively on cross-boundary issues during plan-making. The Government wish to see more and better joint working between LPAs, and sets out proposed measures to build on the existing Duty. This includes a requirement for LPAs to prepare a Statement of Common Ground, setting out how they intend to work together to meet housing requirements across authority boundaries.

APPENDIX C

**Critical Review of Medway Council OAN Evidence Base (Barton Willmore Research,
February 2016)**

MEDWAY COUNCIL

OBJECTIVE ASSESSMENT OF HOUSING
NEED

CRITICAL REVIEW

Prepared on behalf of Taylor Wimpey

February 2016

MEDWAY COUNCIL
OBJECTIVE ASSESSMENT OF HOUSING NEED
CRITICAL REVIEW
Prepared on behalf of Taylor Wimpey
February 2016

Project Ref:	20894/A5/DU/DM
Status:	Final
Issue/Rev:	02
Date:	29 February 2016
Prepared by:	DM DU
Checked by:	DU DM
Authorised by:	EW

Barton Willmore LLP
The Observatory
Southfleet Road
Ebbsfleet
Dartford
Kent
DA10 0DF

Tel: 01322 374660 Ref:
Fax: 01322 374661 Date:
Email: research@bartonwillmore.co.uk

20894/A5/DU/DM/kf
29 February 2016

COPYRIGHT

The contents of this document must not be copied or reproduced in whole or in part without the written consent of Barton Willmore LLP.

All Barton Willmore stationery is produced using recycled or FSC paper and vegetable oil based inks.

CONTENTS

PAGE NO

1.0 INTRODUCTION	01
2.0 PLANNING POLICY CONTEXT	02
A) NATIONAL PLANNING POLICY	02
i) Introduction	02
ii) National Planning Policy Framework (27 March 2012)	02
iii) Planning Practice Guidance (PPG, 06 March 2014)	03
B) LOCAL PLANNING POLICY	06
i) Medway Council Local Plan – Issues and Options 2012-2035 (January 2016)	06
C) SUMMARY	07
3.0 HOUSEHOLD DEMOGRAPHICS	09
i) Historic Population Growth – ONS Mid-Year Population Estimates	09
ii) Office for National Statistics (ONS) Population Projections	11
iii) Communities and Local Government (CLG) Household Projections	14
vi) Housing Completions	17
v) Summary	48
4.0 REVIEW AND CRITIQUE OF THE STRATEGIC HOUSING AND ECONOMIC NEEDS ASSESSMENT (SHENA)	20
A) INTRODUCTION	20
B) NORTH KENT STRATEGIC HOUSING AND ECONOMIC NEEDS ASSESSMENT (SHENA)	20
i) Housing Market Area (HMA)	20
ii) Starting Point Estimate	21
iii) Demographic Adjustments	21
iv) Adjustments to Support Economic Growth	27
v) Market Signals Adjustment	29
vi) Affordable Housing Need	32
vii) Summary	33
5.0 SUMMARY AND CONCLUSIONS	35

1.0 INTRODUCTION

- 1.1 This Technical Note has been prepared by Barton Willmore on behalf of Taylor Wimpey, in order to review the Objectively Assessed Housing Need (OAN) determined for Medway Council as set out in the Council's Strategic Housing and Economic Needs Assessment (SHENA). The SHENA has been prepared in partnership with Gravesham Borough Council, however in this review we focus on the OAN for Medway only.
- 1.2 The review presented here has been undertaken in the context of the policies of the National Planning Policy Framework (NPPF) and the supporting Planning Practice Guidance (PPG) requirements that a full, unconstrained OAN is prepared.
- 1.3 The review is structured as follows:

Section 2 provides an outline of the relevant National Planning Policy Framework (NPPF), the supporting Planning Practice Guidance (PPG), and Local Planning Policy.

Section 3 reviews the latest official demographic evidence for Medway, including:

- Latest ONS population and CLG household projections;
- ONS mid-year population estimates and past migration trends.

Section 4 provides a review of the SHENA in the context of the requirements of PPG's Housing and Economic Development Needs Assessment guidance (ID2a).

Section 5 summarises our critique of the SHENA to recommend an appropriate way forward in assessing overall housing need for Medway.

2.0 PLANNING POLICY CONTEXT

A) NATIONAL PLANNING POLICY

i) Introduction

- 2.1 The National Planning Policy Framework (NPPF, 27 March 2012) and the accompanying Planning Practice Guidance (PPG, 06 March 2014) set out the requirements within which local planning authorities should be setting their overall housing targets as part of a full objective assessment of overall need. These requirements are summarised below.

ii) National Planning Policy Framework (27 March 2012)

- 2.2 NPPF sets out the Government's planning policies for England and how these are expected to be applied. NPPF states that planning should proactively drive and support sustainable economic development to deliver the homes that the Country needs, and that every effort should be made to objectively identify and then meet housing needs, taking account of market signals (paragraph 17).
- 2.3 In respect of delivering a wide choice of high quality homes, NPPF confirms the need for local authorities to boost significantly the supply of housing. To do so, it states that local authorities should use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area (paragraph 47).
- 2.4 Furthermore, it states that local planning authorities should plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community (paragraph 50).
- 2.5 With regard to plan-making, local planning authorities are directed to set out strategic priorities for their area in the Local Plan, including policies to deliver the homes and jobs needed in the area (paragraph 156).
- 2.6 NPPF states that Local Plans should plan positively for the development and infrastructure required in the area to meet the objectives, principles and policies of the Framework (paragraph 157).

- 2.7 Further, Local Plans are to be based on adequate, up to date and relevant evidence, integrating assessments of and strategies for housing and employment uses, taking full account of relevant market and economic signals (paragraph 158).
- 2.8 For plan-making purposes, local planning authorities are required to clearly understand housing needs in their area. To do so they should:

“prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries; The SHMA should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which:

meets household and population projections, taking account of migration and demographic change;

addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes).”¹

iii) Planning Practice Guidance (PPG, 06 March 2014)

- 2.9 PPG was issued as a web based resource on 6th March 2014. Guidance on the assessment of housing development needs (PPG ID: 2a) includes the SHMA requirement set out in NPPF and supersedes all previous published SHMA practice guidance (CLG, 2007).
- 2.10 The primary objective of the housing development needs assessment (the SHMA) is to identify the future quantity of housing needed, including a breakdown by type, tenure and need (PPG ID2a 002)
- 2.11 Housing need refers to the scale of housing likely to be needed in the housing market area over the plan period, should cater for the housing demand in the area and identify the scale of housing supply necessary to meet that demand. (PPG ID2a 003)
- 2.12 The assessment of need is an objective assessment based on facts and unbiased evidence and constraints should not be applied (PPG ID2a 004).

¹ Paragraph 159, National Planning Policy Framework, 27 March 2012;

- 2.13 Use of the PPG methodology for assessing housing need is strongly recommended, to ensure that the assessment is transparent (ID2a 005). The area assessed should be the housing market area (ID2a 008), reflecting the key functional linkages between places where people live and work (ID2a 010).

PPG methodology for assessing housing need

- 2.14 The full methodology is set out at ID 2a 014 to 029 (overall housing need at ID2a 015 to 020), and is introduced as an assessment that should be based predominately on secondary data (ID2a 014).

Starting point estimate of need

- 2.15 The methodology states that the starting point for assessing overall housing need should be the household projections published by the Department for Communities and Local Government, but that they are trends based and may require adjustment to reflect factors, such as unmet or suppressed need, not captured in past trends (ID2a 015).

“The household projection-based estimate of housing need may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends. For example, formation rates may have been suppressed historically by under-supply and worsening affordability of housing.” (2a-015) (Our emphasis)

Adjusting for demographic evidence

- 2.16 The PPG methodology advises that plan makers may consider testing alternative assumptions in relation to the underlying demographic projections and household formation rates. It also states that ‘account should be taken of the most recent demographic evidence including the latest Office for National Statistics population estimates’ (2a-017).

Adjusting for likely change in job numbers

- 2.17 In addition to taking into account demographic evidence the methodology states that job trends and or forecasts should also be taken into account when assessing overall housing need. The implication is that housing numbers should be increased where this will enable labour force supply to match projected job growth (2a-018).

"Where the supply of working age population that is economically active (labour force supply) is less than the projected job growth, this could result in unsustainable commuting patterns ... and could reduce the resilience of local businesses. In such circumstances, plan makers will need to consider how the location of new housing or infrastructure development could help address these problems."
(2a-018)

- 2.18 The PPG also confirms the importance of ensuring sufficient growth in the working age population (16-64), at paragraph 2a-018 and 2a-21:

"Plan makers should make an assessment of the likely change in job numbers based on past trends and /or economic forecasts as appropriate and also having regard to the growth of the working age population in the housing market area." (2a-018)

"When considering future need for different types of housing, plan makers will need to consider whether they plan to attract a different age profile e.g. increasing the number of working age people." (2a-021)

Adjusting for market signals

- 2.19 The final part of the methodology regarding overall housing need is concerned with market signals and their implications for housing supply (2a-019:020).

"The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings." (2a-019)

- 2.20 Assessment of market signals is a further test intended to inform whether the starting point estimate of overall housing need (the household projections) should be adjusted upwards. Particular attention is given to the issue of affordability (2a-020).

"The more significant the affordability constraints ... and the stronger other indicators of high demand ... the larger the improvement in affordability needed and, therefore, the larger the additional supply response should be." (2a-020)

Overall housing need

- 2.21 An objective assessment of overall housing need can be summarised as a test of whether the household projection based starting point can be reconciled with a) the latest demographic evidence, b) the ability to accommodate projected job demand, c) the requirement to address worsening market signals. If it cannot be reconciled, then an adjustment should be made.

2.22 The extent of any adjustment should be based on the extent to which it passes each test. That is:

- It will at least equal the housing need number implied by the latest demographic evidence,
- It will at least accommodate projected job demand; and,
- On reasonable assumptions, it could be expected to improve affordability.

Affordable housing need assessment

2.23 The methodology for assessing affordable housing need is set out at 2a-022 to 029 and is largely unchanged from the methodology it supersedes (SHMA 2007). In summary, total affordable need is estimated by subtracting total available stock from total gross need. Whilst it has no bearing on the assessment of overall housing need, delivering the required number of affordable homes can be used to justify an increase in planned housing supply (2a-029).

"The total affordable housing need should then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments ... An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes." (2a-029) (our emphasis)

B) LOCAL PLANNING POLICY

i) Medway Council Local Plan – Issues and Options 2012-2035 (January 2016)

2.24 The Medway Council Local Plan Issues and Options Plan (draft Plan) represents the first formal stage of the Local Plan process, and sets out a strategy for development in Medway up to 2035.

2.25 In respect of the OAN for Medway, the Plan states the following:

"The Government requires Local Planning Authorities to determine the objectively assessed needs (OAN) for housing in their strategic housing market areas. Work carried out for the North Kent Strategic Housing and Economic Needs Assessment (SHENA) in 2015 has analysed demographic, economic and market signal information to assess the quantity and types of housing that will be needed to meet the projected growth in households over the plan period. This concludes that the Local Plan needs to make provision for up to 29,463 new homes by 2035."²

² Paragraph 7.8, page 21, Medway Council Issues and Options Consultation Document, January 2016

- 2.26 The OAN determined by the Strategic Housing and Economic Needs Assessment (SHENA) equates to 1,281 dwellings per annum over the period 2012-2037, not the plan period (2012-2035). The Plan states how the Council is committed to planning positively to meet the development needs of Medway.
- 2.27 The study Barton Willmore presents here provides a full critique of the SHENA to evaluate whether the OAN is positively prepared in line with the requirement of the NPPF.
- 2.28 The Issues and Options Plan also identifies Medway as a major economic hub within the South East region and Medway's location within the Thames Gateway offers excellent opportunities to stimulate business growth.
- 2.29 A key issue for the Local Plan will be:

"To secure a successful economic base in Medway, providing a range of jobs for residents and securing sustainable growth without exacerbating the need to travel to access high quality job opportunities."³

- 2.30 Furthermore, the Issues and Options Plan outlines the scale of economic growth forecast for Medway as follows:

"To forecast the scale and nature of economic growth anticipated in Medway over the plan period, calculations have been carried out based on an assessment of the population growth projections, the strengths of the local economic, knowledge of growth sectors, and impacts of major strategic developments such as London Paramount. The research has forecast a growth of around 17,200 new jobs in Medway up to 2037. Over half of these jobs are expected in non-B class activities, such as retail and healthcare."⁴

C) SUMMARY

- 2.31 The NPPF and PPG requires that in planning for future levels of housing, local authorities should boost significantly the supply of housing in their area that meets in full, the objectively assessed need for market and affordable housing. In doing so local authorities should;
- identify a scale of housing that meets household and population projections;
 - account for migration and demographic change in formulating housing requirements;

³ Paragraph 8.18, page 32, Medway Council Issues and Options Consultation Document, January 2016

⁴ Paragraph 8.19, page 32, Medway Council Issues and Options Consultation Document, January 2016

- ensure that assessment of, and strategies for, housing, employment and other uses are integrated, and that they take full account of relevant market and economic signals; and
- work closely with the business community to understand their changing needs and identify and address barriers to investment, including a lack of housing.

2.32 The following sections of this report provide an analysis of the starting point in objectively assessing overall housing need according to PPG – official ONS and CLG projections and estimates – and a full review of the SHENA and the OAN it determines for Medway. This will enable us to reach a conclusion as to whether the SHENA provides for full OAN.

3.0 HOUSEHOLD DEMOGRAPHICS

- 3.1 The PPG advises that the starting point for estimating overall housing need should be the latest household projections produced by the Department for Communities and Local Government (CLG) and that account should be taken of the most recent demographic evidence, including Office for National Statistics (ONS) population estimates.
- 3.2 This section reviews the latest official ONS demographic and CLG household data for Medway. Comparisons are made alongside the South East region and the national average.
- 3.3 To align with the assessment of housing need in the Council's draft Plan and the SHENA, we provide our analysis in this section (where possible) based on the 23-year period 2012-2035.

i) Historic population growth – ONS Mid-Year Population Estimates

- 3.4 Medway is currently estimated to have a population of 274,000 according to the ONS 2014 Mid-Year Population Estimates. Since 2001 Medway's population has grown by 24,300 which is equivalent to a rate of 9.7%. Medway's rate of population growth is slightly lower than the national average (9.8%) and lower than the regional average (10.6%) as shown in Table 3.1.

Table 3.1: Historic population change (2001-2014)

	2001	2014	2001-2014 change	
			No.	%
Medway 249,70	0	274,000	24,300	9.7%
South East	8,023,400	8,873,800	850,400	10.6%
England 49,449,7	00	54,316,600	4,866,900	9.8%

Source: Mid-Year Population Estimates, Office for National Statistics

All figures have been individually rounded to the nearest one hundred and may not sum

Percentages have been calculated using unrounded numbers

- 3.5 Population changes as a result of net migration and natural change. Table 3.2 provides the detailed components of change for Medway.

Table 3.2: Components of population change – Medway

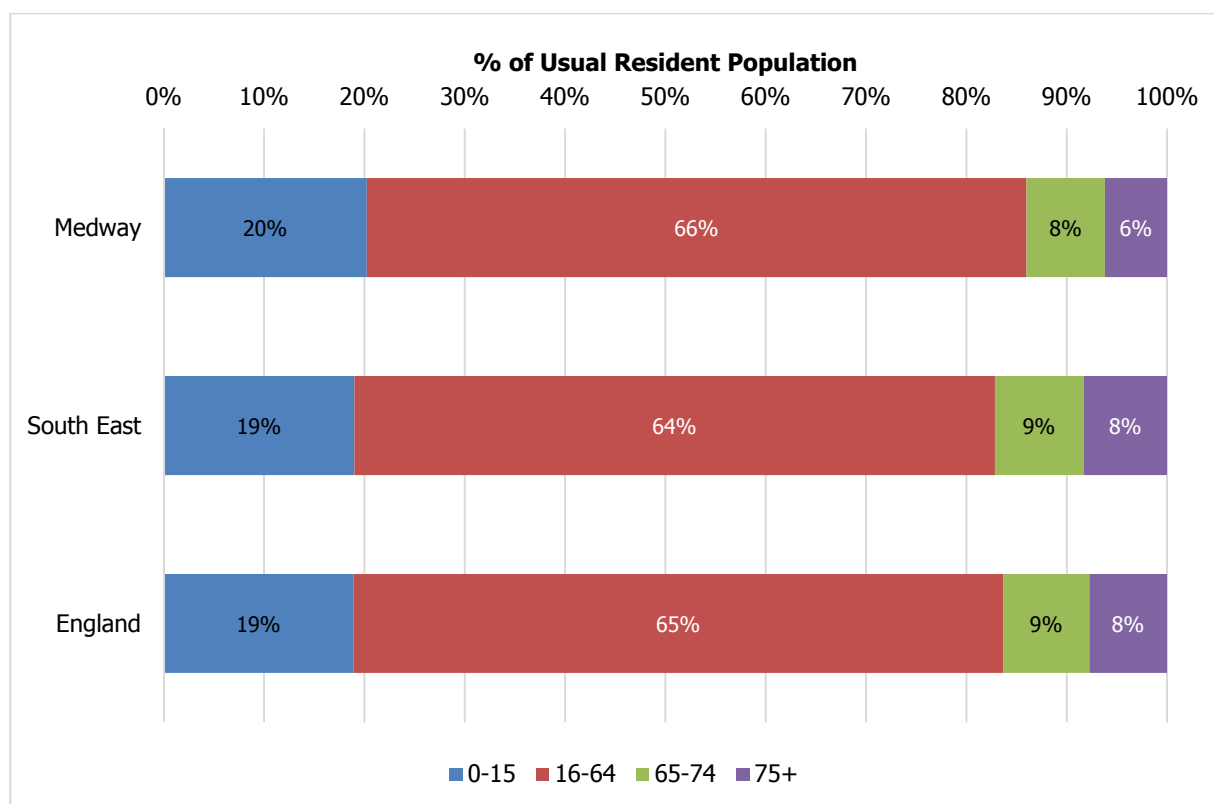
	Natural change	Net Migration	Other changes	Total change
2001/02 8	79	-250	-71	558
2002/03	1046	-270	121 897	
2003/04 9	88	-782	94	300
2004/05 1	,030	-691	300 639	
2005/06 1	,033	115	232 1,380	
2006/07 1	,247	969	130 2,346	
2007/08 1	,304	998	98	2,400
2008/09 1	,383	374	249 2,006	
2009/10 1	,450	776	282 2,508	
2010/11 1	,539	652	-44	2,147
2011/12 1	,546	1,793	-6	3,333
2012/13 1	,452	1,280	155 2,887	
2013/14 1	,510	1,296	104 2,910	
Average 2001/14	1,262	482	126 1,870	
Average 2007/12	1,444	919	116	2,479
Average 2009/14	1,499	1,159	98	2,757
Average 2004/14	1,349	756	150	2,256

Source: Mid-Year Population Estimates, Office for National Statistics

- 3.6 At the start of the decade Medway experienced net outward migration. However, since 2005 net migration to Medway has been positive meaning that more people have moved to Medway than moved out.
- 3.7 Medway has also experienced positive natural change (more births than deaths) which has increased between 2001 and 2014. In addition there is positive 'other' change (change that is not possible to identify as either migration or natural change) equating to 1,640 people, or an average of 130 people per annum over the period 2001-2014.
- 3.8 Over the period 2001 and 2014, population change in Medway has largely been as a result of natural change (67%). However more recent trends reflect a shift in the components of population change as a result of net migration increasing considerably since 2011.

- 3.9 Medway has a younger age profile than the regional and national averages, with a larger proportion of the population aged 0-15 years and 16-64 years, as shown in Figure 3.1.

Figure 3.1: Age profile, 2011



Source: 2011 Census

ii) Office for National Statistics (ONS) population projections

- 3.10 The ONS produces population projections for all local authority areas in England. These are referred to as the Sub National Population Projections (SNPP) and are published by the ONS usually every two years.
- 3.11 The ONS SNPP are trend-based projections. That is, they project forward past demographic trends in births, deaths and migration. They do not take account of any future changes to government policy which may affect these past trends.
- 3.12 Table 3.3 sets out the official ONS SNPP in chronological order from the 2008-based series to the most recent 2012-based SNPP (29 May 2014). The 'interim' 2011-based SNPP and 2012-based SNPP take account of findings from the 2011 Census of the population. Growth is considered over the period 2012-2033 (2008-based) and 2012-2037 (2012-based). However, in line with the Medway Plan period, growth has also been considered over the period 2012-2035. The shorter period presented in respect of the 2008-based series is due to the projections finishing in 2033.

Table 3.3: ONS Population Projection series for Medway

Series	2012	2021	2033/35	2037		2012-21 (per annum)	2012-33/35 (per annum)	2012-37 (per annum)
2012-based	268,200	290,500	322,700*	326,800		22,300 (2,480)	54,500 (2,370)	58,600 (2,340)
2011-based (interim)	267,300	290,300				23,000 (2,560)		
2008-based	257,600	269,700	286,300**			12,100 (1,340)	28,700 (1,370)	

Source: Office for National Statistics (rounded to nearest 100) Note: Figures may not sum due to rounding

*2035;

**2033.

- 3.13 The latest 2012-based SNPP project significantly higher population growth than the previous full 25-year projection series (the 2008-based SNPP) and marginally higher growth than the interim 2011-based series. This is expected given the analysis presented earlier in this chapter which shows net migration to Medway increasing in recent years.
- 3.14 Despite the 2012-based SNPP projecting the highest population growth, it is important to note that the 2012-based SNPP are underpinned by trends captured over the 2007-2012 period. This period was characterised by an economic recession and for this reason, resulted in atypical migration trends in some areas.
- 3.15 From reference to the 2012-based ONS SNPP components of change, the 2012-based ONS SNPP is underpinned by average net in-migration of 840 people per annum, 2012-2035. However, analysis of net migration trends from the period 2007-2012 from which the 2012-based SNPP trends are drawn puts average net migration at 919 people per annum. This compares to the most recent long-term trend (2004/5-2013/14) of 760 people per annum and the most recent 5-year trend (2009/10-2013/14) of 1,160 people per annum.
- 3.16 The analysis of migration trends for Medway therefore suggests a short-term trend in Medway is a prudent base from which to plan. However, whilst the most recent 5-year migration trend suggests higher net migration to Medway (largely influenced by the three most recent years) than the 2012-based SNPP, it is not possible to say with any certainty whether Medway will see a continued rise in migration. On this basis, the 2012-based SNPP are considered to provide a reasonable demographic projection for Medway.
- 3.17 However, the 2012-based SNPP are considered to represent the very minimum of future population growth in Medway given the 2012-based SNPP are considered to be conservative due to the national projections which underpin them. The 2012-based SNPP are constrained to the 2012 National Projections published in 2013. The national projection is based on an

assumption of 165,000 net international migrants coming into the UK per annum, and this assumption is projected forward per annum over the full 25 years of the 2012-based SNPP period. However net international migration of 165,000 people per annum conflicts significantly with the latest migration statistics report by the ONS, which shows net international migration of 336,000 people in the year ending June 2015, over double the 2012-based SNPP assumption.

- 3.18 The ONS appear to have noted this significant increase in net international migration, recently publishing the 2014 National Projections and assuming 185,000 net international migrants per annum. However this remains significantly lower than has been seen in the recent past. Although the forthcoming 2014-based ONS SNPP (expected May 2016) will project higher population growth across the country on the basis of these revised 2014-based National Projections, the assumption of 185,000 net international migrants per annum remains a very conservative estimate on the basis of recently recorded trends.
- 3.19 In this context the 2012-based SNPP are considered to be underpinned by assumptions which lead to a minimum level of population growth over the Plan period (2012-2035). Therefore the projected population growth presented in Table 3.3 is very likely to be conservative given that Medway is historically a net receiver of international migrants.
- 3.20 It is important to be aware of the issues related to the SNPP because the CLG household projections underpinned by the 2012-based SNPP. The household projections are derived by applying household representative rates to the ONS population projections. Household projections will be discussed in the next section.
- 3.21 The 2012-based ONS SNPP project the working age population to grow at a much slower rate than the population as a whole as is shown in Table 3.4. Given the extension of State Pension Age, there will be an increasing number of people working beyond the age of 64 years and therefore it is also important to consider the projected growth of the 65-74 year old population.

Table 3.4: Working Age Population Change, 2012-2035

Age Group	Medway
16-64 18,0	50 (10.3%)
65-74 11,9	00 (53.5%)
Total (16-74 years)	29,950 (15.2%)
Total (all ages)	57,800 (21.8%)

Source: 2012-based SNPP, Office for National Statistics (rounded to nearest 100) Note: Figures may not sum due to rounding. Percentages calculated using unrounded numbers.

- 3.22 It is evident from Table 3.4 that the growth in the working age population (16-74 years) in Medway is heavily driven by the growth in the population aged 65-74 years (53.5% growth). Realistic assumptions need to be applied as to how greatly people over the age of 65 years can contribute to the resident labour force.
- 3.23 The PPG states 'where the supply of working age population that is economically active (labour force supply) is less than the projected job growth, this could result in unsustainable commuting patterns' (PPG, ID2a, 018). Whilst the 2012-based SNPP do project an increase in the working age population in Medway, further work is required in order to determine whether the level of workforce growth is sufficient to support the projected level of job growth.

iii) Communities and Local Government (CLG) household projections

- 3.24 Table 3.5 sets out the official CLG household projections in chronological order from the 2008-based series to the most recent 2012-based series (27 February 2015).

Table 3.5: CLG Household Projections for Medway

Series	2012	2021	2033/35	2037	2012-21 (per annum)	2012-33/35 (per annum)	2012-37 (per annum)
2012-based	108,190	120,470	137,640*	139,950	12,280 (1,360)	29,450 (1,280)	31,760 (1,270)
2011-based (interim)	107,970	119,320			11,350 (1,260)		
2008-based	107,470	116,090	125,890**		8,620 (960)	18,420 (880)	

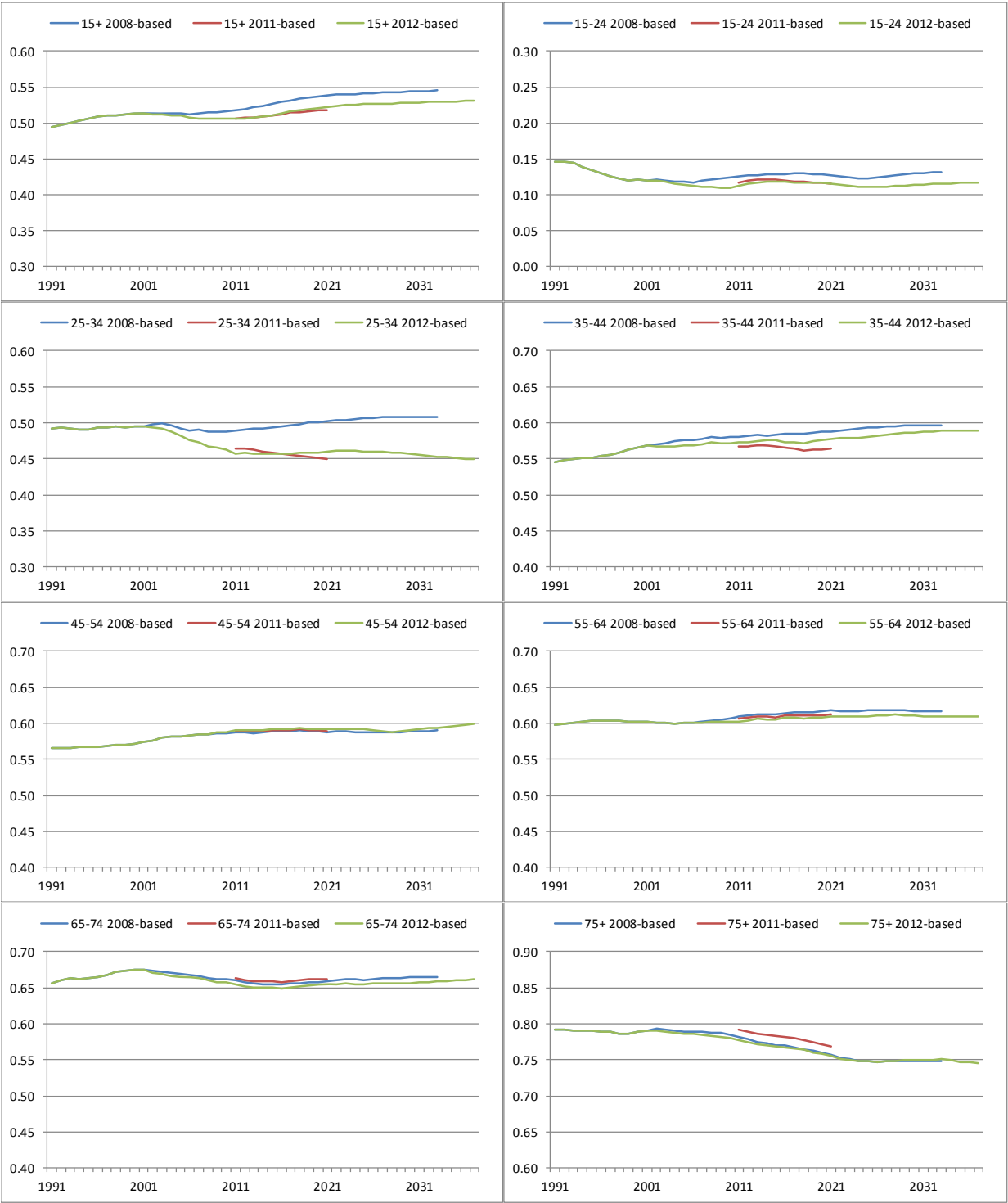
Source: (CLG) Communities and Local Government (rounded to nearest 100) Note: Figures may not sum due to rounding
 *2035; **2033

- 3.25 As the PPG states the CLG projections should form the 'starting point estimate' only of overall housing need as part of a full objective assessment of need. The latest CLG 2012-based household projections show growth of 1,280 households per annum in Medway over the Plan period (2012 and 2035). To reach a dwelling requirement, account needs to be taken of vacant and second homes. For Medway this rate is 3.27%⁵ resulting in a dwelling projection of 1,323 dwellings per annum, 2012 to 2035.
- 3.26 The growth projected by the CLG 2012-based household projections is higher than the growth projected by the previous two series of household projections (the 'interim' 2011 and 2008-based series), but this is expected given the 2012-based SNPP projected higher population growth than the other two series.

⁵ CLG, CTB 2014 (Second Homes); CLG Live Table 125/615 (Vacant)

- 3.27 However, like the 2012-based SNPP, the 2012-based household projections are also underpinned by recessionary trends in relation to household formation, whereas the 2008-based projections are underpinned by trends gathered prior to the recession and are therefore higher in terms of projected household formation, particularly in younger age groups.
- 3.28 The CLG have published household formation data for the 2012-based household projections (household formation rates by age and gender). The rates show that household formation in the 2012-based projection still projects a declining household formation rate trend in the 25-34 and 35-44 age groups (see Figure 3.2 below) when compared with the interim 2011-based and 2008-based projections.
- 3.29 The interim 2011-based household projections were widely regarded to project forward very low household formation in younger age groups. This was due to the trends underpinning the projections covering the period just prior to and including the recessionary period, when housing became rapidly less affordable for people in the younger age groups due to a lack of supply.
- 3.30 Figure 3.2 illustrates that the 2012-based rates for Medway follow a similar trajectory to that of the interim 2011-based projections before them. After 2025 the 2012-based projection shows a declining trend which results in the gap between the 2008 and 2012-based rates increasing, and suppression in the 2012-based rate worsening.

Figure 3.2: Household Formation Rates, Medway



Source: CLG

- 3.31 The trend for declining household formation in the 25-44 age group is likely to be caused in part by worsening affordability. Planning for housing on the basis of a continuation of these suppressed household formation rates is not supported by PPG which recommends adjustments to households formation rates to reflect factors not captured in past trends (ID 2a-015).
- 3.32 Furthermore, planning on the basis of the 2012-based household formation rates is not considered to be in accordance with the principles of positive planning, and would likely place significant pressure on housing supply. Recent Planning Inspectorate decisions concur with this view.⁶
- 3.33 In this context, and given that the 2012-based projections show slightly lower household formation particularly for 25-44 year olds than the pre-recessionary 2008-based projections, it is considered that an adjustment needs to be made to comply with the National Planning Policy Framework's (NPPF) clear policy to 'boost significantly' the supply of housing, 'promote economic growth' and 'positively prepare' Local Plans.
- 3.34 How this adjustment should be applied has been subject of much debate, and there is not considered to be one correct answer, as it is a matter of judgement. However Barton Willmore would suggest a blended approach whereby the 2012-based HFRs are applied in all age groups, as published, with the exception of the 25-44 age group. In this age group it is considered that a gradual return to the projected 2008-based HFRs by the end of the Plan period is applied. This is considered to comply with the NPPF requirement to ensure that Local Plans are positively prepared, and a significant boost is made to housing supply.

iv) Housing Completions

- 3.35 A lack of housing completions can have a significant impact on the ability for people to move into an area to live, and for existing residents to have the opportunity to purchase their own property. A lack of housebuilding can lead to existing residents having to migrate out of the area. Table 3.6 sets out net completions for Medway over the past 10 years.

⁶ Paragraph 3.8, page 7, Cornwall Local Plan Strategic Policies – Examination: Preliminary findings following the hearings in May 2015; Paragraph 29, page 6, Appeal Decision APP/G2435/W/15/3005052; Paragraph 1.28, page 6, Arun District Local Plan OAN Conclusions, 02 February 2016

Table 3.6: Net Completions, Medway

Year	Net Completions	Plan Target	Surplus/Deficit
05/06 562		700	-138
06/07 591		815	-224
07/08 761		815	-54
08/09 914		815	+99
09/10 972		815	+157
10/11 657		815	-158
11/12 809		1,000	-191
12/13 565		1,000	-435
13/14 579		1,000	-421
14/15 483		1,000	-517
Total	6,893	8,775	-1,882

Source: Annual Monitoring Report

- 3.36 As Table 3.6 shows, since 2005/06 the number of completions has consistently fallen below Development Plan targets, with the exception of two years (08/09 and 09/10). This has resulted in a deficit of -1,882 dwellings over 10 years, representing 20% of planned supply.
- 3.37 Furthermore when compared against the official CLG household projections set out above in Table 3.6, the starting point estimate of need has been at least 1,260 per annum, which suggests under-delivery has been even worse than the comparison against Plan targets.
- 3.38 Notwithstanding this it is considered that this persistent under-delivery in Medway will have had a significant impact on the propensity of people to migrate into the area over the last 10 years. The net-migration trends can therefore be considered to have been constrained by a lack of delivery.

v) Summary

- 3.39 In summary, this section has considered the most up-to-date official population and household projections published by CLG and ONS. The key headlines from this section are as follows:
- The PPG emphasises that CLG household projections should only form the 'starting point' in an objective assessment of the overall housing need, and that sensitivity testing based on alternative demographic and household formation assumptions may be considered;

- This 'starting point estimate' is currently growth of 1,281 households per annum in Medway, using the latest 2012-based CLG household projections over the period 2012-2035 (Medway's plan period). Applying a household/dwelling adjustment (to account for vacancy and second home rates) the overall housing need is 1,323 dwellings per annum;
- However, Barton Willmore consider that growth of 1,323 dwellings per annum could represent an underestimate of demographic-led housing need for a number of reasons:
- The 2012-based household projections are based on household formation rate trends observed over the recessionary period, when affordability worsened significantly. There remains suppression in the household formation rates for 25-34 year olds in Medway. PPG states that adjustments may be required to the household projection estimate of need if rates have suppressed historically (paragraph 15). An adjustment in Medway is considered necessary in the 25-34 age group to address this suppression;
- Analysis of net housing completions has highlighted that annual completions have consistently fallen below the level of need required by consecutive Development Plans, and below official CLG household projections, inhibiting the propensity of people to migrate into Medway. This would have directly influenced the net migration trends underpinning the 2012-based ONS SNPP and the 2012-based CLG household projection;
- The 2012-based ONS SNPP are also considered a conservative projection in respect of the international migration assumption they are underpinned by (165,000 people per annum). This is less than half the most recent trend data from ONS shows (336,000 people per annum).
- Analysis of migration trends has concluded that the 2012-based SNPP provide a reasonable basis on which to assess demographic-led need in Medway at this point in time. However, for the reasons set out above the 2012-based SNPP should be considered a very minimum and if subsequent releases of Mid-Year Population Estimates provide evidence of net migration to Medway continuing to increase, then an updated short term migration should be considered.

3.40 This section identifies how the starting point estimate of OAN (1,323 dpa, 2011-2031) for Medway should be considered a very minimum.

3.41 The following section of this study considers the evaluation of official ONS and CLG data in the context of the Council's OAN evidence.

4.0 REVIEW AND CRITIQUE OF THE STRATEGIC HOUSING AND ECONOMIC NEEDS ASSESSMENT (SHENA)

A) INTRODUCTION

- 4.1 The Strategic Housing and Economic Needs Assessment (SHENA) dated November 2015 provides the evidence base to support the Council's determination of Objectively Assessed Need (OAN) for housing in Medway. The report has been prepared by Bilfinger GVA.
- 4.2 In the context of our assessment of demographic data in the previous section of this study, the following section provides an analysis and evaluation of the SHENA's approach to OAN in Medway. The analysis we present follows the methodological requirements of section ID2a – 'Housing and Economic Development Need Assessments' (HEDNA) to determine whether the Council's proposed housing target (1,281 dwellings per annum) represents full, unconstrained OAN.
- 4.3 It is important to note that the SHENA has assessed OAN over the period 2012-2037 which is the time period considered by the latest 2012-based projection series. However, the draft Local Plan covers the period 2012-2035.

B) NORTH KE NT STRATEGIC HOUSING AND ECONOMIC NEEDS ASSESSMENT (SHENA)

- 4.4 The 2015 SHENA seeks to establish the OAN for Medway following the methodology outlined in PPG. We would comment on the SHENA as follows:

i) Housing Market Area (HMA)

- 4.5 The SHENA begins with an assessment of the appropriate HMA in which to assess housing needs for Medway as required by PPG (ID 2a-010-20140306). The assessment's analysis draws on research published by CLG in 2010 titled 'Geography of Housing Market Areas'. In essence this research is based on work undertaken by the Centre for Urban & Regional Development Studies (CURDS) at Newcastle University.
- 4.6 The CURDS analysis is correctly presented by the SHENA as identifying Medway as falling within the London Strategic Housing Market Area which contains over 70 local authority areas. The SHENA considers this HMA definition is unmanageable and impractical (paragraph 2.9). Barton Willmore concurs with this conclusion.

- 4.7 For this reason, the SHENA also considers travel to work and migration patterns, and house price data and concludes that Medway has strong relationships with a number of neighbouring local authority areas. On this basis, the SHENA identifies a wider HMA which includes: Medway; Gravesham; Swale; Maidstone; and Tonbridge & Malling. The housing needs of the wider HMA are assessed in the SHENA
- 4.8 Barton Willmore consider the HMA definition applied in the SHENA to be inconsistent with the approach adopted in several of the authorities included within the definition. For example, Swale's housing needs were considered in isolation at the recent (November 2015) Local Plan Examination after the evidence base suggested Swale formed a HMA on its own. Similarly, Maidstone Borough are assessing their housing needs in isolation. Although Maidstone's SHMA identifies functional relationships between Maidstone and Medway, the Maidstone SHMA concludes that there is justification to distinguish Maidstone from Medway in market terms⁷. On this basis, the Maidstone SHMA considers Maidstone represents a HMA on its own.
- 4.9 On the basis of Maidstone Council and Swale Council both assessing their needs in isolation, Barton Willmore, for the purposes of this critique, consider Medway's needs in isolation.

ii) Starting point estimate

- 4.10 The SHENA gives detailed consideration to the latest 2012-based ONS Sub National Population Projections (SNPP) and CLG household projections as representing the 'starting point' estimate of need. Growth of 1, 270 households per annum over the period 2012-2037 is correctly presented. However, it is important to note that over the period covered by the draft Local Plan (as presented in the current Issues and Options consultation as being 2012-2035) growth is 1,280 households per annum. The SHENA does not present this.

iii) Demographic adjustments

- 4.11 The PP G (paragraph ID2a-017) states how plan makers may consider sensitivity testing, specific to their local circumstances, based on alternative assumptions in relation to underlying demographic projections and household formation rates. Account should also be taken of the most recent demographic evidence including the latest ONS population estimates.

⁷ Paragraph 2.39, page 29, Maidstone Strategic Housing Market Assessment – Maidstone Borough Council, Final report, January 2014, GL Hearn

Adjustment to household formation rates

- 4.12 The SHENA does not undertake any sensitivity testing in relation to household formation.
- 4.13 The analysis presented in Chapter 3 of this report has shown clear suppression in household formation for those people aged 25-44 years, which Barton Willmore considers should be addressed through making an adjustment to the rates.
- 4.14 The danger of planning on this basis of the 2012-based household formation rates would be to exacerbate this suppression over a 23-year Plan period, adding to the trend of worsening affordability in Medway, and the inability of first time buyers to form their own households. This is not considered to comply with the NPPF requirement to positively prepare Development Plans.
- 4.15 Recent appeal decisions⁸ have agreed that there remains an element of suppression in the 2012-based household formation rates. A more positive approach to household formation in this age group would increase the starting point estimate above 1,270 households per annum (2012-2037)/ 1,280 households per annum (2012-2035).

Adjustment to the demographic projections

- 4.16 The SHENA presents three sensitivity scenarios with regards to the underlying population projections as an alternative to the published 2012-based ONS SNPP.
- 4.17 The **first** demographic sensitivity scenario included by GVA incorporates the 2013 and 2014 Mid-Year Population Estimates (MYPE), published by the ONS after the 2012-based SNPP were published. Despite the 2013 and 2014 MYPE projecting higher population growth than projected in the 2012-based SNPP, the effect of the SHENA incorporating the 2013 and 2014 MYPE into the 2012-based SNPP is to reduce household growth from 1,270 to 1,235 households per annum (2012-2037).
- 4.18 This seems counterintuitive (a point which the SHENA also raises at paragraph 5.38). However, the SHENA states that the reduction in household growth is due to the different age/ gender profile applied as a result of taking account of the 2013 and 2014 MYPE. This requires further investigation through bespoke modelling to establish whether this statement is correct.

⁸ Coalville and Cornwall

- 4.19 The **second** is a long-term (2005-2014) net-migration scenario which results in household growth of 1,148 households per annum – again lower than the ‘starting point’ estimate for 1,270 households per annum (2012-2037) as indicated by the 2012-based CLG household projections. This scenario projects household growth that is 10% lower than the starting point estimate.
- 4.20 Lower household growth is the result of lower projected population. The long-term trend (2005-2014) projects lower population growth because net migration is assumed to be lower (756 net migrants per annum) compared to the average net migration assumption of the 2012-based ONS SNPP (840 people per annum based on trends from the period 2007-2012).
- 4.21 At paragraph 5.39 the SHENA states that the later years of the inter-Census period (2001-2011), and the last three years since the 2011 Census (2012-2014) show the highest levels of population growth in Medway since 2001. The SHENA then goes on to state how the 2012-based CLG household projections are underpinned by trends drawn “principally from this period of high growth”⁹, and it is therefore appropriate to consider longer term trends from 2004-2014.
- 4.22 In this regard the latest Planning Advisory Service (PAS) guidance on OAN summarises the problems of using the 2007-2012 period as follows:

“The base period used in the latest official projections, 2007-12, is especially problematic. The period covers all of the last recession, in which migration was severely suppressed as many households were unable to move due to falling incomes and tight credit. Therefore the official projections may underestimate future migration - so that they show too little population growth for the more prosperous parts of the country, which have been recipients of net migration in the past. If so, by the same token the projections will also overestimate population growth for areas with a history of net out-migration.”¹⁰

- 4.23 Whilst Barton Willmore do not disagree with the consideration of longer term trends, the PPG supports adjustments to the ‘starting point’ estimate of need in relation to the underlying demographic projections and household formation rates. However, PPG states that any local changes would need to be clearly explained and justified on the basis of the established sources of robust evidence (ID 2a-017-20140306). In this instance, consideration of longer term trends does not seem appropriate for Medway as a analysis of components of population change (see

⁹ Paragraph 5.39, page 93, North Kent Strategic Housing and Economic Needs Assessment: Strategic Housing Market Assessment, Final Report, Medway Council, November 2015, Bilfinger GVA

¹⁰ Paragraph 6.23, page 23, PAS OAN Technical Advice Note: Second Edition, July 2015

Table 3.2 presented in Chapter 3 of this report and Figure 29 of the SHENA) clearly identifies net migration to Medway increasing since 2011. Therefore to consider a level of net in-migration lower than the 2012-based ONS SNPP in Medway is considered to wholly contradict the advice of the PAS Guidance.

- 4.24 GVA have chosen not to analyse a more recent 5-year trend, a decision Barton Willmore do not consider to be justified.
- 4.25 Analysis of migration trends, presented in Chapter 3 of this report, has illustrated that a more recent 5-year migration trend (2009/10 – 2013/14), which incorporates the last few years of recession, and the recent economic upturn, suggests net migration of 1,159 per annum. This is higher than the assumptions which underpins the 2012-based SNPP (840 migrants per annum) based on trends from the period 2007-2012.
- 4.26 However, there is not sufficient data at this point in time to say with any certainty whether Medway is experiencing a reversal of trend in terms of net migration. For this reason, despite a more recent 5-year trend showing higher net migration than the 2012-based SNPP, it is considered that the 2012-based SNPP provide the most reasonable demographic projection at this point in time. However, the 2012-based SNPP should provide the very minimum projection of population growth given the issues highlighted in Chapter 3 of this report. Furthermore, we reserve the right to amend this approach if subsequent releases of Mid-Year Population Estimates indicate that net migration to Medway is continuing to increase.
- 4.27 A **third** sensitivity scenario is the long-term net-migration scenario (2005-2014) including the 'unattributable population change' (UPC) recorded by ONS for Medway. The UPC is an element of population change which the ONS cannot account for. There is the possibility that it may be due to under recorded levels of international migration, but it could equally be due to other reasons.
- 4.28 The effect of including UPC within the long-term migration trends scenario is to reduce household growth to 1,124 households per annum (compared to growth of 1,148 households per annum excluding UPC) over the period 2012-2037.
- 4.29 Barton Willmore's approach is to exclude UPC from demographic modelling scenarios. This is based on the following:
- ONS' confirmation that UPC has been excluded from the calculation of the 2012-based ONS SNPP;

- Advice sent by email from ONS to Barton Willmore that it would be 'sensible' to exclude UPC from the calculation of net-migration trends;
- The ONS statement that if UPC was due to international migration, its effect would have been in the first half of the decade, after which the recording of international migration was improved;
- Local Plan Examination decisions where UPC has been excluded (Aylesbury Vale, Eastleigh, Arun). In the case of the most recent decision in Arun (February 2016), UPC was significant, yet the Inspector noted that if UPC were to be attributed to migration, errors would have been earlier in the 2001-2011 period;
- The ONS' statement that UPC is only applicable to the 2001-2011 period and does not introduce a bias that will continue in future projections.

4.30 The UPC scenario is therefore not considered to be a robust scenario for growth in Medway.

4.31 The SHENA presents demographic-led need in Medway to be between 1,124 and 1,270 households per annum over the period 2012-2037 based on the results of the two long-term migration trend scenarios. Once an allowance for vacancy has been applied this results in dwelling growth of between 1,167 and 1,317 dwellings per annum.

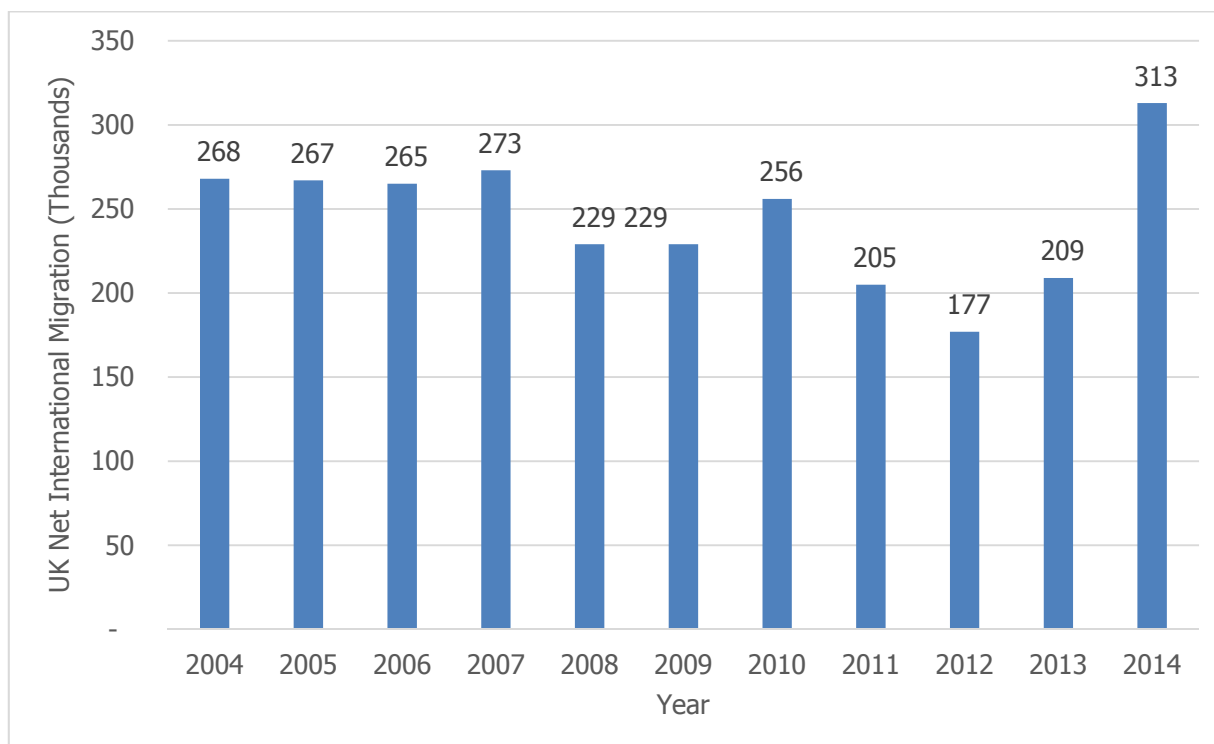
4.32 However, the SHENA acknowledges that due to the uncertainty of UPC, it is appropriate to consider an average of the two long-term migration scenarios (including and excluding UPC)¹¹. This results in growth of 1,136 households (1,179 dwellings) per annum over the period 2012-2037.

4.33 Barton Willmore consider that OAN of less than the 2012-based CLG household projection should not be considered, for the following reasons:

4.34 First, the 2012-based ONS SNPP were underpinned by net migration trends between 2007 and 2012, and as this analysis shows, they are underpinned by three years (2008-2011) when net in-migration fell significantly below two of the years prior to the 2007-2012 period. This contradicts GVA's statement that the later years of the 2001-2011 period show the highest levels of growth. This statement by GVA is not considered to be justified.

¹¹ Paragraph 5.47, Page 95, North Kent Strategic Housing and Economic Needs Assessment: Strategic Housing Market Assessment, Final Report, Medway Council, November 2015, Bilfinger GVA

- 4.35 The **second point** concerns the assumption of net international migration in the 2012-based ONS National Projections, which underpin the 2012-based ONS SNPP. The 2012-based ONS national population projections are based on net international migration of 165,000 people per annum continuing every year up to 2037.
- 4.36 The assumption of net international migration in the ONS 2012-based national projections is considered by Barton Willmore to be a significant underestimate. This view is based on more recent evidence from ONS which shows how international net-migration was 336,000 people in the most recently recorded year (ending June 2015) – over double the 2012-based ONS national projection assumption. The 10-year average has also been circa 240,000 people per annum (see Figure 4.1 below).
- 4.37 On this basis alone, it is considered the 2012-based ONS SNPP, and therefore the 2012-based CLG household projections, are based on conservative assumptions and for this reason should be considered a minimum projection of future growth.
- 4.38 This is emphasised further by the more recent 2014-based national projections (29 October 2015) which have increased the assumption to 185,000 people per annum. The effect of this increase will be seen in the 2014-based SNPP, which are due for release in the first half of 2016.
- 4.39 A further effect on in-migration is the delivery of housing. Table 3.6 in this study has shown how delivery has fallen below planned targets in all but two of the past ten years. The cumulative effect has been for a deficit in delivery of 1,882 dwellings (20% lower than planned supply). This will have constrained in-migration to Medway, and trends would have been higher if planned housing targets had been met and the homes were there to be filled.

Figure 4.1: UK Net International Migration, 2004-2014

Source: Migration Statistics Quarterly Report, November 2015

4.40 Finally it is considered the past three years net in-migration to Medway (1,280, 1,293, and 1,793 people per annum respectively) highlight how the 2012-based SNPP and CLG projections are based on a conservative net in-migration assumption of only 840 people per annum.

4.41 However, given there is no degree of certainty as to whether Medway is experiencing a reversal of trend in relation to net migration, it is considered that the 2012-based SNPP at the very least should provide the minimum projection of future population growth. On this basis, for the Medway SHMA to favour the long-term migration trend approach (which projects lower population growth) is considered inappropriate.

4.42 In summary, it is not considered justified to project lower population or housing growth than the starting point estimate.

iv) Adjustments to support economic growth

4.43 The approach applied by GVA in the SHENA to economic-led OAN is generally considered robust, save for the assumptions in respect of job growth forecasts. GVA use a single source, Experian Economics, from quarter 1 of 2015. Experian is considered a robust source of job growth forecasts, however it is Barton Willmore's view that an average forecast should be taken from three sources; Experian Economics, Cambridge Econometrics, and Oxford Economics. This

view has been taken following criticism of the use of using a single source in some Local Plan examinations, given the fluctuation in forecasts, which are often published on a quarterly basis. This triangulated approach was supported by the South Worcestershire Local Plan Inspector¹².

- 4.44 In terms of unemployment assumptions, Barton Willmore's approach would be to assume a return to pre-recessionary rates of unemployment over the first ten years of the Plan period. This is a similar approach to the GVA method although they do differ slightly.
- 4.45 Economic activity rate assumptions must also be entered into demographic modelling software to generate the labour force growth required to fill jobs. GVA's approach is to use the Kent County Council 'Technical Paper Activity Rate Projections to 2036' paper (October 2011). This is the same source used by Barton Willmore, and is considered to be a robust independent method which provides unbiased assumptions of how economic activity will increase in older age groups over the next 25 years. However it should be noted that a more recent (November 2014) paper is available and this should be used in preference to the October 2011 edition.
- 4.46 The SHENA also undertakes a sensitivity test of economic activity which incorporates assumptions from Experian's Report 'Employment Activity and the Ageing Population' which has the effect of increasing economic activity of women in line with past trends from 1981, along with significantly increase economic activity for older people.
- 4.47 The commuting ratio is the final assumption which can have a significant effect on economic-led housing need. GVA's approach is to use the 2011 Census ratio of 1.28, and for this to remain static over the Plan period. This is considered a robust approach to apply.
- 4.48 The SHENA considered three economic scenarios but only presented the results of two – the Sector Based Growth scenario and the Sector Based & London Paramount Indirect Scenario. Housing need to support both economic scenarios increases above the baseline demographic needs (1,179 dwellings per annum as indicated by the mid-point of the two long-term migration trends) if KCC economic activity rates are applied; to support the Sector Based Growth scenario 1,197 dwellings per annum are required and to support the London Paramount Indirect scenario a total of 1,213 dwellings per annum are required.
- 4.49 If Experian's economic activity rates are applied, housing need to support both economic scenarios is below the baseline demographic need (1,020 dpa required to support Sector Growth scenario and 1,036 dpa to support the London Paramount scenario).

¹² Stage 1 of the Examination of the South Worcestershire Development Plan; Inspector's Further Interim Conclusions on the Outstanding Stage 1 Matters, 31 March 2014

- 4.50 It is important to note that the level of housing need identified from both economic scenarios and both economic sensitivity tests, is below the 'starting point' estimate of 1,270 households/1,317 dwellings per annum (2012-2037) as indicated by the CLG 2012-based household projections.

v) **Market signals adjustment**

- 4.51 The GVA report provides a summary of median **house price** increases in Medway between 2000 and 2013. The source used by GVA in obtaining this information (CLG) is considered robust. As GVA summarise, between 2000 and 2013, values in Medway increased by 128.6%; the second fastest rate observed out of seven authorities analysed. The rate also exceeded inflation in the south east region as a whole (96%).¹³
- 4.52 The SHENA's summary of rental prices shows a significant worsening in the lower quartile **rental prices** in Medway. Over the short period analysed (2010-2014), lower quartile rents increased by 10%; the second highest of the seven authorities analysed. This represents an increase of double that experienced in the south east region (4.3%), and triple the increase across England (3.3%). There is a clear affordability problem in respect of lower quartile rents in Medway when compared to surrounding areas.
- 4.53 The change in the **affordability ratio** is often the most crucial of market signals indicators, and the GVA report provides a summary of the lower quartile and median affordability ratios in Medway, compared to seven Kent authorities, the south east region, and nationally. The GVA report highlights how the lower quartile affordability ratio in Medway had increased by 65% between 2000 and 2013, and that this increase represents a more acute increase than the region (51%) and nationally (65%).¹⁴ This highlights how affordability has significantly worsened in Medway over the thirteen years analysed.
- 4.54 This study (section 3) identifies how household formation is suppressed in the 25-34 age group in the most recent 2012-based CLG household projections. The result of assuming the formation rates as published, and planning for growth based on them, will be a failure to address the significant increase in **concealed households** in Medway between the 2001 and 2011 Censuses. This increase across the country has been due to the significant worsening affordability of housing, leading to two or more adult households living with one another rather than forming their own households.

¹³ Paragraph 5.90, SHENA

¹⁴ Paragraph 5.97, SHENA

- 4.55 This trend is evidenced in Medway by the 68% increase in concealed households between the 2001 and 2011 Census'. This is broadly comparable to the regional and national averages (71%) although the SHENA states that concealment is not deemed to be worsening at a significant rate. However, the rate of increase in Medway is higher than in Canterbury (66%), Sevenoaks (56%), and Tonbridge and Malling (54%).
- 4.56 Furthermore the SHENA acknowledges a 13.03% increase in concealed households in the under 25 age group (13%). This is higher than the national average (12.76%) and several other Kent local authorities (Canterbury, Dartford, Maidstone, and Swale).¹⁵ Despite this, the SHENA concludes that the market signals information in respect of concealed families does not provide strong evidence of supplied pressures in Medway¹⁶. Barton Willmore disagree and a response in establishing the OAN for Medway is needed to alleviate this worsening trend.
- 4.57 The **rate of development** is also considered as a market signal, with the PPG stating how future supply should be increased to reflect the likely under-delivery of a Plan, if the rate of development has been lower than the planned number. A meaningful period must be assessed in line with PPG, and as this study has shown (Chapter 3), delivery in Medway has been 20% lower than the planned number over the past 10 years.
- 4.58 The GVA report also identifies this lack of delivery, but over the intercensal period (2001-2011) rather than the last 10 years considered in this study (2005-2014). Notwithstanding this difference, GVA identify growth in Medway's housing stock of 7.3%; lower than the sub-regional, regional, and national averages. Furthermore GVA identify how completions have exceeded planned targets in only three of the 12-year period between 2001/02 and 2012/13¹⁷.
- 4.59 In summary, it is important to note the PPG, which states the following in respect of market signals:

"The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings."¹⁸

"Appropriate comparisons of indicators should be made. This includes comparison with longer term trends (both in absolute levels and rates of change) in the: housing market area; similar demographic and economic areas; and nationally. A worsening trend in any of these indicators will require upward adjustment to planned housing numbers compared to ones based solely on household projections."¹⁹ (Our emphasis)

¹⁵ Table 5.1, SHENA

¹⁶ Paragraph 5.108, SHENA

¹⁷ Paragraph 5.118, SHENA

¹⁸ ID2a-019, Housing and Economic Development Needs Assessments, PPG

¹⁹ ID2a-020, Housing and Economic Development Needs Assessments, PPG

- 4.60 In the context of the PPG, and the analysis set out by GVA, it is clear that an upward adjustment to the CLG household projection for Medway is required. Failure to do so will only serve to exacerbate the conditions which have led to the affordability problems experienced in Medway over the past 10 to 15 years.
- 4.61 The PPG does not quantify the market signals uplift, other than to say how “planmakers should set this adjustment at a level that is reasonable” and “on reasonable assumptions could be expected to improve affordability.”²⁰ Local Plan Examination decisions are the only source in which market signals adjustments have been quantified. At the Eastleigh Local Plan Examination, the Inspector recommended a 10% uplift to demographic-led projections in order to alleviate market pressure considered as “modest”. This level of uplift was considered “cautious” by the Inspector.²¹ The same level of uplift was also considered applicable by the Uttlesford Local Plan Inspector.
- 4.62 An equally cautious uplift of 10% to the 2012-based CLG household projection in Medway would result in an increase to at least **1,456 dwellings per annum**.
- 4.63 The SHENA considers the level of uplift the economic-led scenarios with KCC economic activity rates applied would make to the baseline demographic level of need (mid-point between the two long term migration trends). This is presented as between a 1.5% and 2.9% uplift which is not considered sufficient to respond to the local market signals.²² Barton Willmore agree.
- 4.64 As an alternative, the SHENA also considers the level of uplift the CLG 2012-based household projections, updated to take account of the 2013 and 2014 MYPE, provides to the mid-point of the two long-term migration trends. This is presented as being equivalent to an 8.6%, which the SHENA considers a significant uplift.²³
- 4.65 On this basis the **SHENA concludes on OAN for Medway of 1,281 dwellings per annum** (2012-2037) as indicated by the CLG 2012-based household projections updated to take account of the 2013 and 2014 MYPE.
- 4.66 Barton Willmore do not consider the market signals uplift applied in the SHENA to be sufficient. The SHENA’s ‘uplift’ is applied to the SHENA’s long-term migration trend which is already below the starting point estimate according to PPG. Therefore even applying the market signals ‘uplift’ results in OAN that is still below the starting point estimate (1,281 dpa compared to 1,323 dpa).

²⁰ ID2a-020, Housing and Economic Development Needs Assessments, PPG

²¹ Paragraphs 39-41, Eastleigh Borough Local Plan, Inspector’s Report, February 2015

²² Paragraph 5.129, SHENA

²³ Paragraph 5.130, SHENA

vi) Affordable housing need

- 4.67 As stated in the NPPF, LPAs are required to ensure their local plans meet OAN for both market and affordable housing. The *Satnam v Warrington BC* High Court Judgment provides useful guidance on the proper exercise that needs to be undertaken to assess affordable need as part of OAN. That is:

“(a) having identified OAN for affordable housing, that should then be considered in the context of its likely delivery as a proportion of mixed market/affordable housing development; an increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes; (our emphasis)

(b) the Local Plan should then meet the OAN for affordable housing, subject only to the constraints referred to in NPPG, paragraphs 14 and 47.”²⁴

- 4.68 The *ELM Park v Kings Lynn and West Norfolk BC* High Court Judgment (July 2015) provides a more recent judgement on the role of affordable housing need within OAN, determining that affordable need did not have to be met in full when determining OAN but rather:

“This consideration of an increase to help deliver the required number of affordable homes, rather than an instruction that the requirement be met in total, is consistent with the policy in paragraph 159 of the Framework requiring that the SHMA “addresses” these needs in determining the FOAN. They should have an important influence increasing the derived FOAN since they are significant factors in providing for housing needs within an area.”²⁵

- 4.69 It is therefore clear that where there is significant affordable housing need, although it is not required to be met in full, an increase should be considered.

- 4.70 In the context of this, the Council’s draft Plan states the following in respect of affordable housing need in Medway:

“The Strategic Housing Market Assessment (SHMA) carried out in 2015 for Medway identified a high level of demand for affordable housing, at 17,112 over the plan period. The Local Plan needs to be deliverable, and must demonstrate that the policies are viable. Initial analysis indicates that a percentage of 25 % affordable housing would be deliverable on developments of over 15 units, taking into account land values and development costs.”²⁶ (our emphasis)

²⁴ Paragraph 43 (iv) (a) and (b), High Court Judgement CO/4055/2014, *Satnam Millennium Limited v Warrington Borough Council*, 19/02/2015

²⁵ Paragraph 33, page 11, High Court Judgement CO/914/2015, *Borough Council of Kings Lynn and West Norfolk v Secretary of State for Communities and Local Government*, *ELM Park Holdings Ltd*, 09/07/2015

²⁶ Paragraph 7.12, page 21, Medway Council Issues and Options Consultation Document, January/February 2016

- 4.71 This is a significant level of affordable housing need, equating to 744 affordable dwellings per annum. To deliver this level of affordable housing in full, at provision of 25%, would require full OAN of circa 3,000 dwellings per annum, 2012-2035. It is accepted that 3,000 dwellings per annum is unrealistic, but a figure in excess of the Council's existing target would help to meet some of this affordable need.

vii) Summary

- 4.72 In summary, the SHENA identifies OAN for Medway as being 1,281 dwellings per annum over the period 2012-2037 based on the results of the CLG 2012-based household projection adjusted to take account of 2013 and 2014 Mid-Year Population Estimates.
- 4.73 This level of housing need has been taken forward in the draft Local Plan to represent need over the period 2012-2035.
- 4.74 OAN of 1,281 dwellings per annum is not considered to represent full OAN for Medway over the plan period (2012-2035) for the following reasons:
- There is not considered to be any justification for a reduction to the starting point estimate (2012-based CLG household projection) of OAN in Medway. This starting position is for provision of 1,323 dwellings per annum, 2012-2035;
 - The starting point estimate is based on a 23-year projection of suppressed household formation in the 25-44 age group, the age group most likely to be first time buyers. This suppression will lead to a significant increase in concealed households in this age group unless the OAN adjusts the household formation rates in this age group. The GVA SHENA proposes no adjustment to account for this suppression. To comply with the NPPF requirement to ensure Local Plans are 'positively prepared' an upward adjustment should be applied for the 25-44 age group. This would lead to an OAN in excess of the starting point estimate;
 - The 2012-based CLG household projection is underpinned by the 2012-based SNPP which is considered to provide the very minimum projection of future population growth in Medway due to the low international migration assumptions they are underpinned by and in light of recent data suggesting that net migration to Medway is in fact significantly higher than the trends underpinning the 2012-based SNPP;

- The GVA SHENA considers alternative long-term migration trends but fails to pay regard to a more recent 5-year migration trend. The SHENA adopts the use of a long-term migration trend to reflect demographic-led need in Medway which projects lower population growth than the 2012-based SNPP and for the reasons outlined above we believe to be inappropriate;
- The GVA SHENA's approach to addressing an uplift to OAN to accommodate economic growth is considered relatively robust. However we would suggest the use of three sources of job growth forecasts to ensure as robust an assessment as possible;
- The GVA SHENA identifies a number of market signals that have worsened to a greater extent than neighbouring authorities, the south east region, and the national average. The SHENA considers that an upward adjustment to the demographic-led OAN is required in order to alleviate the identified market pressure. Barton Willmore support this conclusion. However, it is considered that the market signals uplift that is applied in the SHENA is insufficient given that it results in OAN that is still below the starting point estimate;
- The GVA SHENA and draft Plan identify significant affordable housing need (744 affordable dwellings per annum, 2012-2035). Delivered at a rate of 2.5%, this would require OAN of 3,000 dwellings per annum if it were to be delivered in full. High Court judgements confirm that Local Plans do not have to meet a affordable need in full, but should be 'addressed', and an increase to OAN considered to help to deliver the affordable housing. The existing OAN determined by the GVA SHENA does not address the significant affordable housing need in Medway.

5.0 SUMMARY AND CONCLUSIONS

- 5.1 This review of the Strategic Housing and Economic Needs Assessment (SHENA) has considered the objectively assessed need (OAN) for housing over the period 2012-2037 which has been taken forward in the Medway Council Plan Issues and Options document which is planning for housing needs over the period 2012-2035. **Full OAN is presented in as being 1,281 dwellings per annum over the period 2012-2035.**
- 5.2 In short it is considered the OAN presented in the SHENA plans for very low levels of demographic growth over the Plan period, and does not represent a positively prepared OAN. From the outset, it is important to note how the level of OAN presented in the SHENA is below the PPG's starting point estimate of need – the latest CLG household projection (1,323 dpa, 2012-2035).
- 5.3 The SHENA's OAN conclusion is underpinned by applying 2012-based household formation rates to their preferred population projection (a revised 2012-based ONS SNPP scenario to reflect 2013 and 2014 ONS Mid-Year Population estimates). The 2012-based CLG household projection projects suppressed household formation for those aged 25-44 years of age; those most likely to represent concealed households and first time buyers. Barton Willmore consider it necessary to apply an adjustment to address this suppression and positively prepare the Local Plan, an exercise which has not been undertaken in the SHENA. This approach is supported by recent Planning Inspectorate decisions, which note continuing suppression in the 2012-based CLG projections.²⁷
- 5.4 Notwithstanding that the starting point estimate of OAN (1,323 dpa, 2012-2035) is higher than the Council's proposed level of provision, the starting point estimate should be considered a very minimum for a number of reasons.
- 5.5 The 2012-based CLG household projection is underpinned by the 2012-based Sub National Population Projections (SNPP) which assume very low net international migration to the UK (165,000 people per annum) compared with more recent trends (336,000 people in the last recorded year), an assumption which filters down to local authority level and has been identified by recent Local Plan Inspector's decisions²⁸. PAS Guidance also identifies how the net migration of the 2012-based ONS SNPP may well be an underestimate²⁹.

²⁷ Paragraph 3.8, page 7, Cornwall Local Plan Strategic Policies – Examination: Preliminary findings following the hearings in May 2015; Paragraph 29, page 6, Appeal Decision APP/G2435/W/15/3005052; Paragraph 1.28, page 6, Arun District Local Plan OAN Conclusions, 02 February 2016

²⁸ Paragraph 1.12, page 3, Arun District Local Plan OAN Conclusions, 02 February 2016

²⁹ Paragraph 6.23, page 23, PAS OAN Technical Advice Note: Second Edition, July 2015

- 5.6 Furthermore, analysis of migration trends has identified that the net migration assumptions of the 2012-based SNPP (840 net migrants per annum, 2012-2037) is low in the context of a more recent 5-year trend given that net migration to Medway has increased over recent years.
- 5.7 However, because it cannot be said with any certainty whether Medway is experiencing a reversal of trend in respect of migration, it is considered reasonable to use the 2012-based SNPP as the most appropriate demographic population projection at this point in time. However, if subsequent releases of Mid-Year Population Estimates provide evidence of net migration to Medway continuing to increase then it would be considered appropriate to change this approach.
- 5.8 With the above points in mind, it is considered that the 2012-based SNPP should provide the very minimum projection of population growth in Medway.
- 5.9 The approach to assessing an uplift for economic growth is considered to be broadly sound. However it is considered that the use of only one forecast is a weak approach. Given the fluctuation of job growth forecasts, Barton Willmore would recommend an average of the three leading forecasting houses; Experian Economics, Cambridge Econometrics, and Oxford Economics. This approach was endorsed by the South Worcestershire Local Plan Inspector.
- 5.10 The SHENA does not suggest a direct uplift to account for worsening market signals. The SHENA acknowledges that some market signals in Medway have worsened to a greater extent than neighbouring local authorities, the south east region, and the national average. The PPG states that an upward adjustment to the demographic starting point should be applied in the event that any of the market signals indicators show a worsening trend. The SHENA considers the level of uplift the economic scenarios provide to be insufficient, however, the 8.6% uplift provided by the CLG 2012-based household projections (adjusted to take account of the 2013 and 2014 MYPE) is considered by the SHENA to provide a significant uplift.
- 5.11 Barton Willmore do not agree. The level of uplift considered by the SHENA is considered in the context of a baseline demographic level of need that is already 10% below the starting point estimate (1,136 compared to 1,270 households per annum) over the period 2012-2037. In effect, the uplift considered by the SHENA still falls below the starting point estimate of need as indicated by the CLG 2012-based household projections, and which Barton Willmore consider to provide a conservative projection of future housing need.
- 5.12 The GVA SHENA and draft Plan identify significant affordable housing need (744 affordable dwellings per annum, 2012-2035). Delivered at a rate of 25%, this would require OAN of 3,000 dwellings per annum if it were to be delivered in full. High Court judgements confirm that Local

Plans do not have to meet affordable need in full, but should be 'addressed', and an increase to OAN considered to help to deliver the affordable housing. The existing OAN determined by the GVA SHENA does not address the significant affordable housing need in Medway.

Way Forward

- 5.13 The PPG states how the OAN should be an unconstrained assessment. The SHENA's approach to OAN is not considered to comply with the PPG in this regard, and sets an OAN below the PPG's starting point estimate. Adjustments for household formation suppression, more recent migration trends, worsening market signals, and affordable housing need indicate a requirement for OAN significantly higher than the starting point estimate of OAN, 1,323 dwellings per annum (2012-2035). The OAN suggested by the SHENA is considered to be wholly inappropriate and not positively prepared, as required by paragraph 182 of the NPPF.

APPENDIX D

Objectively Assessed Housing Need Dashboard (Barton Willmore Research, February 2016)

Objectively Assessed Housing Need

Medway Unitary Authority

February 2016 (updated)



Introduction

Planning Practice Guidance (PPG) on Housing and Economic Development Needs Assessments (26 March 2015) outlines the methodology for assessing housing need in the housing market area. The assessment should be an objective and unconstrained assessment based on facts and unbiased evidence.

This report summarises objectively assessed housing need for [Medway Unitary Authority](#). Although there are links with Greater London, it is considered pragmatic to consider Medway Borough as a District-wide HMA.

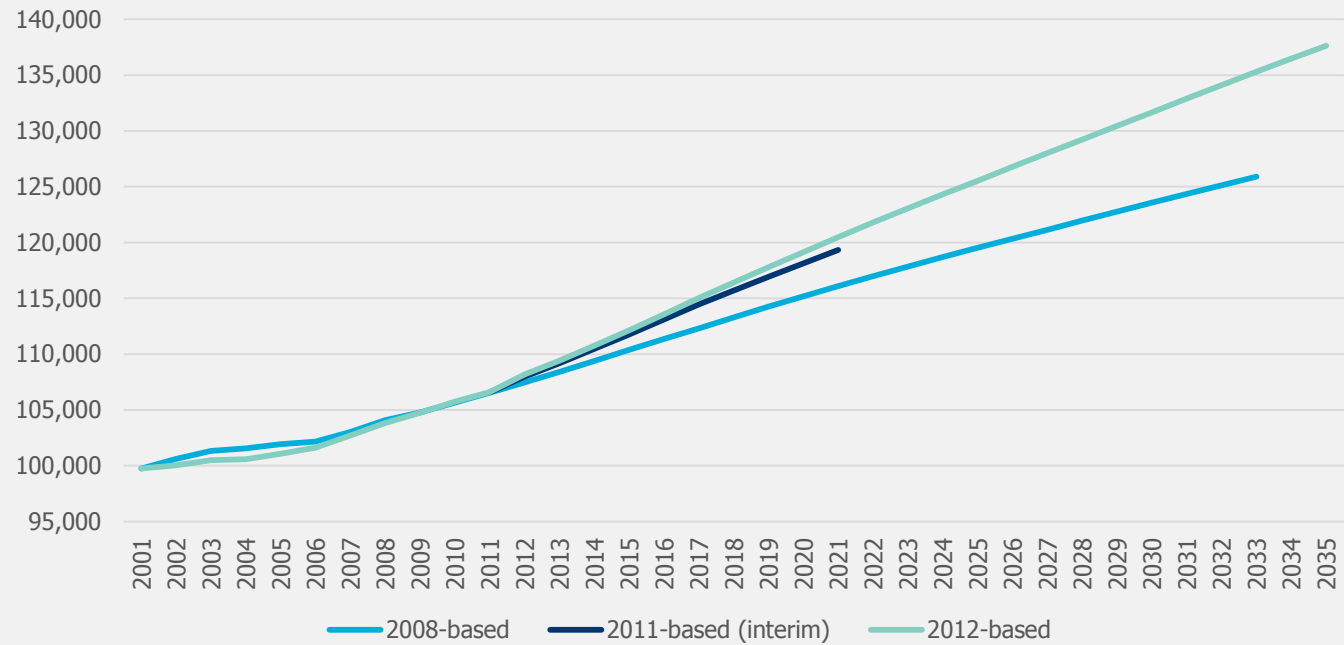
OAN Methodology

Following PPG, Barton Willmore's approach to assessing housing need is as follows.

1. Identify the [starting point estimate](#) of need and apply [demographic adjustments](#) to address household suppression and/ or to test alternative migration trends
2. Assess the labour force capacity of the demographic assessment and, if necessary, apply an uplift to support [job growth](#) in line with current forecasts and/ or past trends
3. Analyse [market signals](#) identified by PPG as; land prices, house prices, private rents, affordability, rate of development and overcrowding. A worsening trend in any of these indicators will require an upward adjustment to planned housing numbers
4. Establish whether the modelled housing need would meet [affordable housing need](#) or whether any further adjustment is necessary

This report provides a streamlined summary of these key issues. Further detail on modelling assumptions can be found in the accompanying Barton Willmore OAN Methodology statement.

CLG Household Projections: Medway

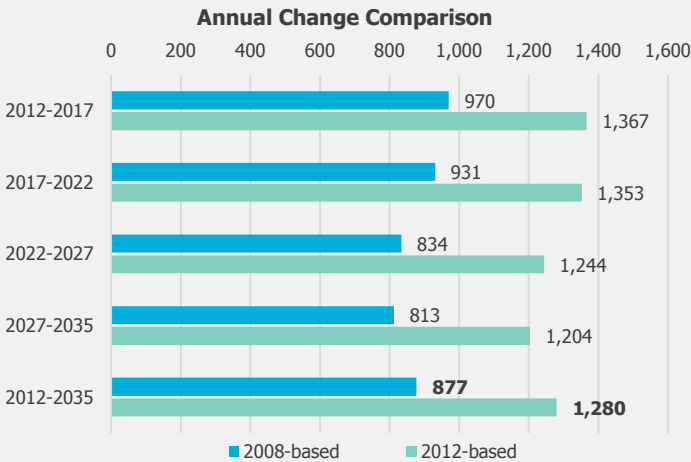


Household projections published by the Department for Communities and Local Government (CLG) should provide the starting point estimate of overall housing need.

The most recent series are the 2012-based household projections published on 27 February 2015. These project growth of **1,280 households per annum** in Medway over the period 2012-2035. Once an allowance for vacancy and second homes has been applied (3.3%) this equates to growth of **1,324 dwellings per annum**.

The 2012-based CLG projection projects a significantly higher level of household growth than the previous full projection (2008-based series) despite the falling levels of household formation projected in the 25-44 age group (see household formation opposite).

This suggests that household growth in Medway is largely being driven by higher population growth experienced in the area in recent years.

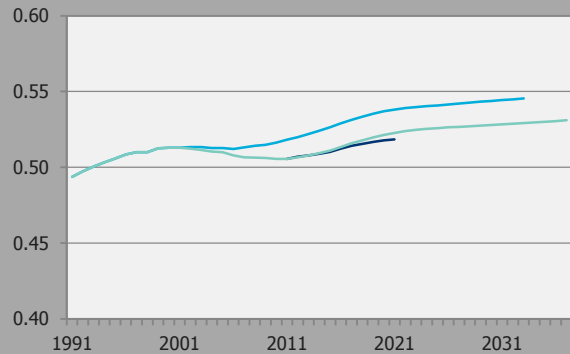


Source: Communities and Local Government (CLG) Household Projections

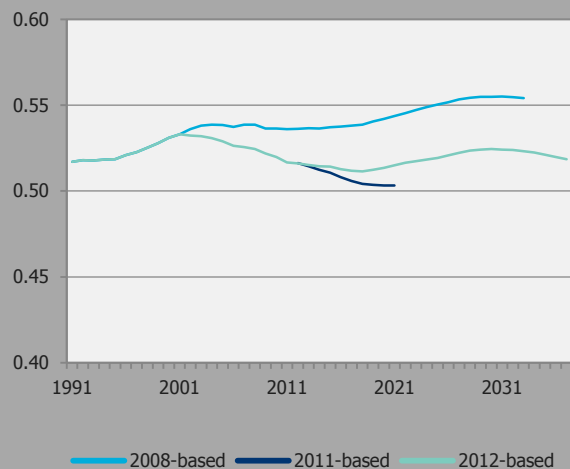
Suppressed Household Formation

The likelihood that a person of a certain age and gender to 'head' a household (household formation rate) is lower in some age groups in the 2012-based household projections compared to previous series. This suggests that the 2012 rates suppress household formation, particularly for younger people aged 25-34 and 35-44 years, in Medway. These are the groups who found it the most difficult to enter the housing market during and after the recession. An adjustment to the 2012 household formation rates in the 25-44 age group is required to address this issue.

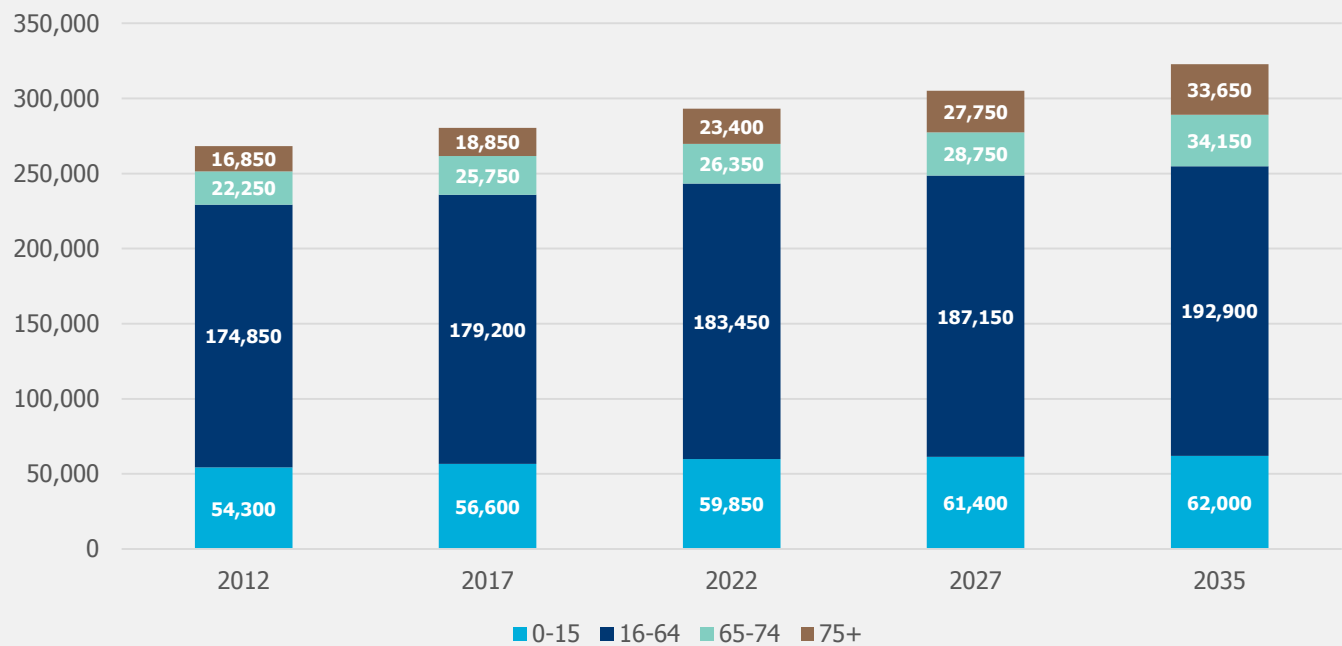
Household Formation Rates: All Ages (15+)



Household Formation Rates: Aged 25-44



ONS 2012-based Population Projections: Medway

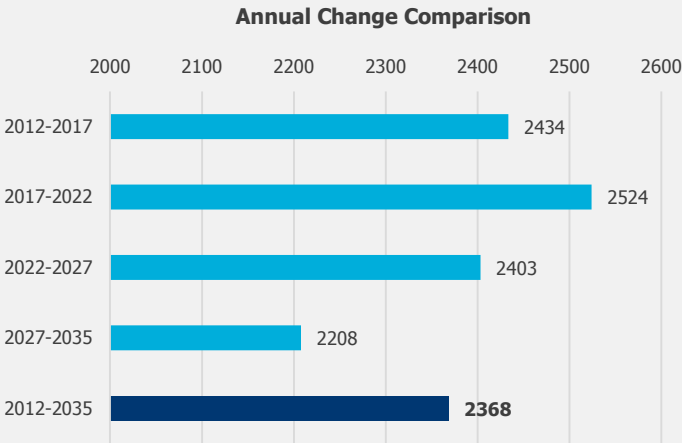


The 2012-based Sub National Population Projections (SNPP) project Medway’s population to increase by an **additional 2,368 people per annum** over the period 2012-2035.

This is broadly comparable to the previous interim 2011-based ONS SNPP (circa 2,500 people per annum, 2011-2021), but significantly higher than the pre-recessionary 2008-based series (circa 1,370 people per annum).

At a national level the 2012-based ONS SNPP are considered a conservative projection, being underpinned by 165,000 net international migrants per annum projected between 2012 and 2037. This compares with over double this assumption (336,000 people per annum) being recorded in the most recent year (ending June 2015).

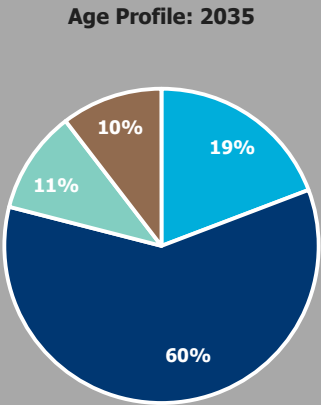
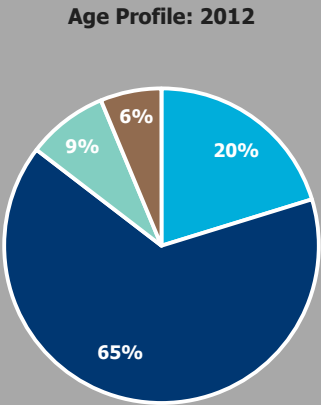
For this reason, flexibility for higher population growth in Medway than projected by the 2012-based ONS SNPP and the 2012-based CLG household projection is required, to ensure a significant underestimate is not assumed. If net-migration trends justify an upward adjustment to the 2012-based ONS SNPP, the PPG makes provision for this (see next slide).



Source: Office for National Statistics (ONS) Sub National Population Projections

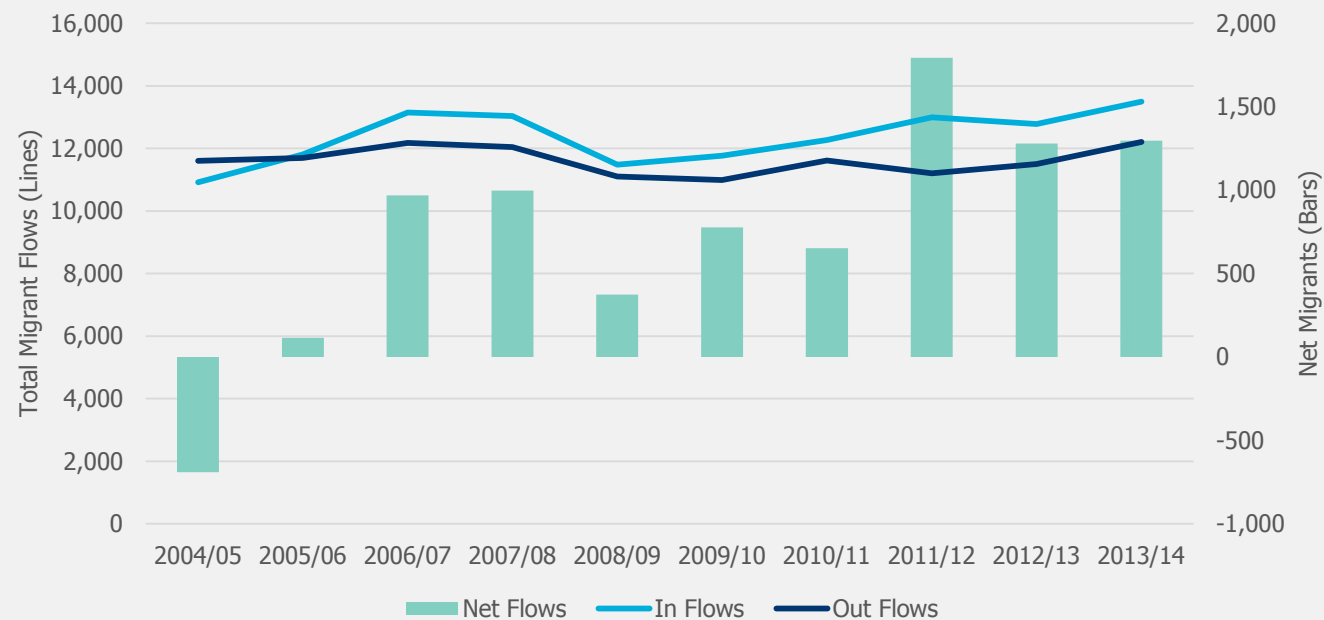
The Ageing Population

Over the Plan Period, the age profile of Medway is projected to change significantly. By 2035, the over 65 population will have increased by 6%. Left unchecked, the relative decline of prime working age (16-64) population will have an adverse effect on future economic competitiveness and productivity.



0-15 16-64 65-74 75+

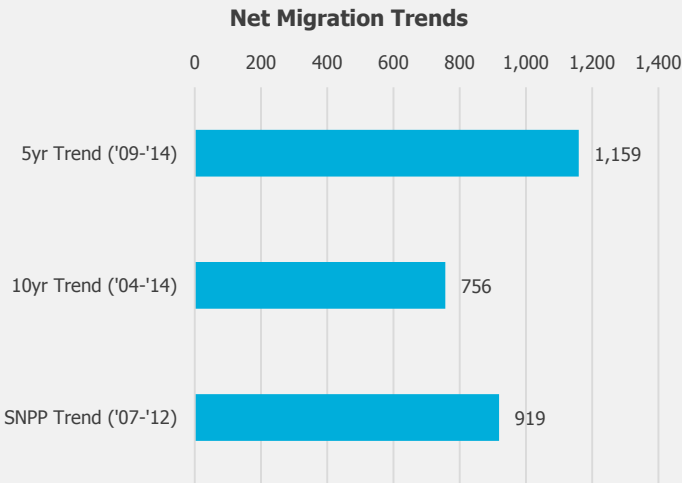
Migration Flows: Medway



Over the past decade there have been higher in flows than out flows of people moving to Medway, resulting in significant net in-migration to the Borough. Net in-migration fell sharply between 2008/09 and 2010/11 following the onset of the recession, but since 2011/12 has increased to between 1,280 and 1,793 people per annum.

Notwithstanding the most recent 5-year (2009-2014) trend incorporating the end of the recessionary period, the average has been for net in-migration of 1,159 people per annum. This exceeds the 10-year trend (756 people per annum) and the trend over the period 2007-2012 (919 people per annum) which underpins the 2012-based SNPP.

Despite net migration increasing significantly in the last three years, it cannot be certain whether this increase will continue. On this basis, it is considered that the 2012-based SNPP provide a reasonable demographic projection for Medway at this point in time but that the projection should be considered a very minimum and that if subsequent data releases show net migration to Medway continually increasing then the demographic assessment should be adjusted to reflect this.

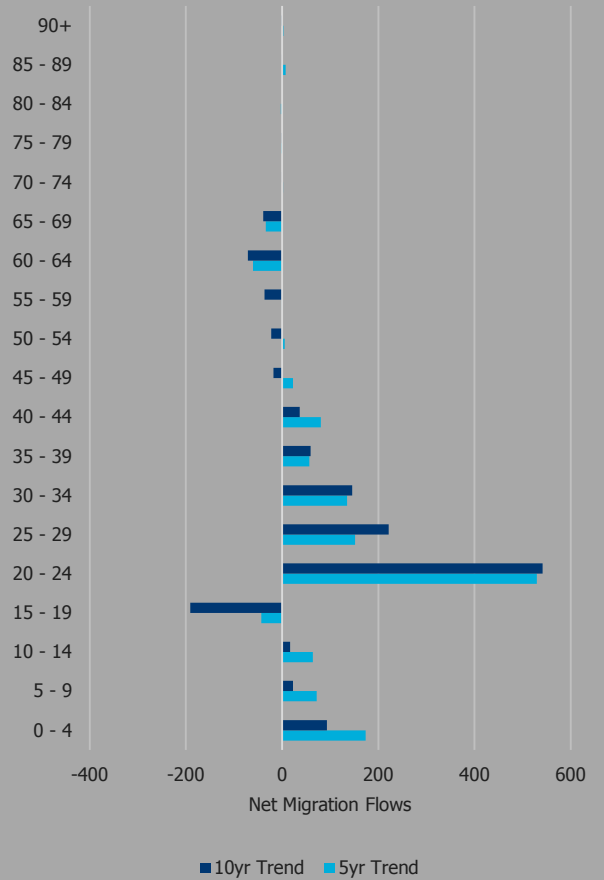


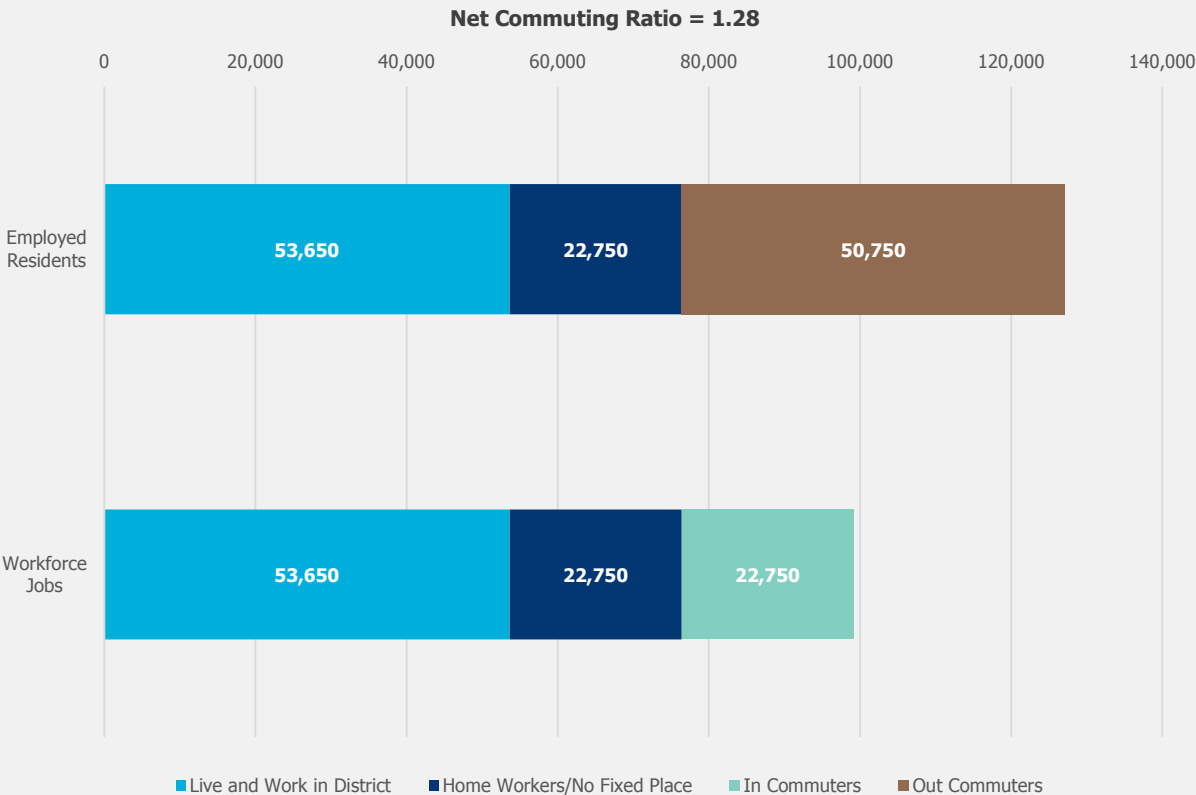
Source: Office for National Statistics (ONS) Components of Population Change

Age Profile of Migrants

Net migrants to Medway tend to be younger families who are of working age. Encouraging net migration will therefore counter the naturally ageing population of Medway. Without net migration the working age population of Medway will fall significantly over the plan period. To support economic growth in Medway the resident labour supply needs to increase to support past trends and forecasts of job growth.

Net Migration by Age Group





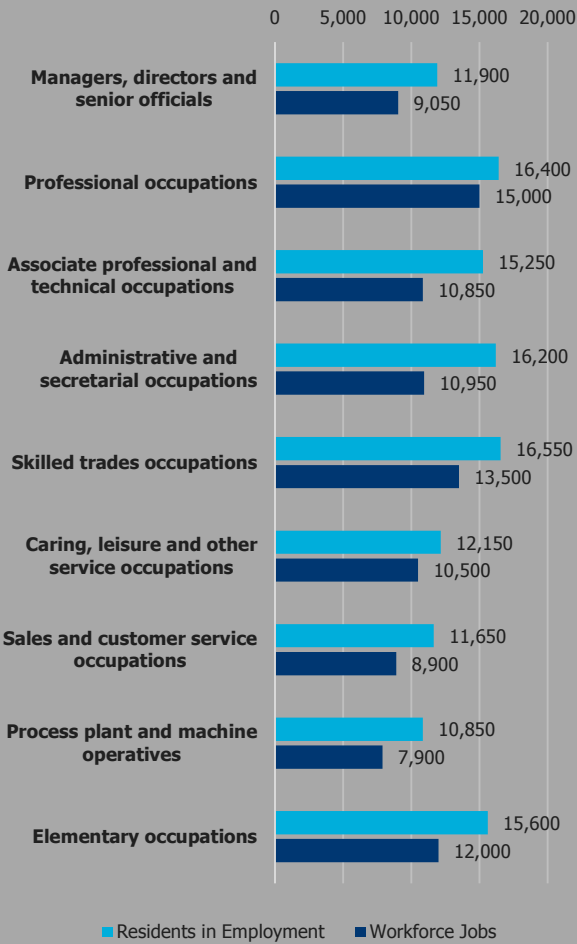
Within Medway there is a greater number of residents in employment compared to the number of jobs which means that Medway exports labour. This results in a commuting ratio of 1.28.

The commuting ratio is of importance in determining the number of people required to move into an area to generate labour force and fill jobs. The commuting ratio may change over the Medway Plan period (2012-2035), and this could require more or less workers. However for the purposes of demographic modelling and objectively assessing need, the commuting ratio is maintained at 2011 Census levels to ensure the objective assessment of need is unconstrained and 'policy off'.

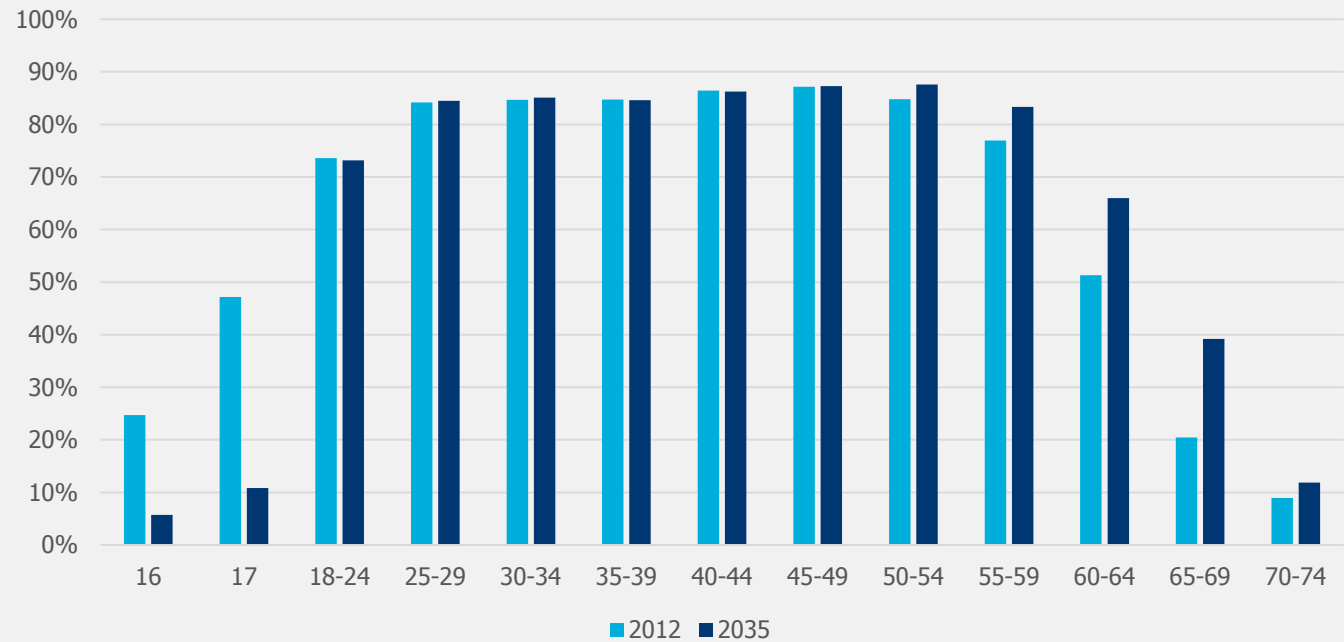
In the case of Medway, for every 100 jobs created, 128 economically active (labour force) people will be required.

Commuter Flows by Occupation

The data in this table shows how there is a net outflow of residents in employment in all occupations in Medway Borough. Professional and skilled occupations employ the largest numbers of people, both within the Borough and outside. Manual occupations employ the lowest numbers.



Economic Activity Rate Projections: Medway



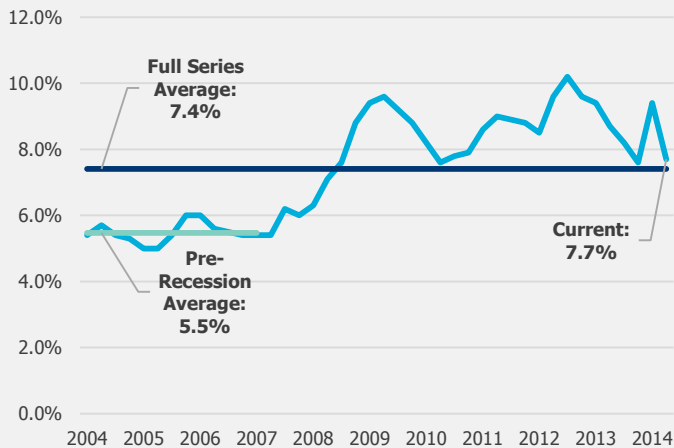
Economic activity rates measure, for a given age and gender band, the proportion of the population who are likely to be available for work.

The extension of State Pension Age (SPA) and the effective abolition of age-related retirement will increase the activity rates among the older age bands. In contrast, the extension of compulsory education to the age of 18 will reduce the activity rates of 16 and 17 year olds.

Activity rates are applied to the population projection to calculate the economically active population (resident labour supply) and therefore even where rates are held constant, an increase in the population will result in an increase in the resident labour supply. The graph above illustrates how the economic activity will increase over the Plan period.

Unemployment rates increased in Medway during the recession. In late 2009 the **unemployment rate peaked at 9.6%**. Barton Willmore's assessment assumes that unemployment will return to the **pre-recession average of 5.5%** by 2021 and remain constant thereafter.

Medway Unemployment Rates - APS

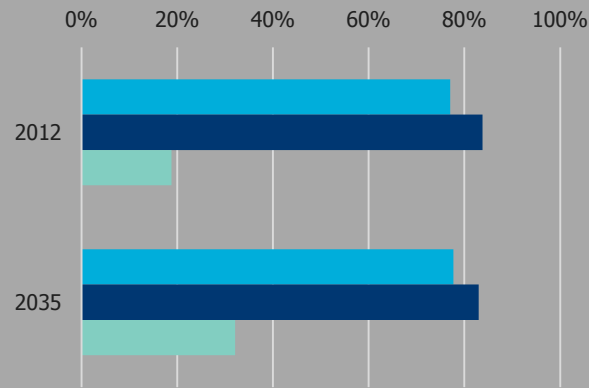


Source: ONS, 2011 Census Economic Activity projected using Kent County Council Activity Rate Forecasts to 2036, November 2014
ONS, Annual Population Survey Model Based Estimates of Unemployment

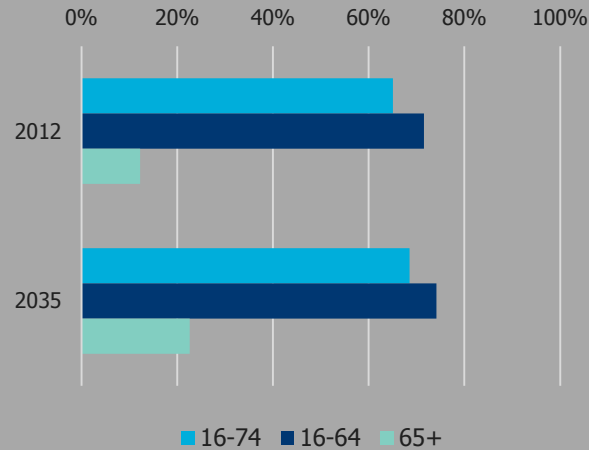
Male and Female Economic Activity

Economic activity rates are generally higher for males than females. However, between 2001 and 2011, female activity rates increased more rapidly than males as a result of increased participation of females in the labour market. Projections assume this pattern will continue. However, female rates are still expected to remain lower than males. The extension and equalisation of male and female SPA will increase future economic activity rates for both males and females aged 65+.

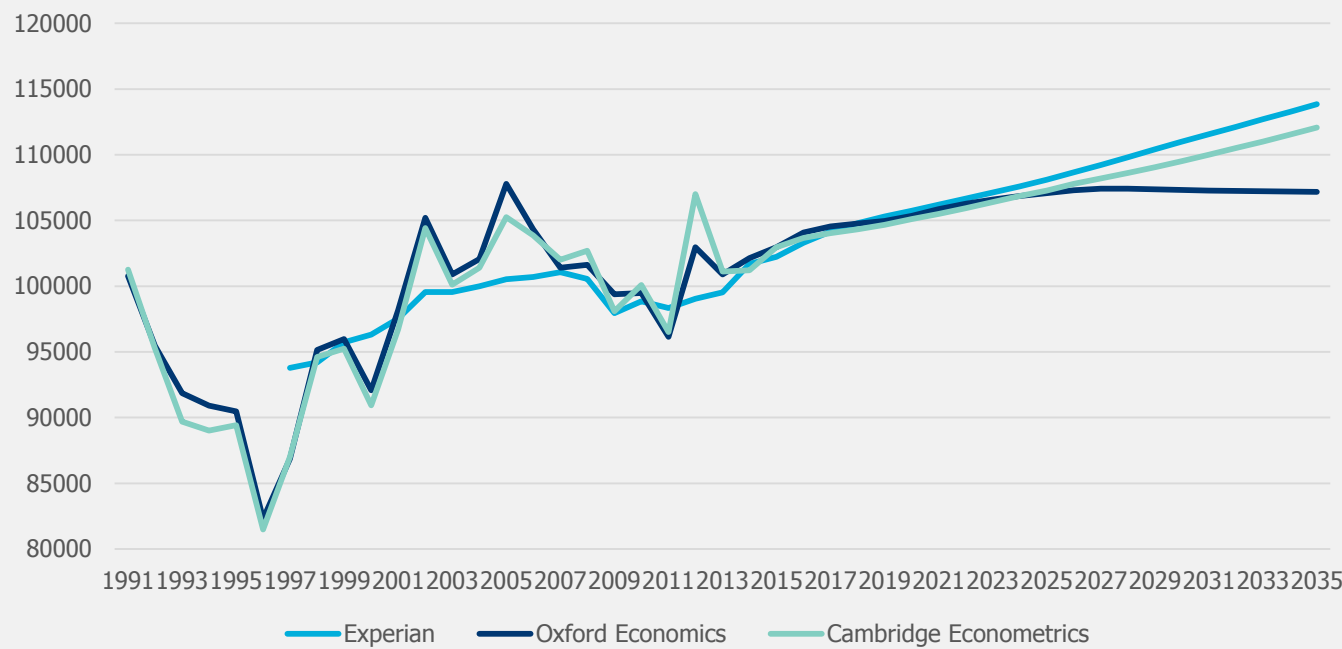
Male activity rate projections



Female activity rate projections



Workforce Job Growth: Medway

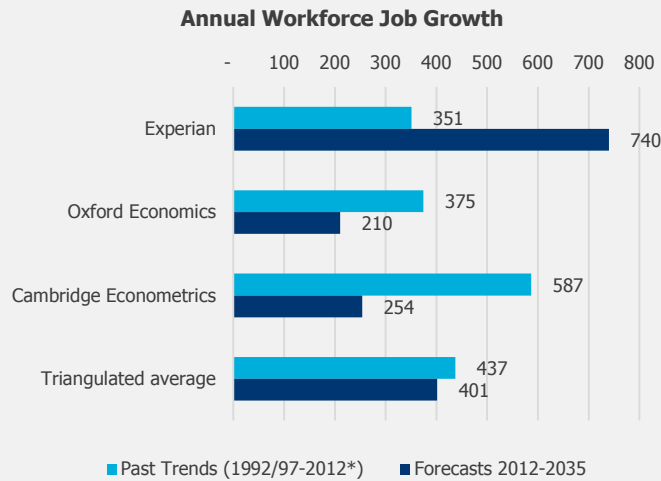


The PPG (paragraph ID2a-018) states how employment forecasts and trends must be taken into account when establishing unconstrained OAN.

In this context Barton Willmore has obtained the most recent job growth forecasts from the leading three forecasting houses (Experian Economics, Cambridge Econometrics, and Oxford Economics). The three sources provide past trends alongside the forecasts for the period being assessed here (2012-2035).

The average forecast job growth for the Plan period is 401 jobs per annum. This follows a broadly similar trajectory to the average past trends recorded by the three forecasting houses (437 jobs per annum, 1992/97-2012).

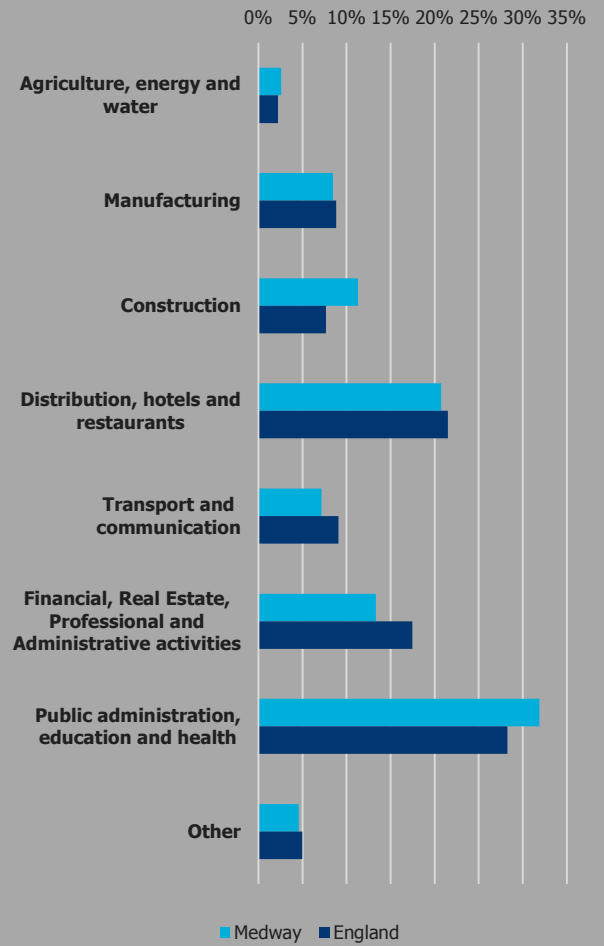
The demographic forecasting undertaken in this assessment therefore establishes the level of housing growth required to support job growth of 401 jobs per annum in Medway.



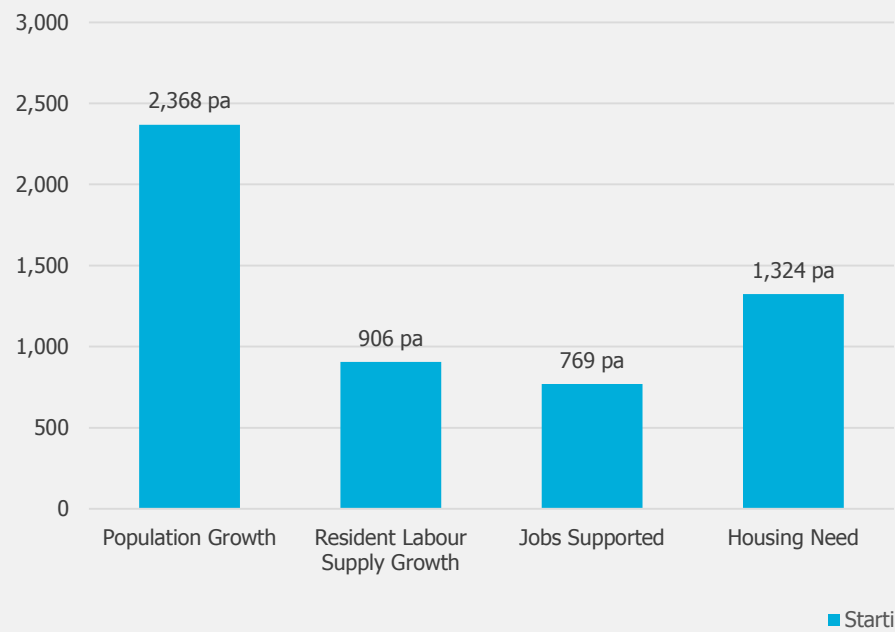
Source: Experian Economics, Oxford Economics, Cambridge Econometrics

Key Industrial Sectors

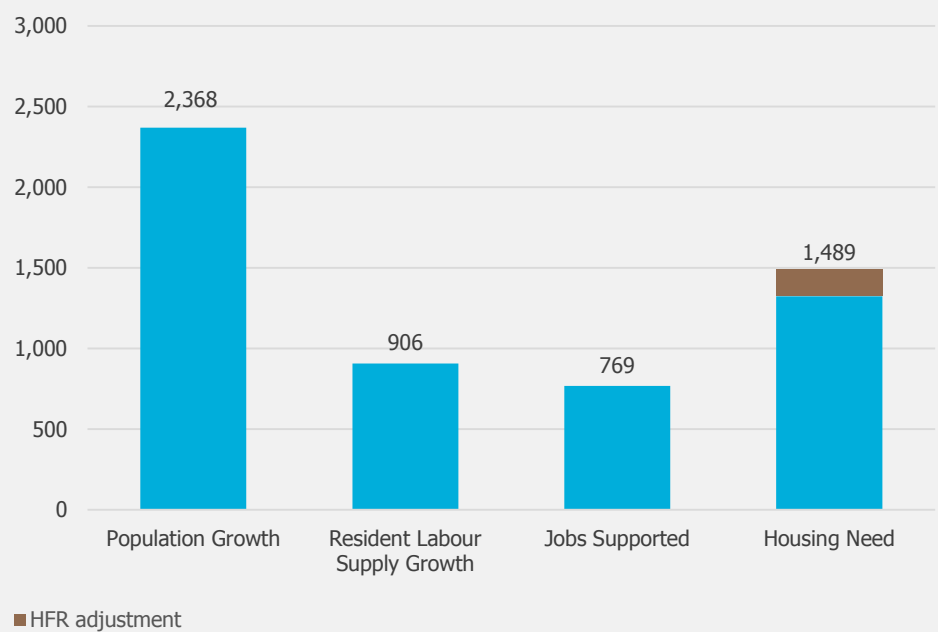
Medway's employment base is diverse with people who work in Medway working in a wide range of industries. The industrial sector which employs the most people is the Public administration, education and health sector (32%) followed by Distribution, hotels, and restaurants (21%). These two sectors account for over 50%.



Starting Point



Household Formation Adjustment



The PPG’s ‘Starting Point’ scenario is a reflection of the CLG 2012-based Household Projection series, with adjustments made to convert household change into housing need (by applying adjustments for vacant and second homes). In Medway this adjustment rate is 3.3% and the unadjusted dwelling requirement would be **1,324 dpa, 2012-2035**.

This starting point would provide for the policy off average job growth forecast (401 jobs per annum) we set out on page 8.

However this is the **starting point estimate only**. To comply with the requirements of PPG, consideration of the underlying household formation rates and migration assumptions underpinning this starting point need to be considered. Adjustment should then be made if local circumstances dictate.

The starting point estimate of need (1,324 dpa) is considered to be underpinned by suppression in household formation in the 25-44 age group in Medway. PPG ID2a-015 states how sensitivity testing can be undertaken, specific to local circumstances, and in this context an adjustment to the starting point has been made. This complies with the NPPF requirement to ensure Plans are positively prepared.

The above graph shows how a blended approach to household formation rates would alter the OAN starting point. This blended approach is as follows; all ages with the exception of the 25-44 age group are underpinned by the household formation rates of the starting point. However in the 25-44 age group we have applied a return to the pre-recessionary 2008-based household formation rates by the end of the Plan period (2035). This will help to alleviate the clear suppression in household formation in this age group.

This adjustment results in an **increase to 1,489 dpa, 2012-2035**. This is considered to represent full OAN for Medway.

The PPG states how an adjustment to the demographic projection can also be considered. Barton Willmore’s analysis of migration trends has identified that net migration to Medway has increased in the last three years. However, we cannot be certain whether this is a reversal of trend. Until more sufficient data is available, it is considered appropriate to plan on the basis on the 2012-based SNPP. Nonetheless it is considered that the 2012-based SNPP should provide the **very minimum** level of future population growth in Medway given the low international migration assumptions they are underpinned by. However, if subsequent releases of Mid-Year Population Estimates provide evidence that migration to Medway is continuing to increase, then the approach to OAN may require modification.

The affordability ratio measures the ratio between lower quartile house prices and lower quartile earnings. The chart to the right tracks the affordability ratio in Medway between 1999 and 2013 based on a three year rolling average.

Although Medway is lower than the average for the south east region, in 2013 lower quartile house prices remained 6.6 times lower quartile earnings. House prices are therefore unaffordable for most first time buyers.

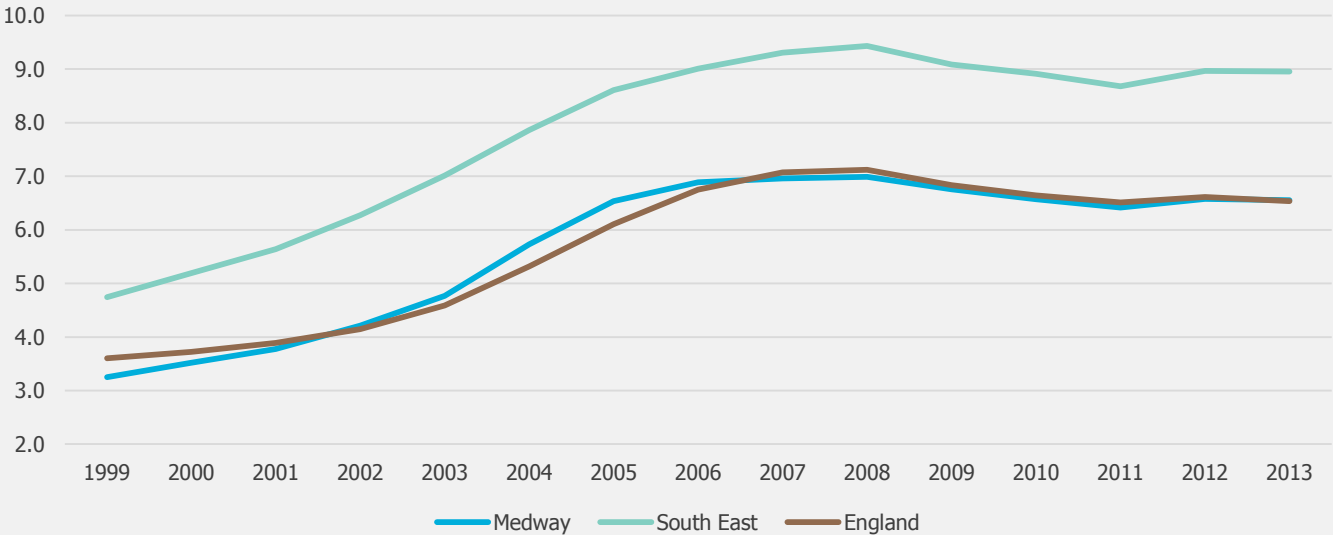
Private housing market entry thresholds indicate that 68% of first time buyers in Medway would not be able to afford a lower quartile house and 59% would not be able to afford lower quartile rents in the Borough.

Affordability is just one of the six market signals that PPG identifies needs consideration when determining housing need, with a worsening trend in any of the indicators providing justification for an adjustment to the housing need number suggested by the household projections.

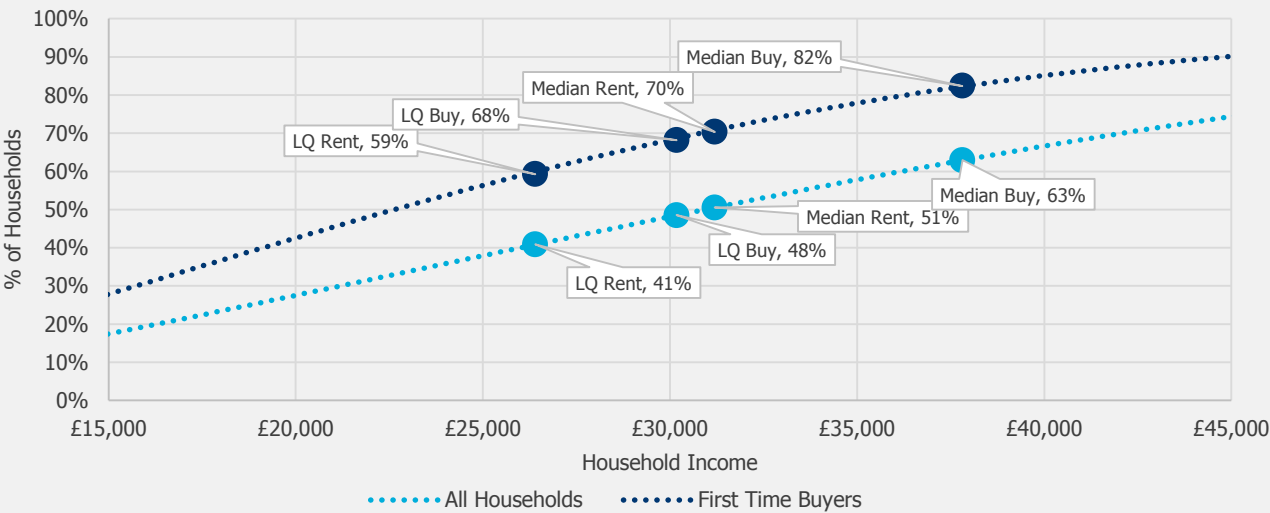
Further consideration of all of the market signals is deemed necessary in order to establish the full extent to which there are market signals issues within Medway, but this evidence suggests an acute affordability problem in Medway.

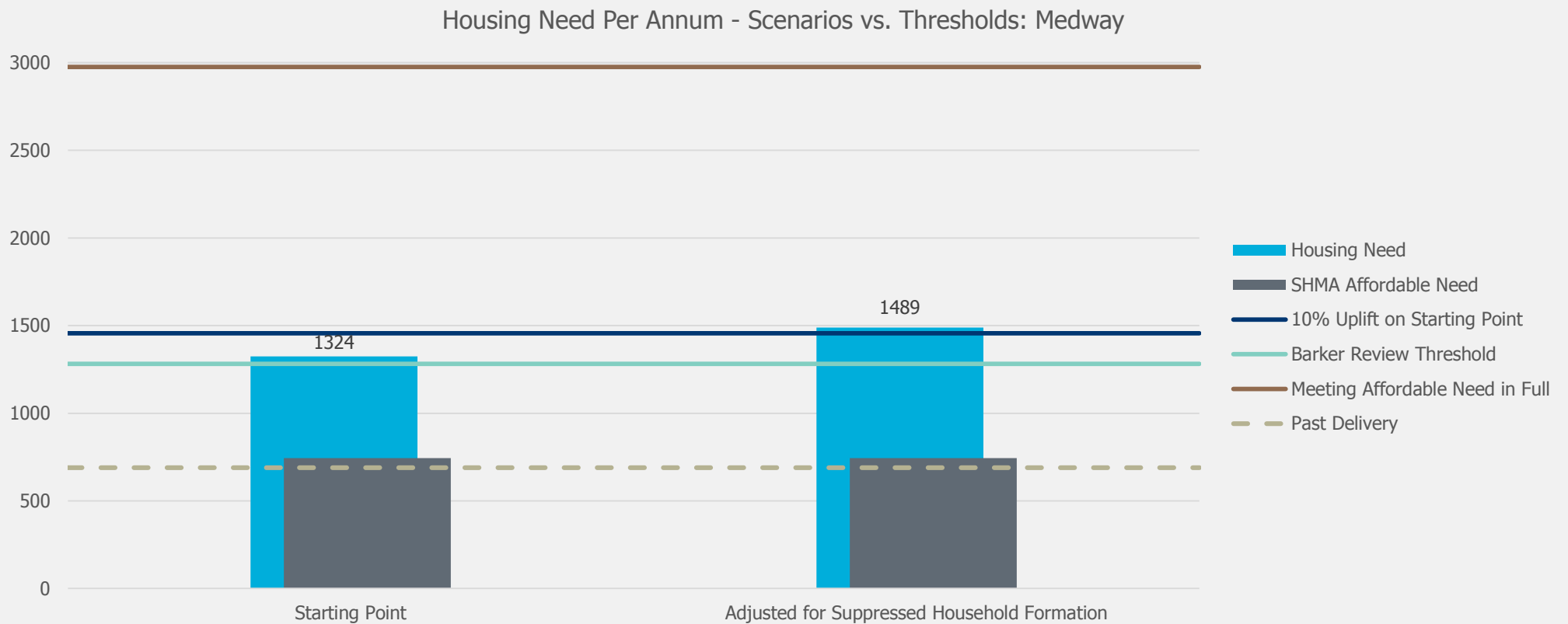
The OAN we propose would help to alleviate worsening affordability in Medway.

Lower Quartile Affordability Ratio: Medway



Private Housing Market Entry Thresholds: Medway





The 'starting point estimate' of housing need in Medway as indicated by the CLG 2012-based household projections is **1,324 dwellings per annum** over the period 2012-2035. If a 10% uplift is applied to the 'starting point' estimate (in line with the 'modest' uplift applied by Inspectors in recent Examinations, for example Eastleigh) to address worsening market signals, then this would bring housing need up to approximately **1,456 dwellings per annum**.

However, the 'starting point estimate' is considered an **underestimate** of future housing need, as it projects suppressed household formation rates in the 25-44 age group over the 23-year Plan period. An adjustment to more positive 2008-based rates of household formation solely in the 25-44 age group shows how the starting point estimate would need to be increased to **1,489 dwellings per annum** to ensure the suppression in the 25-44 age group is alleviated. Planning on the basis of more positive rates of household formation would help to improve affordability for first time buyers and reduce the number of concealed households (such as adult couples living with parents) in this age group.

The 'starting point' adjusted for suppressed household formation would generate the level of economically active population required to meet the average 'policy off' job growth forecast (401 jobs per annum). An upward adjustment for job growth is not considered to be required. However the draft Medway Plan identifies affordable housing need equating to 744 affordable dwellings per annum. The Council's policy is to deliver 25% affordable housing on all major developments. To achieve this, OAN would need to increase to nearly 3,000 dwellings per annum, 2012-2035.

The 2012-based Household Projections indicate a starting point of 1,324 dwellings per annum, including a vacant dwelling adjustment of 3.3%.

The 25-44 age group shows clear signs of suppressed household formation in Medway. A return to pre-recessionary 2008-based household formation rates in this age group by 2035 would increase the starting point estimate to 1,489 dpa, 2012-2035.

Despite net migration to Medway increasing in recent years it is uncertain whether this trend will continue. On this basis, it is considered that the 2012-based SNPP provide an appropriate demographic projection for assessing housing need. However, the level of population growth projected by the 2012-based SNPP should be considered a minimum.

The demographic-led adjustments will result in growth of the economically active (labour force) population that will support the average 'policy-off' job growth forecast (400 jobs per annum). No further adjustment for jobs growth is considered necessary.

The latest evidence from Medway shows affordable housing need of 774 dpa. To meet this in full at provision of 25%, OAN of nearly 3,000 dpa would be required. This is not considered realistic, however we recommend the OAN of 1,489 dpa, which will go some way to meeting some of the significant affordable need.

Full OAN for Medway is considered to be 1,489 dpa, 2012-2035

METHODOLOGY STATEMENT
FOR OBJECTIVELY ASSESSING HOUSING NEED IN
MEDWAY UNITARY AUTHORITY

Project Ref:	20894/A5/DU
Status:	Final
Issue/ Rev:	02
Date:	02/16
Prepared by:	DU
Checked by:	DU
Authorised by:	EW

Barton Willmore LLP
The Observatory
Southfleet Road
Ebbsfleet
Dartford
DA10 0DF

Tel: (01322) 374660
Fax: (01322) 374661
E-mail: research@bartonwillmore.co.uk

Ref: 20894/A5/DU
Date: February 2016

COPYRIGHT

The contents of this document must not be copied or reproduced in whole or in part without the written consent of Barton Willmore LLP.

All Barton Willmore stationery is produced using recycled or FSC paper and vegetable oil based inks.

CONTENTS

PAGE NO

1.0	INTRODUCTION	01
2.0	OVERVIEW OF OAN METHODOLOGY	02
2.0	POPGROUP DEMOGRAPHIC FORECASTING MODEL	09
3.0	DATA ASSUMPTIONS AND SOURCES	13

1.0 INTRODUCTION

- 1.1 This paper has been produced to accompany the Objectively Assessed Housing Needs (OAN) dashboard for Medway Unitary Authority (MUA). It is intended to provide a more detailed description of the methodology used for assessing OAN.
- 1.2 Chapter 2 of the paper begins with a detailed outline of the national planning policy and guidance on establishing OAN, setting out the methodological approach taken by Barton Willmore.
- 1.3 An overview of the POPGROUP demographic forecasting model is presented in Chapter 3. This is the forecasting tool which has been used by Barton Willmore to undertake sensitivity testing of alternative demographic and household formation assumptions, along with an assessment of the level of housing required to support economic growth.
- 1.4 The data assumptions used within Barton Willmore's assessment of OAN along with their respective sources are presented in Chapter 4.

2.0 OVERVIEW OF OAN METHODOLOGY

- 2.1 The requirement for all Local Planning Authorities (LPAs) to base their housing targets on objective assessments of need is rooted in national planning policy – specifically the National Planning Policy Framework (NPPF) and the Planning Practice Guidance (PPG).

National Planning Policy Framework (NPPF, 27 March 2012)

- 2.2 NPPF sets out the Government’s planning policies for England and how these are expected to be applied. NPPF states that planning should proactively drive and support sustainable economic development to deliver the homes that the country needs, and that every effort should be made to objectively identify and then meet housing needs, taking account of market signals (paragraph 17).
- 2.3 In respect of delivering a wide choice of high quality homes, NPPF confirms the need for local authorities to boost significantly the supply of housing. To do so, it states that local authorities should use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area (paragraph 47).
- 2.4 With regard to plan-making, local planning authorities are directed to set out strategic priorities for their area in the Local Plan, including policies to deliver the homes and jobs needed in the area (paragraph 156).
- 2.5 Further, Local Plans are to be based on adequate, up to date and relevant evidence, integrating assessments of and strategies for housing and employment uses, taking full account of relevant market and economic signals (paragraph 158).
- 2.6 For plan-making purposes, local planning authorities are required to clearly understand housing needs in their area. To do so they should prepare a Strategic Housing Market Assessment (SHMA) that identifies the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period (paragraph 159).

Planning Practice Guidance (PPG, 06 March 2014)

- 2.7 PPG was issued as a web based resource on 6th March 2014, following the publication of ‘beta’ guidance in 2013. Guidance on the assessment of housing development needs (PPG ID2a) includes the SHMA requirement set out in NPPF and supersedes all previous published SHMA practice guidance (CLG, 2007).

- 2.8 The primary objective of the housing development needs assessment (the SHMA) is to identify the future quantity of housing needed, including a breakdown by type, tenure and need (PPG ID2a 002).
- 2.9 Housing need refers to the scale of housing likely to be needed in the housing market area over the plan period, should cater for the housing demand in the area and identify the scale of housing supply necessary to meet that demand (PPG ID2a 003).
- 2.10 The assessment of need is an objective assessment based on facts and unbiased evidence and constraints should not be applied (PPG ID2a 004).
- 2.11 Use of the PPG methodology for assessing housing need is strongly recommended, to ensure that the assessment is transparent (ID2a 005). The area assessed should be the housing market area (ID2a 008), reflecting the key functional linkages between places where people live and work (ID2a 010).

PPG methodology for assessing housing need

- 2.12 The full methodology is set out at ID 2a 014 to 029 (overall housing need at ID2a 015 to 020), and is introduced as an assessment that should be based predominately on secondary data (ID2a 014).

i) Starting point estimate of need

- 2.13 The methodology states that the starting point for assessing overall housing need should be the household projections published by the Department for Communities and Local Government, but that they are trends based and may require adjustment to reflect factors, such as unmet or suppressed need, not captured in past trends (ID2a 015).

"The household projection-based estimate of housing need may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends. For example, formation rates may have been suppressed historically by under-supply and worsening affordability of housing." (2a-015) (Our emphasis)

ii) Adjusting for demographic evidence

- 2.14 The PPG methodology advises that adjustments to household projection-based estimates of overall housing need should be made on the basis established sources of robust evidence, such as ONS estimates (2a-017).

iii) Adjusting for likely change in job numbers

- 2.15 In addition to taking into account demographic evidence the methodology states that job trends and or forecasts should also be taken into account when assessing overall housing need. The implication is that housing numbers should be increased where this will enable labour force supply to match projected job growth (2a-018).

"Where the supply of working age population that is economically active (labour force supply) is less than the projected job growth, this could result in unsustainable commuting patterns ... and could reduce the resilience of local businesses. In such circumstances, plan makers will need to consider how the location of new housing or infrastructure development could help address these problems."
(2a-018)

iv) Adjusting for market signals

- 2.16 The final part of the methodology regarding overall housing need is concerned with market signals and their implications for housing supply (2a-019:020).

"The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings." (2a-019)

- 2.17 Assessment of market signals is a further test intended to inform whether the starting point estimate of overall housing need (the household projections) should be adjusted upwards. Particular attention is given to the issue of affordability (2a-020).

"The more significant the affordability constraints ... and the stronger other indicators of high demand ... the larger the improvement in affordability needed and, therefore, the larger the additional supply response should be." (2a-020)

v) Overall housing need

- 2.18 An objective assessment of overall housing need can be summarised as a test of whether the household projection based starting point can be reconciled with a) the latest demographic evidence, b) the ability to accommodate projected job demand, c) the requirement to address worsening market signals. If it cannot be reconciled, then an adjustment should be made.
- 2.19 The extent of any adjustment should be based on the extent to which it passes each test. That is,
- It will at least equal the housing need number implied by the latest demographic evidence,
 - It will at least accommodate projected job demand; and,
 - On reasonable assumptions, it could be expected to improve affordability.
- 2.20 The approach used by Barton Willmore to objectively assess overall housing need follows the methodology set out in PPG 2a-014:20 and summarised above. The result is a policy off assessment of housing need that takes no account of the impact of planned interventions, strategies and policies.

vi) Affordable housing need assessment

- 2.21 The methodology for assessing affordable housing need is set out at 2a-022 to 029 and is largely unchanged from the methodology it supersedes (SHMA 2007). In summary, total affordable need is estimated by subtracting total available stock from total gross need. Whilst it has no bearing on the assessment of overall housing need, delivering the required number of affordable homes can be used to justify an increase in planned housing supply (2a-029).

"The total affordable housing need should then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments ... An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes." (2a-029) (our emphasis)

Barton Willmore Methodological Approach

- 2.22 Barton Willmore's approach to OAN closely follows the approach set out in PPG, and is therefore methodologically robust.

Stage One – Define the Housing Market Area Boundary

- 2.23 Before any assessment can be carried out, the limits of the HMA must be defined. This is vital to ensure that the OAN reflects the social and economic dynamics of the area, and informs discussions on distribution should a particular LPA within the HMA face insurmountable challenges in accommodating its own demand for housing.
- 2.24 As a starting point, research from the Centre for Urban and Regional Development Studies (CURDS) at Newcastle University is consulted, and compared against ONS Travel to Work Areas (most recently produced in 2007 from 2001 Census data – update due in 2015) and HMA definitions applied within recent LPA evidence base studies. These definitions are then tested using commuting and migration flow data (plus data on house prices) to determine which is most appropriate for the purpose of assessing housing need, taking account of guidance set out at PPG ID: 2a-009 to 013. The HMA area as defined and used by the LPAs has also been considered within this assessment.

Stage Two – Identify and Adjust Demographic Starting Point

- 2.25 The CLG 2012-based Household Projections (released in February 2015) act as the starting point for assessing housing need (as established at PPG ID: 2a-015). However, these projections alone do not constitute OAN – several adjustments are required based on further evidence.
- 2.26 The first adjustment made is to account for suppressed household formation inherent in the 2012-based household formation rates. The problem of suppression arises because although formation rate projections are based on a long run trend which takes its bearings from Census points since 1961/71, that trend is distorted by the results of the 2011 Census, taken at a time when formation was greatly constrained by economic factors (supply, affordability and the aftermath of recession). An adjustment therefore needs to be made to the household formation rate assumptions, relative to local circumstances. To do this, a return to the household formation rates assumed in the last pre-recession household projections series can be incorporated into the forecasting model, for specific age groups and by gender, as appropriate.

- 2.27 A further adjustment can also be made to test alternative assumptions of net migration. Again, the recession has had a distorting effect on the movement of people between places, so longer term trends can provide a more robust guide of likely migration patterns in the future. However the short-term trend (past 5 years) can be justified.

Stage Three – Assess Labour Force Capacity

- 2.28 To identify the extent to which forecast labour demand will be accommodated by the OAN following the approach described above, a comparison is made between the size of the workforce arising from the adjusted demographic-led modelling, and job creation forecasts, taking into account 'policy-off' average job growth trends forecasts from three sources; Experian Economics, Cambridge Econometrics, and Oxford Economics; and potential changes in unemployment and economic activity rates over the plan period. The ratio of residents in employment and workforce jobs (the commuting ratio) is also an important input into this process.
- 2.29 If the size of the resulting workforce is less than the forecast number of jobs, it is likely that a further uplift in the dwelling target would be required. Should this occur, additional jobs-led modelling is carried out to identify the population growth (and therefore number of dwellings) required to supply sufficient labour capacity.

Stage Four - Assess Market Signals

- 2.30 Housing costs in all parts of the country are less affordable now than 20 years ago, largely due to a significant decline in the number of homes being built. The extent to which this breakdown between the supply of and demand for housing occurs within the subject HMA is observed through an analysis of Market Signals.
- 2.31 Several key Market Signals are assessed including House Prices, Private Rents, Affordability, Concealed and Overcrowded Households and Completion Rates. As stipulated at PPG ID: 2a-020, a worsening trend in any of these indicators requires a boost to the planned level of housing supply.

Stage Five – Bringing the Evidence Together

- 2.32 Overall housing need is identified by distilling the analyses discussed above into a single OAN for the period 2012-2035. This figure, by definition, does not take into account policy considerations which may place constraints on supply or limit the deliverability of housing. Housing need figures are provided for the relevant individual LPAs, but distribution of the

overall HMA OAN will in practice be subject to agreements between LPAs being made, including any constraints in particular areas.

Stage Six – Affordable Housing Need

- 2.33 The extent to which the OAN arrived at through the previous stages would meet affordable need is also assessed. Where the local authority SHMA has provided a recent and detailed account of affordable need which draws on primary research, this is used as the basis for much of the analysis. Where an LPA has not undertaken an affordable housing need assessment, an indication of what the requirement would be to meet the LPAs affordable policy is provided.

Chapter Summary

- 2.34 The approach of national policy and guidance clearly states the importance of objectivity and transparency in the assessment of housing requirements. This study has been prepared in accordance with this approach, and uses data and methodologies (where possible) which can be traced and replicated. The ultimate output of this study is a clear, unambiguous recommendation for housing development which is supported by a robust evidence base and sound assumptions.

3.0 POPGROUP AND DEMOGRAPHIC FORECASTING MODEL

3.1 The POPGROUP and Derived Forecast (DF) model is a well-established demographic model developed to forecast population, households and the labour force for specified geographical areas. POPGROUP has over 90 users, including academic and public service staff in housing, planning, health, policy, research, economic development and social services. It is the industry standard in the UK for demographic analysis within strategic planning. More information about POPGROUP can be found at <http://www.ccsr.ac.uk/popgroup/index.html>

3.2 The main POPGROUP model uses standard demographic methods of cohort component modelling that enables the development of population forecasts based on births, deaths and migration inputs and assumptions. In summary, this methodology adopts the following approach:

- take a base population by single year of age and gender;
- add births and 'in' migration (by age and gender) for year 1;
- subtract deaths and 'out' migration (by age and gender) for year 1;
- age the entire population by one year;
- results for year 1 can be noted;
- repeat the process above for each subsequent year of the forecast

3.3 The POPGROUP model can be used in conjunction with the DF model to produce household and labour force projections and subsequently to use housing and jobs as additional assumptions and constraints in further population projections.

3.4 Importantly the POPGROUP Model provides:

- independent projections that do not rely on other commercial forecasts;
- the ability to replicate Central Government population and household projections;
- the ability to run alternative 'what if' scenarios;
- flexibility to change data assumptions;
- a systematic, rigorous and transparent method so that results are easily traced back to assumptions;
- considerable disaggregation (e.g. annual forecasts, by single year of age and household types by age of 'head of household' for example)

- 3.5 In order to assess OAN, firstly the Central Government 2012-based population and household projections are re-produced within the POPGROUP model. This enables the starting point estimate of need to be determined according to PPG.
- 3.6 The POPGROUP model is then used to undertake a series of sensitivity tests by changing a number of input assumptions. The model assumptions that can be changed by the user are:
- starting population (by age and gender);
 - fertility rates (by age);
 - mortality rates (by age and gender);
 - household assumptions (vacancy rates, proportion second homes);
 - household representative rates (proportion of population, by age, gender and marital status, that are head of household);
 - in-migration profile (by age and gender and whether a migrant originates from elsewhere within the UK or from overseas);
 - out-migration profile (by age and gender and whether a migrant emigrates to elsewhere within the UK or overseas);
 - phasing of dwellings.
- 3.7 The first sensitivity test that is undertaken is to test the impact of alternative household formation rates in comparison to the rates used by CLG to produce the most recent 2012-based household projections. Household formation rates indicate the likelihood of a person to form a notional head of household. Household formation rates (by age and gender) are applied to the generated population forecast in order to indicate the future number of households and by analysing change over time can be used to indicate a future housing need requirement once an adjustment has been applied to take account of vacancy and second homes. This sensitivity test models the impact of applying a gradual full return to the 2008-based household formation rates for 25-34 year olds by 2035.
- 3.8 The second sensitivity test modelled within POPGROUP is to apply alternative migration trends in comparison to those used to produce the 2012-based Sub National Population Projections (SNPP). The 2012-based SNPP draw trends from the five-year period 2007-2012; a period reflecting deep economic recession which in some places resulted in atypical migration patterns.
- 3.9 The 2012-based ONS SNPP for Medway assumes net in-migration to Medway of 840 people per annum, 2012-2035. This is based on trends drawn from the period 2007-2012. Analysis of net migration over this period indicates net migration of 941 people per annum over this period

which is lower than average net migration of 1,159 people per annum drawn from a more recent 5-year period (2009-2014). Despite net migration to Medway increasing in recent years, it is uncertain whether this trend will continue. For this reason Barton Willmore consider the 2012-based SNPP to provide a reasonable demographic projection for Medway at this point in time. However, our approach may be adjusted in light of new evidence (for example, if the release of subsequent Mid-Year Population Estimates illustrates net migration to Medway continuing to increase).

- 3.10 In light of this, no alternative migration trends are presented for Medway. However, if they were, our approach to modelling alternative migration trends is outlined below.
- 3.9 There are two different ways to approach the consideration of alternative migration trends:
- The counts approach is based on the average net migrant count per year, by age and gender, for each migration flow (in and out) over a given period;
 - The rates approach is based on the average migrant count per year divided by the reference population, by age and gender for each migration flow over a given period. The reference population is taken to be UK population minus district population for in flows and district population for out flows.
- 3.10 Each approach will lead to slightly different results. For example, a 5-year trend of counts will result in a different population projection to one based on a 5-year trend of rates, yet both are reflective of a short-term (5-year) trend. No approach is right or wrong. However, a counts approach uses a fixed number of total migrants in each year of the projection period. In reality, this is unlikely to happen and migration counts will fluctuate. A rates based approach applies the past trend of age and gender specific migration rates to the changing demographic profile and as a result the number of migrants in each year of the projection period will be different.
- 3.11 Our preference is to use the rates based approach as in addition to reflecting past trends, it responds to the changing demographic profile, providing in our opinion, a more robust assessment. Furthermore this is the approach used by ONS to produce the Sub National Population Projections.
- 3.12 Model outputs from the sensitivity tests provide an indication of the resident labour supply that would be generated from the given scenario and by applying assumptions regarding unemployment and economic activity this can be used to determine the number of jobs that could be supported. This enables a conclusion to be reached as to whether the demographic-led assessment of need would support job growth in line with past trends and economic

forecasts. If it is determined that the demographic-led assessment of need would not support economic growth in line with past trends and economic forecasts, the POPGROUP model is then used to determine what level of housing would be required to support such economic growth.

- 3.13 The POPGROUP model is used to produce a population forecast constrained to an annual job growth target as indicated by past trends and/ or economic forecasts. In a job-led forecast the POPGROUP model calculates the required population and dwelling growth needed to support the future job target. In this type of forecast the model forecasts the population through the cohort component methodology but increases (or decreases) the population accordingly to meet the set job target by altering migration levels.
- 3.14 The POPGROUP model contains data specifically relating to the local authority under consideration in order to reflect the socio-demographic profile of the study area. The data assumptions and sources used to produce the Medway Unitary Authority forecasts are presented in the next section.

4.0 DATA SOURCES AND ASSUMPTIONS

- 4.1 The data assumptions and sources that have been used in the POPGROUP model to produce the OAN for Medway Borough are presented in Table 4.1.

Table 4.1: POPGROUP modelling assumptions

Variable	Data set	Source
Base population	2012 Mid-Year Population Estimates by single year of age and gender are used as the base population.	Office for National Statistics (ONS)
Fertility rate	Age specific fertility rates	ONS 2012-based Sub National Population Projections
Mortality rate	Age standardised mortality ratios by gender	ONS 2012-based Sub National Population Projections
Migrant profile	Age and gender specific migration rates broken down by in-migrants from overseas, in migrants from elsewhere within the UK, out-migrants to overseas, out-migrants to elsewhere in the UK	ONS 2012-based Sub National Population Projections.
Communal establishment population	Age and gender counts of people living in communal establishments. For ages 75+ proportions rather than counts are used to reflect the ageing population.	CLG 2012-based household projections
Household representative rates	Household representative rates by age and gender	CLG 2012-based household projections (Stage One) with sensitivity testing a full return to 2008-based rates by 2035 for those aged 25-44 years
Vacancy/ Sharing/ Second home rate	Proportion of dwellings vacant and second homes (3.3% in Medway).	2014 Council Tax Base and Live Table 125/615 (CLG)

Commuting ratio	Ratio based on residents in employment divided by workplace jobs (1.28 in Medway).	2011 Census Travel to Work Statistics (Table WJ01UK), ONS
Unemployment rate	APS model-based 2011 estimates falling to average rate between 2004 and 2007 by 2021 and then held constant (9.6% in 2011 falling to 5.5% in 2021).	Annual Population Survey (APS), ONS
Economic activity rates	Economic activity rates by age and gender are applied to the resident population to calculate resident labour force	2011 Census (ONS) and projected following Kent County Council (KCC) November 2014 methodology to take account of changes in retirement age (brief summary outlined below)

Projecting economic activity rates

- 4.2 Projecting economic activity rates has followed the Kent County Council methodology. This is a reasonable approach as it is the only contemporary research that we know of that seeks to predict what might happen to activity rates in the future, taking account of changes to the state pension age and trends in participation including working into old age. Economic activity rates have been calculated using 2011 Census data. Rates for 16 and 17 year olds have been calculated separately to model the impact of the extension of state education to 18 years of age by 2015. The expected impact of which is to slightly reduce economic activity of 16 and 17 year olds post 2015 (although account is taken of the fact that some will still have part-time jobs).
- 4.3 Economic activity rates for the remainder of the population are calculated by 5-year age group. Rates are projected to 2020 following the rate of change projected in the last set of national activity rate projections (2006). Post 2020 rates are held constant for all age groups falling between ages 18 to 49 years. For all age groups over 50 years, activity rates are increased to take account of the extension to State Pension Age and the effective abolition of age-related retirement.