



Alison Rock
c/o Medway Council
Gun Wharf
Dock Road
Chatham
Kent
ME4 4TR

14 Regent's Wharf
All Saints Street
London N1 9RL

020 7837 4477
london@nlplanning.com

nlplanning.com

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Dear Ms Rock

Medway Core Strategy: Matters and Issues for Examination

We are writing in response to Medway Council's Matters and Issues for Examination as identified by the Inspector for the upcoming Core Strategy examination which is due to take place between the 12 June and the 19 June, 2012. We write on behalf of our client 'The Peel Group' who is a major land owner in the Borough as well as the statutory harbour authority for the River Medway. Peel is a real estate, transport and infrastructure business with 5,000 employees, £6 billion gross assets and strong track record in delivering major development schemes e.g. the Trafford Centre and Liverpool Airport. Peel is also the second largest port operator in the country. The company is committed to continued investment in Medway at its land holdings within the Borough. We are due to appear on behalf of Peel at the Core Strategy Examination Hearings on 13 June on Matters 3 and 4: housing supply and location; and employment and retail development.

NLP have submitted representations on behalf of The Peel Group in relation to their landholdings at Chatham Docks and Wooley's Orchard, Lower Rainham Road, during the publication draft Core Strategy consultation in October, 2011, the Issues and Options consultation in September 2009, the call for sites exercise in January 2009, the SLAA in April 2010 and the Pre-Publication Core Strategy in December 2010. The suggested changes in our representations to the October 2011 publication draft remain relevant and necessary to achieve a sound Core Strategy, but are not repeated here.

Peel have recently submitted an outline planning application for a major regeneration scheme at Chatham Docks, involving the rationalisation of the currently under-utilised site and the freeing up of a 10.5ha parcel of land for redevelopment, with existing uses being relocated elsewhere on the Chatham Docks site. The application (*ref: MC/11/2756*) is for an employment led mixed use development comprising up to 180,000m² of floorspace, incorporating employment uses (B1/B2), up to 950 residential units, student accommodation, hotel, leisure, conference, events and education facilities, retail uses (including a foodstore), an energy centre, and associated landscaping and works. The application was submitted in October 2011 and is due to go to planning committee on 30 May 2012. The application has an officer recommendation to approve,



and as such may have a resolution by the time of the Examination. This scheme is branded as Chatham Waters.

We set out Peel's representations to the relevant matters below:

Matter 3: Housing supply and location

a) Will the strategy deliver the number of new homes required to meet the RS requirements/ identified needs?

The Core Strategy's aim to provide at least 17,930 homes throughout the Plan period (2006 - 2028) works out at an average of 815 homes per annum which is at a rate commensurate with the South East Plan (SEP) target. The SEP target is, however, a minimum and Policy H2 of the SEP along with the supporting text at para 7.7 indicate that Local Authorities can test higher numbers through their local plans provided they are consistent with the principles of sustainable development. Peel welcomes the Council's commitment to delivering housing growth across the Borough. Notwithstanding, the National Planning Policy Framework (NPPF) requires local authorities to meet the objectively assessed development needs of their area. In this regard, the latest published CLG household projections (2008) identify household growth of 20,000 across the plan period 2006 and 2028 (909 households per annum) for Medway. Given that these household projections show a slight increase in the number of dwellings needed to house the projected population in the Borough by 2028, it is imperative that to meet objectively assessed development needs sufficient housing development is delivered. To ensure that housing demand is met, there must be a sufficient range and number of deliverable sites, including appropriate greenfield sites.

Given existing difficulties of bringing forward a number of the large brownfield sites which Medway's housing supply relies upon, particularly in the wake of an economic downturn, the Council should consider additional sites through the site allocations process, and the Core Strategy's target of 17,930 homes should be identified as a minimum. This will provide alternatives to large brownfield sites and increase the likelihood of achieving the housing target in the event that not all of the regeneration sites currently identified come forward within the Core Strategy period. Whilst the priority should remain delivering development on regeneration sites and previously developed land within the urban boundary, such as Chatham Docks, the Core Strategy should also recognise that a range of sites need to be provided, including small sites outside the urban boundary which should also have a role to play in delivering housing where they are appropriate in scale and well related to the existing urban area. It is therefore not appropriate to cap housing delivery at an artificial level which would over-rely on a single site typology (e.g. large brownfield regeneration schemes). This approach, which is clearly apparent in the Medway Core Strategy, has significant risks of non-delivery, on this basis the plan is not sound.

b) Are the locations identified for the supply of new housing the most appropriate when considered against all reasonable alternatives?

As explained above, the Core Strategy needs to include a range of sites for housing to ensure that the supply of housing is met.



It is noted that the Chatham Docks site has not been identified as a regeneration site, despite the substantial opportunity for employment-led mixed-use regeneration, including some housing elements, which the site provides. Peel considers that due to the site's potential to deliver both housing and economic growth within the Borough, it should be identified as a regeneration site within the Core Strategy. The Council's previous position in this regard is that *"the Core Strategy is not a site allocations document"*. Peel consider that given the 10.5ha Chatham Waters scheme for mixed use employment-led regeneration at Chatham Docks, its key role in safeguarding a rationalised port, and its importance in delivering the strategic aims of the Core Strategy, the document should be more positive in references to regeneration of Chatham Docks including the introduction of the proposed mix of uses.

It should be noted that the 40ha Chatham Docks estate, including the 10.5ha site and the remaining employment areas, are of a comparable scale to other regeneration areas. The site has significant potential for high density mixed use development, including employment, housing, leisure, retail and tourism related uses, which would benefit from the waterfront location and would complement regeneration and development that has occurred around no.1 Basin, no.2 Basin, on St Mary's Island and particularly at Gillingham Pier (Victory Pier scheme by Berkeley).

Assuming the 10.5ha Chatham Waters scheme has a resolution to approve, or is formally granted, outline planning permission, the Core Strategy must recognise the contribution it could make to the delivery of regeneration in this location, including the delivery of housing.

The SLAA identifies that the preferred option for the Chatham Docks site as a whole should be employment uses however, table 7 identifies that the site has the potential to deliver either: 2,065 residential units; 141,750sqm employment uses; 17,500sqm retail uses; or a mix of residential (1,300sqm), employment (31,500sqm), retail, leisure and tourism (6ha) uses. Although the site has the potential to deliver employment growth, as highlighted by the officer's recommendation to approve the Chatham Waters scheme on a 10.5ha parcel of Chatham Docks, residential on the site is an accepted principle in policy terms as part of a mixed-use regeneration scheme.

To ensure that projected housing demand is met, the Core Strategy needs to allow for the allocation of a range of sites, including greenfield sites, that will help to deliver the housing demand should development on brownfield sites stall or be abandoned, as has happened on numerous major brownfield schemes within the Kent Thames Gateway area, including Medway. Paras. 5.1 and 5.7 in the Core Strategy seek to protect greenfield sites and prevent development in favour of development taking place almost wholly on previously developed land. However, whilst Peel supports the prioritisation of brownfield land, it is considered that some greenfield sites should be allocated for housing so as to ensure that a sufficient range and distribution of sites to allow housing demand, and a minimum housing target, is met. Para. 112 of the NPPF states that where development of agricultural land is required, planning authorities should seek to use land of a poorer quality. This shows that allocating some poorer quality greenfield sites could be in accordance with national planning policy.

The Core Strategy must provide sufficient flexibility for greenfield sites to plug any locational and qualitative gaps in supply that could well occur if the strategic brownfield sites which comprise the majority of Medway's future housing supply fail to come forward (as they have done in previous buoyant market conditions). The current approach could be interpreted to mean there is no need/or potential for windfall sites to come forward or for suitable greenfield opportunities that



would not jeopardise the strategy and would meet specific needs to come forward. The Core Strategy as it currently stands could also prejudice delivery of housing in certain sub-areas of the Borough, such as Rainham, where there are more limited opportunities to deliver development on brownfield land. Additional opportunities will be needed to ensure the appropriate rate of completions keeps pace with market demand, within locations where there is demand. These reasonable alternatives to a brownfield location only strategy have not been considered.

c) Is there a reasonable prospect that the identified sites are deliverable/developable during the plan period, particularly those sites that have been carried forward from the local plan?

Para. 5.7 of the draft Core Strategy notes that the Council *"has little control over the private market in terms of actual delivery, particularly given the current uncertainty with regard to the economic recovery"*. Whilst it is understood that the Council will continue to do their utmost to ensure delivery, Peel considers that it is unlikely that all of the identified sites will be deliverable/developable during the plan period, particularly given the scale of infrastructure hurdles and economic difficulties. If these sites are not delivered, then the Core Strategy will not have delivered its housing targets, thus leading to a shortfall of housing. To mitigate this scenario, the Council may wish to explore through the Site Allocations DPD the extent to which a range of additional sites should be allocated to ensure delivery of the planned housing target, as explained in the section above. However, the Core Strategy must allow a certain degree of flexibility to enable this.

Matter 4: Employment and retail development

a) Is the overall job requirement figure realistic and achievable? Is it founded on a robust and credible evidence base?

Peel supports the Council's aim to plan for higher growth and set a target of 21,500 additional jobs by 2028, as outlined in para. 3.20 of the draft Core Strategy. Peel is a major investor in Medway and supports the Council's aim to increase employment, reduce out-commuting and improve economic activity rates as outlined in para. 3.19 of the draft Core Strategy. To achieve this, the Strategy must be pro-active and positively prepared to ensure there are sufficient opportunities for employment development to deliver the growth which can support the achievement of this job requirement figure. As outlined below, the Chatham Docks site has the potential to help deliver these aims and improve the employment rates and economic growth of Medway.

b) Are the proposed locations for employment development the most sustainable?

Peel consider that the Chatham Docks estate should be identified within the Core Strategy as a regeneration site, with potential for employment-led mixed-use development on 10.5ha parcel as per the Chatham Waters scheme. Chatham Docks is in a highly sustainable location within the urban area of Chatham and Gillingham. It is not explicitly identified under Policy CS17, falling under the part of the policy that states:

"The Council will protect established employment areas from other development and support higher density development where appropriate, and promote reinvestment strategies for each."



Whilst the premise of this policy is supported, in particular higher density development and reinvestment strategies for employment, the policy tool is unnecessarily blunt in that it fails to recognise the role other development can have in supporting, enabling and delivering economic development. This is particularly the case for the 40ha Chatham Docks employment site, where specific circumstances mean that this approach in Policy CS17 is potentially incongruous with Policy CS25 which seeks the safeguarding of Chatham Docks as a working port.

Peel's strategy for securing the ongoing use of Chatham Docks as a Port involves delivery of the Chatham Waters scheme on 10.5ha parcel of the estate, with some rationalisation of the port activities in response to its current and future role as a commercially viable working port. At present this area only employs around 75 people (7.5 employees per hectare) and the proposed redevelopment will generate employment for over 3,500 people in total (direct and indirect). The rationalised port related activities will be retained on a smaller but more efficient port area within the Chatham Docks site. This will safeguard Chatham Dock's use as a port over the Core Strategy period by helping to delivering necessary infrastructure investment. Currently, para. 8.22 of the draft Core Strategy references safeguarding of the Port, although it recognises that some consolidation within the site is possible.

Whilst over the Core Strategy period safeguarding of the berths and port capacity is appropriate, and the regeneration strategy including the rationalisation of the part of the estate used for port related employment will ensure this occurs, it is important that the Core Strategy provides a platform to enable Peel to effectively manage the asset and deliver investment in the areas of the site to be used for port related employment. This is particularly import given the role of comparable, better equipped, facilities elsewhere along the River Medway and the need for Chatham Docks to respond to future trends and changes in the sector.

The site represents a significant potential redevelopment opportunity with the Port operating on a smaller scale and development on a 10.5ha parcel to create further employment and housing through a mix of uses on a portion of the south side of the site. There are a number of key factors which need to be considered and which support the identification of Chatham Docks as an employment-led regeneration site:

- i The redevelopment of the site will open up further views and walkways along the river, upon what is currently an inaccessible part of the riverfront, which is consistent with the objectives of the Medway Waterfront Renaissance Strategy;
- ii The site currently has a low employment per hectare ratio and it is considered that any new development would create higher employment numbers than existing, helping to support the delivery of the 21,500 additional jobs targeted in the Core Strategy; and
- iii Tenants have been vacating the site (e.g. Convoys) and Peel Ports are investing in the site to ensure more vacancies do not arise. The proposed Chatham Waters mixed-use development and the rationalisation and re-organisation of the remaining Port estate will ensure the Chatham Docks site can continue to be an excellent location for employment in the Borough;



- iv The site provides the opportunity for phased redevelopment over a long period with the Chatham Waters scheme on the Southside coming forward over the Core Strategy period (i.e. to 2026) and linking into the wider Gillingham Waterfront area. The Northside would continue to operate as a rationalised Port over this period, with opportunity for potential redevelopment over a longer term period (beyond this Core Strategy), depending on the future operational requirements of the port.

The Chatham Docks site has been identified in the SLAA as a potential employment location and Peel support the recognition that the site can deliver employment growth. However, this should not be restricted to only class-B uses, and table 7 in the SLAA outlines, the site has the potential to deliver a large mixed-use development which would help rejuvenate the area.

Significant improvements to port infrastructure, including in relation to the deterioration of the lock gates which give access to the basin at Chatham Docks, are required to safeguard the future of Chatham Docks. The Core Strategy is unsound because whilst it seeks to safeguard port related uses it fails to identify how this will be achieved, when there is a clear strategy from Peel and a proposed scheme for mixed use redevelopment of a 10.5ha parcel of Chatham Docks. The approach in CS25 is unviable and inappropriate, in the context of the necessary investment in infrastructure associated with maintaining port capacity and operations at the Chatham Docks. Policy CS25 and the associated supporting text on Chatham Docks at 8.22 and 9.17 needs to make reference to the existing mixed-use regeneration scheme that ensures these improvements can be achieved. This is an approach which has been accepted by the Council through the negotiations on the Chatham Waters planning application which has an Officer recommendation for approval at the current time.

It is imperative for a sound Core Strategy that the 40ha Chatham Docks site is given a policy platform that enables Peel to deliver a rationalised port, with recognition of the proposed mixed-use development on a 10.5ha parcel of the site, and the use of the remaining land for employment uses (both B-class and non-B as appropriate for an employment site of this scale and location) in order to provide the necessary investment to safeguard the role of the Port as set out in Policy CS25.

We trust these representations are helpful in framing the Examination into the Medway Core Strategy and that Peel's views will be taken into account.

Yours sincerely

Martin Taylor
Senior Planner

Copy
Phil Rothwell – Peel Holdings (Land and Property) Limited