



Medway Core Strategy Plan Public Examination 2012

Proposed Main Modifications regarding delivery and implementation

**SUBMISSION BY
MEDWAY COUNCIL**

May 2013



1 Introduction

- 1.1 The Inspector in her letters dated 27 July 2012 and 23 January 2013, requested the Council consider how delivery and implementation issues were addressed in the Core Strategy. She specifically directed the Council to the challenge questions from the DCLG Plan-Making Manual that relate to 'Delivery and Implementation' and 'Flexibility and Accommodating Change'. Her view was that *"Notwithstanding the comments made on this issue in your statement on Matter 2, I am not convinced that these questions have been adequately addressed in the CS"* and at that point she intended to include this as an issue for the reconvened Hearing sessions. She also identified the need for contingency measures *"in the event that Lodge Hill does not deliver development as expected"*.
- 1.2 The Inspector has since confirmed (in the matters and issues for the reconvened Hearing Sessions) that she intends to have a brief discussion with the Council on delivery and implementation at the Hearing sessions of 22/23 May, but is not otherwise inviting further written statements on the matter.
- 1.3 This paper addresses the Inspector's concerns regarding delivery, monitoring and implementation as set out in her letters dated 27 July 2012 and 23 January 2013. It also provides an update on the additional work that the Council has done on the matter, and proposes a Main Modification to the Plan.
- 1.4 The modifications set out in Schedule 1 of this paper are those that the Council proposes in this respect. The Council acknowledges that public consultation into the proposed main modifications will be required and that this may result in the need for further changes. It intends to carry this out in a comprehensive manner when main modifications in respect of other issues have also been identified. However, it is hoped that putting forward a current view in respect of the modifications that may be required will assist the Inspector in considering the matter at the reconvened Hearing sessions.

2 Additional work and progress

- 2.1 Since the Inspector issued her letter of 23 January 2013, the Council has undertaken a review of over 40 adopted Core Strategies, focusing on those that have been most recently adopted and therefore reflect the current position in respect of national policy, legislation and guidance.
- 2.2 There are a number of key themes emerging from this review, in respect of the way that monitoring, implementation and contingency are dealt with in the relevant plans, and specifically in relation to the actions that will or may be undertaken if monitoring indicates that the strategy of the plan is not being delivered as envisaged. A large proportion of this focuses on the response to a significant undersupply in housing delivery, particularly in relation to the rolling 5 year supply of deliverable and developable sites.
- 2.3 However, the Council notes that while this is an important issue and the NPPF makes clear the significant weight that must be attached to it, the purpose of the Core Strategy is the delivery of the overall spatial vision for Medway and therefore housing land supply cannot be considered in isolation.

This approach is also endorsed by the NPPF which requires sustainable development to be the “golden thread” running through the planning system.

- 2.4 The results of the review of adopted Core Strategies, together with additional work undertaken to ensure that risks to implementation are fully understood, have informed the proposed main modifications set out in Schedule 1. These do address the issue of housing land supply, and as requested by the Inspector, specifically consider what contingencies can be put in place for Lodge Hill, but they also look at risks to the delivery of the wider vision and key objectives as set out in the Core Strategy.
- 2.5 Much of the detail included in these proposed modifications has already been referred to in the Council’s previous Hearing statements and background papers.

Schedule 1 – Medway Council’s draft Proposed Main Modifications in respect of implementation, monitoring and contingencies

Ref	Proposed modification	Reasons
MOD1	<p>p129</p> <p>Amend para. 11.5 (first bullet point) as follows:</p> <p><u>“...in a volatile economic climate. This approach will continue into the production of the Site Allocations and Development Management DPD. A new call for sites will be published to inform this document. This is likely to lead to new sites for development being identified, further improving the development land supply position.”</u></p> <p>Add 2 additional bullet points (after second bullet point) as follows:</p> <p><u>“Notwithstanding the above, the housing and employment trajectories in Appendices C and D have used conservative phasing estimates in many cases. There is every likelihood that some sites will come forward earlier or deliver faster than anticipated, including some where delivery is currently phased to continue past the end of the Plan period. There is no policy restriction on phasing, which has been carried out for information only to inform the land supply position.</u></p> <p><u>”Windfall sites have not been included in the housing and employment trajectories at Appendices C and D. Monitoring shows that small windfall sites contributed 480 dwellings in the last five years. This demonstrates that the land supply figures used in this Plan are robust and likely to be exceeded in reality.”</u></p>	<p>Whether the Core Strategy has sufficient flexibility to deal with unexpected change is one of the challenge questions in the CLG Plan-Making Manual, which the Inspector has specifically referred the Council to in her letter dated 23 January 2013. It is considered that the Core Strategy does have this flexibility, and the proposed additions to this paragraph will make this more explicit and also provide an indication of how the Council can ensure that this is carried forward.</p>

<p>MOD2</p>	<p>p130</p> <p>Amend para. 11.9 as follows:</p> <p>“...It also has a structured process for pre-applications discussions and <u>proactively engages with developers at yearly agents’ and major developers’ forums, which enables any concerns with delivery and progress of development sites to be flagged up at an early stage. The Council also brokers introductions with affordable housing providers and has had considerable success in progressing stalled sites through early delivery of and alterations to the affordable housing offer.</u> Progress is monitored by...”</p>	<p>The Council has delivered exceptionally well against housing targets over the past few years, considering the general economic context in which this has taken place, with the development industry struggling nationally. This is due to the existing systems and proactive approach of officers in various departments. It is important that the success of this approach is taken into account when considering how much importance should be attached to the risk of serious under-delivery, as the Council intends to continue and if necessary augment this approach to ensure that delivery of housing and other development remains positive.</p>
<p>MOD3</p>	<p>p130</p> <p>Amend para. 11.10 as follows:</p> <p>“... as set out in the Council Plan. <u>The Council has been very successful in bidding for funding from other sources, including central Government, to support the regeneration programme to date. While the scale of public funding available is now significantly reduced and will remain so in the foreseeable future, the Council remains committed to identifying any opportunities that may arise to use alternative sources of funding to unlock and promote the development of key regeneration sites.</u>”</p>	<p>The regeneration programme is key to the delivery of the Council’s strategy and vision. This includes the large-scale regeneration sites where public funding has to date been concentrated. This has been successful in allowing the first phases of development to begin on Rochester Riverside notwithstanding the current economic circumstances and the exceptional costs borne by that site, such as land remediation and flood defence works. The Council will make use of its considerable experience in this area to ensure that any remaining available funding is targeted to those sites and areas where it can be the most effective in unlocking development sites that will promote the regeneration of the area, particularly along the extensive urban waterfront and in the main town centres.</p>

MOD4	<p>p130</p> <p>Insert new para. after 11.10 (and renumber subsequent paragraphs accordingly):</p> <p><u>“Table 11-1 identifies the main risks to delivery of the Core Strategy, and the key actions that the Council can undertake to mitigate and respond to these risks.”</u></p>	<p>The Council has identified key risks throughout the process of producing this Core Strategy, and has undertaken further work in this respect following the identification of implementation and delivery as one of the Inspector’s concerns with the Plan. However, we recognise that this work has not been made explicit in the submission draft of the Core Strategy and therefore in response to the Inspector’s concerns we consider that the insertion of this table will give both the Inspector and prospective developers confidence that key risks have been taken into account when the vision, objectives, strategy and policies have been formulated.</p>
MOD5	<p>p130</p> <p>Insert Table 11-1 after new para. in MOD3 (and renumber subsequent tables accordingly)</p> <p>See attached Table 11-1.</p>	
MOD6	<p>p131</p> <p>Amend Policy CS34 (last paragraph) as follows:</p> <p>“... and the Medway Local-Infrastructure <u>Delivery</u> Plan is kept up to date.”</p>	<p>Minor correction in terminology, ensuring the document is referred to consistently across the Core Strategy.</p>
MOD7	<p>p131</p> <p>Amend para. 11.14 as follows:</p> <p>“... Work undertaken to prepare an Infrastructure <u>Delivery</u> Plan has examined what will be needed ... Further detail <u>on the site-specific requirements to enable the development envisaged in this Strategy</u> can be found in the Infrastructure Delivery Schedule...”</p>	<p>Minor correction in terminology, ensuring the document is referred to consistently across the Core Strategy.</p>
MOD8	<p>p131</p> <p>Insert new paras. after 11.16 (and renumber subsequent</p>	<p>The Inspector has indicated that further detail is needed in the Core Strategy regarding the points at which the Council considers intervention will be necessary, and to indicate what</p>

<p>paragraphs accordingly):</p> <p><u>“If this monitoring indicates relatively low levels of under-delivery (between 10% and 19%), whether against housing, employment or other forms of development, the Council will consider whether it is necessary to take further action to remedy this. It will take into account the prevailing economic circumstances, whether there are other factors beyond the Council’s control that are influencing the under-delivery, and whether the indications are of a short-term interruption in delivery or a longer-term trend.</u></p> <p><u>“The actions that will be taken to remedy low levels of under-delivery may include the following:</u></p> <ul style="list-style-type: none"> • <u>Engaging with developers (both on a site-specific basis and more generally) to identify what problems are causing the under-delivery and what solutions may be possible;</u> • <u>Considering renegotiation of existing s.106 agreements to ensure that development remains viable while still delivering the necessary infrastructure to meet its needs and impacts. This will include consideration of phasing of payments under the Council’s existing protocols;</u> • <u>Using existing systems to allow affordable housing providers and grants to help unlock stalled housing sites;</u> • <u>Inviting submission of amended planning applications, whether under s.73 of the Town and Country Planning Act 1990 (as amended) or otherwise, where reconfiguration of a proposed development would improve viability or allow high-cost infrastructure to be delayed to a subsequent phase; and</u> • <u>Considering whether alternative sources of funding are</u> 	<p>actions may be taken. It is considered that these additional paragraphs address the issue thoroughly and demonstrate that the Council is fully aware of and able to respond to under-delivery. “Soft” measures such as proactive engagement and renegotiation of application proposals and s.106 agreements are already carried out as a matter of course, and as indicated above have been generally successful in the current uncertain economic times. Apart from these, it is considered that the main scope for intervention lies in the ability of the Council to provide or source funding to unlock sites, and in the additional flexibility that the Site Allocations and Development Management DPD can provide.</p> <p>The Inspector has also raised the issue of contingency (specifically in respect of Lodge Hill), and it is considered that the Site Allocations and Development Management DPD is the best place for this to be addressed, insofar as it relates to under-delivery of housing numbers or employment floorspace. Making this expectation explicit within the Core Strategy should resolve any outstanding concerns that the issue has not been adequately considered.</p>
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	<p><u>available to invest in up-front infrastructure to unlock stalled sites, including bidding for funding from external sources, introducing additional development partners or use of any available Council regeneration and infrastructure funding.</u></p> <p><u>“It is anticipated that in most circumstances these actions will be sufficient to ensure that delivery of the Strategy will not be prejudiced, and to remedy any slight problems before they become more serious.</u></p> <p><u>“However, where these actions do not improve the situation or where there is a higher level of under-delivery (20% or more), and the information available suggests that this is likely to continue over a period of three years or more, the Council will also consider whether there is a need to review either the Core Strategy or the Site Allocations and Development Management DPD.”</u></p>	<p>A review of the Site Allocations and Development Management DPD would allow reclassification of existing allocations or identification of further development sites, if this was considered to be the most appropriate response. This is more likely to be the case where there is a relatively low level of under-delivery but the softer measures have had limited effect. Alternatively if monitoring suggested that the strategy as a whole was failing, then this would require a review of the Core Strategy itself.</p>
<p>MOD9</p>	<p>p131</p> <p>Amend para. 11.17 as follows:</p> <p><u>“... through the AMR. This could include major decisions outside of the Council’s control, such as the location of a proposed Lower Thames Crossing, or a decision to progress the option of a new airport on or near to the Hoo Peninsula.</u></p>	<p>As above, this is intended to provide a firmer indication of the point at which intervention may be necessary, as requested by the Inspector. It is a recognition of the fact that no matter how flexible the Core Strategy may be, there will always be some changes in circumstances that cannot be adequately foreseen or would be so significant that a radical change of direction may be required.</p>
<p>MOD10</p>	<p>p131</p> <p>Insert new para. after 11.17 (and renumber subsequent paragraphs accordingly):</p>	<p>The Inspector has specifically requested that the Council consider contingencies in respect of Lodge Hill. While the Council’s position remains that the Core Strategy is sound with the inclusion of the Strategic Allocation at Lodge Hill, it has taken on board the Inspector’s concerns regarding the flexibility and</p>

<p><u>“Although the Council is assuming a significant proportion of housing and employment growth will take place in the Strategic Allocation at Lodge Hill, a reduction in the quantum of development possible at this site (as a result of detailed negotiations relating to a planning application, for example) would not in itself necessitate a review of the Core Strategy. A reduction in quantum to around 3,500 units (and a similar reduction in employment generation) would not undermine the role that the Strategic Allocation plays in the Core Strategy. Any reduction in quantum up to this point would be dealt in the same manner as any other issues of under-delivery, as set out above.”</u></p>	<p>robustness of the strategy and this paragraph reflects the outcome of the additional work that has been undertaken to analyse the impact of various scenarios on the Core Strategy as a whole. This reflects the fact that the outcome of the negotiations that take place through the planning application process cannot be pre-judged.</p>
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Proposed Main Modifications: Implementation and delivery

Risk	Mitigation measures & contingency
<p>A continued economic downturn & uncertainty leads to difficulties in delivering the required amount of housing and other development</p>	<ul style="list-style-type: none"> • Continue to take viability into account when determining requirements for obligations such as through s.106. • Continue to use existing systems and proactive engagement with developers and landowners to unlock approved and allocated sites wherever possible • Use Site Allocations and Development Management DPD to provide a range of sites such that the development targets are not overly dependent on the most difficult and expensive sites to develop • Annual monitoring of completions & phasing through the SLAA refresh
<p>Lack of public sector funding means that supporting infrastructure and facilities required to improve the image and quality of life of Medway are difficult to deliver.</p>	<ul style="list-style-type: none"> • Make use of partnerships with third party providers and private developers to lever in additional funding • Where lower amounts of public funding are available, ensure that it is targeted to those areas and projects that will deliver the most benefits & unlock potential for further investment • Work with service providers to explore other models of infrastructure delivery such as shared use of premises or partnerships with voluntary sector providers
<p>Lodge Hill fails to deliver the quantum of development envisaged or delivery is at a significantly slower pace than anticipated</p>	<ul style="list-style-type: none"> • Work with developers, landowners and interested parties to ensure problems are identified as early as possible and can be resolved before they become significant • Use Site Allocations and Development Management DPD to provide a range of developable sites such that under-delivery or slower delivery at Lodge Hill does not prejudice the overall strategy for Medway
<p>Higher value employment uses fail to come forward and/or out-commuting does not reduce at the levels anticipated</p>	<ul style="list-style-type: none"> • Continue to engage proactively with potential inward investors and promote Medway as a place to do business through the Council's Economic Development Team • Maximise links with the universities and growth industries • Encourage delivery of start-up and grow-on units where there is evidence of existing demand
<p>The level of development coming forward has a negative impact on the valuable wildlife habitats and high quality landscape within Medway</p>	<ul style="list-style-type: none"> • Work with nature conservation bodies to ensure that ecology & landscape issues are taken into account when development proposals are considered

	<p>and that planning permissions include provision for adequate mitigation & monitoring of its effectiveness</p> <ul style="list-style-type: none"> • Continue cross-boundary co-operation with North Kent local authorities and nature conservation bodies on wider ecological impacts, including work to develop a protocol for assessing & mitigating cumulative impacts on international nature conservation sites around the estuaries
<p>Major development proposals come forward that are not currently included in the plan e.g. Lower Thames Crossing, Estuary Airport</p>	<ul style="list-style-type: none"> • Ensure that Medway Council engages fully with any consultations etc. around national-level proposals so that local impacts (positive and negative) are taken into account • Use existing pre-application advice procedures and proactive engagement with developers to ensure that early warning is received on any major commercial projects • Undertake a review of the Core Strategy when and if such proposals are confirmed.