

# **Medway Core Strategy**

**Representations by Medway Magna Ltd (45)**

**Matter 2 Spatial Vision 12th June 2012**

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## **1: Introduction**

- 1.1 Medway Magna have participated in all stages of the preparation of the Medway Core Strategy. The previous attempts by the council to produce a Core Strategy failed because it was found unsound and withdrawn in September 2007
- 1.2 The intervening 4-5 years has seen the evolution of the Submission Draft Core Strategy (DCS), which is now an over long document and identical in its spatial approach to the document that was previously found unsound. The DCS proposes a “regeneration first” strategy which has previously failed.
- 1.3 It relies on an evidence base which runs to circa 200 documents, many of which are out of date, e.g. Rochester Riverside Development Brief 2004, or irrelevant, e.g. Schools Organisational Plan Principles 2008. Where the evidence base is up to date and relevant, e.g. State of Medway Report, Economy and Employment 2010, the DCS not only ignores its findings but takes a diametrically opposed approach to those findings (see below).

- 1.4 Other elements of the evidence base that are said to justify the emphasis in the DCS on regeneration, consist of a number of studies and Development Briefs and are set out in the Spatial Strategy Background Paper. Many of these sites are indeterminate in the extent of development, e.g. dwelling numbers, and particularly unclear on the likely timing of development (see below). This leads on to further confusion on the genuine availability of housing and employment sites set out in the Strategic Land Availability Assessment (Update Jan 2012) SLAA. Furthermore, none of the sites in the SLAA have been properly assessed, in terms of their deliverability. This issue and the perceived shortcomings of the SLAA as a housing delivery tool are discussed in a written submission for Matter 3 - Housing Supply and Location.
- 1.5 The nature of this Examination is not to go into the minutia of the documentation, but to look at the broad principles on which the DCS is based and whether the evidence base supports it. It also, in this context, needs to be positively prepared, justified, effective and consistent with National Policy (NPPF para 182).
- 1.6 The DCS needs to have regard to the presumption in favour of sustainable development, now embraced in the NPPF. This requires the inclusion of the model policy produced by the Planning Inspectorate, which the council appear to be resisting (see letter to Programme Officer dated 23rd April 2012). Failure to include the policy renders the DCS unsound by reason of not being consistent with National Policy.
- 1.7 The overriding necessity in Medway, as everywhere else, is to see the provision of sustainable development, particularly that associated with employment and housing, facilitated in part by an effective Core Strategy. Reluctantly, Medway Magna conclude that the DCS is not fit to achieve this objective and conclude once again, that it is unsound for the reasons set out below.

## 2: The DCS Spatial Strategy

- 2.1 The DCS acknowledges that it is being produced at a time of change within the planning system and acknowledges a need for flexibility and viability (para 1.30). However, the DCS proposes an inflexible approach to development, that in the main, is limited to riverside and town centre regeneration and a free standing settlement at Lodge Hill, where the level of development proposed is inappropriate per se and where the anticipated timing and delivery of that development is uncertain and overly optimistic.
- 2.2 This approach is seemingly justified by the statement in paragraph 5.7 of the DCS, where it is said that “Medway’s established housing delivery strategy will continue with its heavy emphasis upon the regeneration of previously developed land.....”
- 2.3 This statement is misleading when consideration is given to the evidence base. Table H3 of the council’s Annual Monitoring Report (AMR) for 2011 Vol 1, shows that the number of dwellings built on previously developed land over the five years to 2010/11, has been 58%. The figure for 2009/10 was 49%. This hardly indicates a “heavy emphasis” on previously developed land. Reference to Table H3 in the AMR, shows that for the last four years, greenfield sites have on average contributed about 50% of housing delivery. Housing delivery is discussed in more detail in the written submission for Matter 3 - Housing Supply and Location.
- 2.4 The regeneration theme is continued at paragraph 6.1 of the DCS, where it is stated once again, that regeneration goes hand in hand with growing and improving the Medway economy. The DCS states at paragraph 6.5, third bullet point, that the proposed new settlement at Lodge Hill is highly attractive, presumably for employment opportunities. This is not the case, as demonstrated by the evidence base of the DCS.

- 2.5 The Medway Employment Land Review 2010, divided Medway into a number of sub-areas, which reflected the distribution of existing employment areas, where market demand surveys indicated the market would want to locate in the future.
- 2.6 For the area known as the Peninsula, where Lodge Hill, Grain and Kingsnorth are located, the economic forecasts suggested a future requirement of 31,121 sq m, whereas what is proposed in the DCS is 765,919 sq m (DCS Tables 6.1 page 68 and 10.7 page 117) The expectation of this amount of employment floorspace on the Peninsula is simply untenable.
- 2.7 In summary therefore, the DCS proposes to now rely, virtually exclusively, for housing provision on previously developed land, where the evidence shows about a 50/50 split between pdl and greenfield sites over preceding years. Discounting the release of greenfield sites, particularly where the housing trajectory anticipates delivery at record levels (1381 dwellings per annum in 2016/17), will cause the Core Strategy to fail to deliver, which renders it ineffective and unsound.
- 2.8 Similarly, failure to recognise the need to provide the requisite levels of employment floorspace on attractive sites, in appropriate locations, also renders the Core Strategy ineffective and unsound.
- 2.9 These issues of employment and the appropriateness of Lodge Hill as a new settlement, are now examined. Housing issues are expanded upon in a separate submission for Matter 3 - Housing Supply and Location.

## **3: The Spatial Vision and Employment**

- 3.1 Outside London, the Medway Towns represent the largest urban area in the South East. However, of a total workforce of 123,500, 29,000 commute out of Medway to work elsewhere, many to London, where better paid, higher skilled jobs are available. The Core Strategy seeks to reduce the level of out commuting and increase employment opportunities in the Towns.
- 3.2 The DCS proposes a range of four employment growth options to 2028, of between 8,200 and 20,300 jobs. This range depends on the level of new jobs aimed for, with high and low reductions in out commuting. Paragraph 6.15 of the DCS states that a number of factors point to the lower end of the range unless a step change occurs in employment and out commuting patterns. It is clearly necessary for the DCS to aim to achieve such a step change and the DCS is proposing a higher growth target of 20,300.
- 3.3 It is well known that the mere fact of allocating employment land does not necessarily result in its take up, with the resultant job growth anticipated. It is self evident that the allocation of well located, good quality employment land stands the best chance of creating employment opportunities. Good quality means land being accessible to labour supply, the national transportation network and located in a good environment. Importantly, that land needs to be in a location preferred by the local business community. The NPPF at paragraph 160, requires Local Planning Authorities to have a clear understanding of business needs and maintain a robust evidence base, in this context.

3.4 Reference has briefly been made above to the Employment Land Review Consolidation Study 2010. Here, a floorspace requirement and its location (established through market demand surveys) was set out as follows:

<b>Location</b>	<b>Floorspace</b>	<b>Land</b>
Town Centre/Waterfront	150,352sq m	11.37 ha
M2	183,747 sq m	32.25 ha
Peninsula	31,121 sq m	4.29 ha
Other urban areas	27,389 sq m	6.53 ha
Overall gross gain	392,610 sq m	54.44 ha

The above was based on the higher employment rate and lower out commuting target. From Table 6.2 in the DCS (page 68), there is circa 800,000 sq m of employment floorspace, stated to be available in Medway and when this is compared to the identified requirement (392,610 sq m), the DCS at para 6.22 regards this as a very healthy supply.

3.5 This may be so, in terms of quantum but not quality and/or location. The DCS proposes some 635,000 sq m on the Peninsula, when the identified requirement is for only 31,000 sq m. The DCS then goes on to claim, at paragraph 6.26, that not only is there sufficient floorspace overall to meet employment requirements but that there are also a range of locations to meet likely growth. This is wrong, because Table 6.2 of the DCS, when compared with the Table above, shows a deficit in the favoured locations and a surplus elsewhere:

**Table 6.2 Employment Floorspace Supply by Sub Areas**

<b>Location</b>	<b>Floorspace Required</b>	<b>Floorspace Supply</b>	<b>Surplus/Deficit</b>
	Sq m	Sq m	Sq m
Town Centre/ Waterfront	150,352	76,376	-73,876
M2 Access	183,747	49,505	-134,242
Peninsula	31,121	666,290	+635,169
Other Urban Areas	27,389	4,827	-22,562
<b>Total</b>	<b>392,610</b>	<b>796,998</b>	<b>+404,388</b>

- 3.6 The DCS, at Appendix D, sets out an employment land take up trajectory. While it is appreciated that this prediction is difficult, the totals to 2017 alone exceed the identified requirement (392,610) by an estimated 150,000 sq m and this, if the high growth, high reduction in out commuting is achieved, which is not guaranteed to be the case. The trajectory is unrealistic.
- 3.7 It is not as though Medway Magna are producing figures using a different baseline or projections to support their previous and current stance, that the economic/employment strategy of the DCS is unsound. The council simply refuse to face the facts of their own evidence base. There is no recognition in the DCS that in those areas where employment land is likely to be required, there is not enough of it and where it is proposed, there is minimal demand for it.
- 3.8 Of course, recognition of this fact would make the justification for a new settlement on the Peninsula, at Lodge Hill, difficult as these Representations now go on to demonstrate.



## **4: Lodge Hill Chattenden**

- 4.1 Lodge Hill is a key component in the delivery of the Core Strategy and is proposed as a free standing community to provide up to 5,000 dwellings and a minimum of 43,000 sq m of employment floorspace. This Representation now examines whether in respect of Lodge Hill, the DCS has been positively prepared, is justified, deliverable and consistent with National Policy.
- 4.2 Lodge Hill was identified in 1995, as a free standing settlement but the MOD, at the time of writing, continue to occupy the site. A considerable amount of assessment/appraisal work has been done but no planning application has yet been submitted.
- 4.3 This is a substantial project and will qualify as a proposal that needs to be accompanied by an Environmental Assessment. Dealing with proposals of this nature, suggests that the EA will take up to 18 months to produce and the application another 6 - 9 months to determine.
- 4.4 A Section 106 Agreement/s will need to be agreed and signed and conditions precedent will need to be discharged before development commences, which on a scheme of this complexity could take up to another 12 months. Therefore, if it was decided to submit a planning application now, development would not commence until 2015/16, with the first completions some 6 months later.
- 4.5 Paragraph 10.109 of the DCS expects the first dwelling completions in 2014. This will clearly not be the case, even if a planning application were prepared now.

- 4.6 A major issue surrounding delivery at Lodge Hill, is the capacity of Junction 1 of the M2 Motorway. The Highways Agency (HA) consider the employment proposals at Lodge Hill to render the DCS unsound and the HA will need to be party to the Transportation Assessment that will be a component of the EA.

### **Infrastructure**

- 4.7 Given the time the council has had to determine the likely level of infrastructure necessary to support a development of this scale, it is disappointing to see that the DCS does not address infrastructure provision. The Pre-Publication DCS attempted this at Table 11.23 (page 112) but the table, or something like it, has now been dropped.
- 4.8 The level of infrastructure required needs to be determined, costed and provision phased. This in turn leads to the issue of viability. Paragraph 173 of the NPPF states that sustainable development requires careful attention to viability and costs in plan making and decision taking. A truism and an obvious one.
- 4.9 There is no assessment therefore that the scale of the land uses proposed can be accommodated through the provision of the requisite infrastructure and whether the level of infrastructure required enables the proposal to be viable. Viability also turns on phasing, the rate of land disposals/development, that in turn determines cash flow.
- 4.10 Deliverability of Lodge Hill would rely on the rate of employment and housing provision. From the tables above, 43,000 sq m of employment floorspace (expressed as a minimum), is unlikely to be achieved because the Peninsula is not a favoured location for such a use. It must also be remembered, that Lodge Hill will be competing with Kingsnorth and Grain, where employment land is already available.

- 4.11 Housing delivery is unlikely to begin until 2016 at the earliest, two years later than anticipated in the DCS and the council's estimates of the annual rate of provision appear over optimistic, even in a buoyant market.
- 4.12 A large site fares best in delivery when a number of builders are involved and the maximum provision from Lodge Hill is likely to be around 200 dwellings per annum. This means the number of dwellings 2016 - 28 would be 2,400, just over half of what the DCS anticipates.
- 4.13 Until a viability assessment is undertaken, with the Defence Infrastructure Organisation (DIO), (formerly Defence Estates), there can be no indication that Lodge Hill is deliverable because there is no indication that the level and rate of development proposed can support the bespoke infrastructure package, yet to be determined, required to support it.
- 4.14 At the moment, development of Lodge Hill seems to be being driven by the council rather than the DIO and Land Securities. Given the elapsed time since the withdrawn Core Strategy, little seems to have happened to convince Medway Magna that the proposal at Lodge Hill is deliverable at all, let alone over the period anticipated.
- 4.15 Notwithstanding the above shortcomings, Chattenden is an inappropriate, inaccessible location for a free standing new settlement of the size proposed. The majority of Medway's population and labour supply is located south of the River Medway and growth needs to be concentrated in, and adjacent to the urban area where it would be sustainable and where development could bring district benefits to the urban area.

- 4.16 It is quite clear that in terms of the NPPF at paragraph 187, the DCS:
- i. has not been prepared based on a strategy that seeks to meet objectively assessed development and infrastructure requirements;
  - ii. is not justified because it does not represent the most appropriate strategy when considered against reasonable alternatives;
  - iii. it is not effective because it will not be deliverable over the plan period; and
  - iv. it is therefore inconsistent with National Policy.

4.17 This means that a parallel or alternative strategy to Lodge Hill is required to meet the identified level of development sought during the Plan period. Greater flexibility is required, alternative employment sites required and the PINS Model Policy that embraces the presumption in favour of sustainable development incorporated into the ethos of a resubmitted Core Strategy.

## 5: Conclusions

- 5.1 The Medway DCS relies for its Spatial Strategy on the redevelopment of regeneration sites and employment and housing provision from a free standing settlement at Lodge Hill. It is not clear whether Lodge Hill is viable or will deliver over the period of the Plan. It cannot therefore be relied upon to meet the necessary level of development in Medway to 2028. Over the last 25 years, the regeneration strategy has failed.
- 5.2 Housing provision has historically relied on about 50% provision from greenfield sites as well as regeneration sites. The DCS, but for Lodge Hill, where development is inappropriate, doubtful or restricted, now relies to a far greater extent, on housing provision from regeneration sites. Many of these regeneration sites are either indeterminate in the level of development proposed or indeterminate in their timing of delivery, or both.
- 5.3 Overall and when Medway Magna's response to Matter 3 - Housing Provision is considered, the level of dwelling provision proposed will be about half that anticipated by the Core Strategy. This in turn renders the DCS to fall foul of the requirement for general conformity set out in Section 24 (1) of the Planning and Compensation Act 2004 because at the time of writing, the South East Plan remains extant and is still part of the Development Plan.
- 5.4 Clearly the changes needed to rectify the considerable shortcomings in the DCS, will not be limited and the DCS is not capable of being amended by the Inspector. The Core Strategy can only be found unsound for the reasons set out in this Response by Medway Magna Ltd and those addressing Matter 3. It should be withdrawn and resubmitted as a concise document that embraces the spirit of the presumption in favour of sustainable development in any Spatial Vision.