Statements for Matter 2

Housing Provision - agenda item 3a (question 2.1)

- Justification for proposed dwelling number requirements

The supporting evidence is sufficient and robust.

It is set out in The Development Requirements Report (A89), which draws from demographic work, the SHLAA [strategic housing land availability assessment] and East Kent SHMA [strategic housing market assessment].

The SE plan says that local authorities can test higher numbers through their development plan documents provided they are consistent with the principles of sustainable development.

Four different strategic housing options were tested at Preferred options stage, namely

  Fundamental shift (SO1) 850 dwellings p.a,

  Maximise development opportunities (SO2) 550 dwellings p.a,

  The Preferred Option (SO3) 300-400 dwellings p.a,

  Minimum Change (SO4) 290 dwellings pa.

Two of these options involved a higher housing provision rate than proposed in SS2.

Options SO1 and SO2 were rejected due to their environmental impact and Greenfield land take up.

Option SO3 was refined with extra testing to form the current policy SS2 that will provide a minimum 350 dwellings on average a year up to 2030/31 from 2006/07.

Approx 8,000 new dwellings are proposed by the end of 2025/26 (400 per annum) by allocating land for 8,000 new homes.

This is explained in table 4.1 with additional clarification in the January 2012 document.

This target seeks to balance the 3 strategic needs and give a positive framework for delivery.
Option SO3 as revised is considered to be the most appropriate housing growth level because –

i. It maintains the population level which would decrease significantly without growth

ii. It virtually maintains current labour supply

iii. It meets the additional demand arising from a decrease in household size.

iv. It allows for a wider mix of housing type to meet changing needs.

The SS2 growth target is necessary to deliver the long-term district economic strategy through minimising the contraction of the workforce through the plan period.

The lower growth options would result in a steady contraction of the district’s labour supply threatening jobs, prosperity and general economic activity needed for sustainable communities.

The higher growth options would require development to be built on more environmentally sensitive land – for example within the AONB.

The growth level in SS2 therefore reflects a balance between the economic, social and environmental needs of the district in accordance with the core principle of the NPPF.

• **Is the housing target achievable?**

The Council consider that the housing target proposed is achievable.

Although the average completion rate has fallen in the last 5 years to an average of 282 dwellings, this is heavily skewed by the fact that an average of 156 dwellings were built in the last 2 years due to the current economic climate.

A longer term analysis of housing completion rates from the period 1991/92 to 2009/10 shows an average completion rate of just over 400 units.

Therefore past trends support the council’s case that over a 20 year and 25 year period the rate of housing delivery proposed is sustainable.

In addition the Council point out that the aim of the CS is to encourage investment that will provide housing of the quality, type, mix, tenure and size necessary to meet strategic needs.
Moreover, section 5.3 on CS implementation notes there are no major impediments to achieving the requirement.

Risks are minimised as no new district-wide infrastructure is essential to the CS

The associated level of migration is achievable. In-migration is projected to be less than the historic trend.

Underlying assumptions are realistic – the quantity of development has been achieved previously.

The first Core Principle set out in Paragraph 17 of the NPPF states that

*Planning should proactively drive and support sustainable economic development to deliver the homes, businesses and industrial units, infrastructure and thriving local places that the country needs*

*That every effort should be made objectively to identify and then meet the housing, business and other business needs of an area*

*Planning should positively respond to wider opportunities for growth.*

Policy SS2 is entirely consistent with national policy in that it is proactive in meeting the housing needs of the area and is a positive response to opportunities for growth but without adverse environmental implications.

It is also the Council’s view that the social and physical infrastructure needed to support the level of housing proposed can be delivered and a detailed list of infrastructure projects are identified in appendix 2 of the plan.

Finally on this topic it should be noted that KCC – who provide many of the services needed to support new housing - supports the dwelling target and the positive approach taken by Shepway in pursuing it.

- **Housing Supply**

  The NPPF at para 47 requires local plans to provide a 5 year supply of housing land with an additional 5% buffer or if there has been a persistent under delivery of housing to increase the buffer to 20%.

  The Council do not consider there to have been a persistent under delivery in its area. The Housing trajectory shown in Appendix 1 at Figure 6.1 illustrates sufficient housing will be delivered over the course of the plan period from the outset.
It shows the delivery required per annum to meet the plan target and it can be seen that as key strategic sites move forward so momentum builds.

Figure 6.2 at appendix 1 shows how the supply is made up and illustrates that core strategy and other allocations become more important in providing housing supply as existing permissions and commitments tail off.

Sites are realistic, the majority of them already have permission or an allocation. Supply is therefore deliverable and in accordance with national policy.

- **Justification for additional target to 2030/31**

The SE Plan covers the years 2006 to 2026 and so for consistency the Council has taken the period to run from April 1st 2006 to 31st March 2026. This provides a continuity and consistency to the historical methodology.

If the plan is found to be sound and adopted the earliest financial year after adoption would be 2013/14. The NPPF requires local plans to identify a supply of deliverable sites for 6-10 years and where possible 11-15 years.

A 15 year period from 2013/14 would run to 2027/28 but given that national policy works in 5 year intervals this takes us to 2030/31.

This longer term period allows CS allocations can be fully implemented.

However housing targets will of course be monitored and reviewed as appropriate – as set out in full detail in the CS.

High levels of housing delivery are not expected in the final years to 2030/31 – but the policy is a flexible and positive one that gives confidence to future investment decisions.

A long-term approach is appropriate to realising the vision for places in Shepway.

**Employment development (question 2.2)**

The employment targets set out in policy SS2 are supported and informed by the ELR which shows the need for 15 hectares (net) of employment land during 2008-2026 under the higher growth scenario, and when applied to the 20 year plan period equates to 17 hectares (net). If one takes into account that this figure includes a very cautious approach to safety margins (at only 10%) and that recent developments arising after the production of the ELR are providing added impetus, a figure of ‘approximately 20 hectares’ (net) has been applied.
This figure is aspirational but realistic. In terms of supply, the district had 64 hectares of allocated employment land available at the time of writing the ELR, and a good amount of this is coming forward – for example, the initial phases of the Hawkinge West masterplan are being progressed thanks to the ‘Get Britain Building’ fund, the 10ha Link Park is fully prepared and ready for the economy to pick up and the final plots at Shearway Business Park have now been sold to companies that are looking to develop them in the short term. There are also opportunities through the new £40 million Expansion East Kent fund which was launched by Kent County Council in April 2012.

In terms of retail need, this is informed by the Retail Needs Assessment carried out by KCC. This identified gross retail floorspace requirements. Most of the retail floorspace identified in the study for the plan period has been built out at the Bouverie Place shopping centre in Folkestone and at Sainsbury’s in Hythe. But there remains a residual requirement for approximately 5,300 sqm.

The Council are agreeable to making a textural amendment to the plan pointing out that much of the retail need for the plan period has been met.

**Transport Effects (Question 2.3)**

The Shepway Transport Strategy was prepared as an integral part of developing the Core Strategy and was the subject to stakeholder involvement and consultation as part of its preparation. The aim of the Strategy was to assess the transport implication of the Core Strategy across a range of transport modes resulting in a document that covers the following :-

- Walking, cycling and leisure.
- Bus travel
- Rail Travel
- Smarter choices (travel planning)
- Parking
- Highway impact

A key component of the development of the highway impact element was the testing of the impact of the Core Strategy on 19 key junctions within the District that were agreed at the outset following discussions between Shepway District Council, Kent Highway Services and the Highways Agency. A Reduced Transport Evaluation Model (RTE) was used based on a spreadsheet model. This tested the performance of those junctions for the following scenarios:

- 2010 Baseline Highway Operational Analysis
- 2026 Do Minimum Highway Operational Analysis
- 2026 Do Something Highway Operational Analysis
The original 2010 analysis was updated in June 2011 and December 2011 to take account of the changes to the mix of strategic sites and broad locations, and their respective housing numbers, and changes to traffic growth (TEMPRO) and trip generation (TRICS) assumptions. This work identified a number of junctions that would require upgrading over the lifetime of the Core Strategy and these are included in the Appendix 2 infrastructure projects.

The Transport Strategy also included, for each of the travel modes identified, an assessment of the existing situation, issue identification and a transport strategy setting out projects and programmes to be taken forward. The process has therefore been useful in identifying a range of project and programme capable of being delivered by a number of local transport related partnerships.

The need for new development to provide a choice of transport, as set in the Shepway Transport Strategy, is reflected in the Core Strategy and in particular within policies SS3 and SS5.

The only potential concern of the Highway Agency was in relation to M20 junction 11. This junction was tested as part of the highway modelling and shown to be within capacity under the 2026 Do Something Scenario. A statement of common ground has been prepare with the Highway Agency that confirms their view that the Core Strategy is sound.

Kent County Council raised one point relating to the transport effects arising from the Core Strategy and that relates to making a reference to finding a solution to the problems caused by Operation Stack. Amendment Y73 deals with that issue by inserting text that says that SDC will co-operate with partners including KCC and the Highway Agency to develop such a solution.

Housing Needs and Types

Affordable Housing (question 2.4)

The need for affordable housing in Shepway was addressed by the EK SHMA which demonstrated that 1,300 new affordable housing units were needed per annum to fully meet all needs.

This is far beyond what can realistically be delivered even if all new houses were affordable tenures.

The amount of affordable housing that can be delivered is based on an Economic Viability Assessment carried out on the Council’s behalf by Adams Integra.

Adams Integra assessed various notional development scenarios across the Local Market Housing Areas identified in the SHMA.
Seven different Value Points were modelled reflecting different land values in different parts of the district, enabling account to be taken of potential changes in land values during an economic cycle.

The model looked at different sizes and types of scheme and illustrated residual land values that could be achieved and showed how these values compared with alternative non residential uses.

The modelling included running scenarios with and without grant, and included a range of variable cost scenarios including differing levels of infrastructure contribution, different levels of Code for Sustainable Homes attainment and different levels of water usage.

The study concluded with a series of recommendations that support the provisions of policy CSD1 and in particular the requirement for 30% affordable housing and the lowering of the threshold to 5 dwellings from 15 set out in the current Local Plan policy.

The Council have made it’s affordable housing policies for strategic sites and in CSD1 subject to viability. It considers this to be a sound and flexible approach given market uncertainties and the length of the plan period. This is approach is supported by paragraph 173 of the National Planning Policy Framework which states :-

*To ensure viability, the costs of any requirement likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable development to be deliverable.*

Policy CSD1 also allows affordable housing at sustainable rural settlements as exceptions to policies of rural development restraint where there is a demonstrated local need.

**Gypsies and Travellers (question 2.5)**

The Council do not consider that a strategic policy is needed in the CS that deals specifically with traveller sites because-

There is very low local need as evidenced by The East Kent Gypsy and Traveller Accommodation Assessment (2007 -12)
There has been little demand for sites over the last 20 years as evidenced by the low number of planning applications.

The SE Plan review, although incomplete, identified a need for 2 pitches and zero transit caravan capacity to 2012. This proved to be a reasonable prediction as one planning application has been granted and one refused in this period for a gypsy site and one travellers' show persons site has been granted.

If the same mechanism is used for calculating the 2012-2017 requirement, as was used for the 2007-2012 requirement, the provision for SDV would be only 1 pitch.

The Council do not therefore consider that this is a strategic issue but recognise that allocations will need to be made in a site allocations DPD and that policy for Gypsy and Travellers’ will need to be included in a criteria based Development Management Policy in accordance with the government’s recently issues planning policy for traveller’s sites.

In conclusion-

- The CS through policy CSD2 does satisfactorily provide for the needs of travelers

- While the CS does not set out special criteria for travelers it does set out location criteria for residential development and this can be amplified in further DPDs.

- The Council has set out clearly what limited local needs exist. However the Council recognises that the Government’s policy on this topic has only recently been released and any further guidance from the inspector would be appreciated.

**Lifetime Homes and Water Use requirements (question 2.6)**

Policy CSD2 says that for all development of 10 dwellings or more there should be a 20% Lifetime Homes requirement unless demonstrated to be unfeasible in design or viability terms.

This is a reflection of the demographic trends faced by SDC. Modelling in the Development Requirements report, shows that the policy will make a contribution but its impact relative to demographic change is limited. There would still be, once the policy is introduced, 3.4 people over 80 per lifetime homes.
It was concluded that the preferred option of 20% was realistic in terms of viability (tested in the Economic Viability study of housing) and not so high as to impact on potential deliverability of new housing.

By focusing on medium to larger schemes it is considered that any small site cost anomalies are avoided.


Veolia Water have confirmed that the water usage arising from the housing growth levels proposed in the CS would be within the capacity of supply and they have not objected to the Plan.

However it is acknowledged that Shepway is within an area of Water Scarcity Status and therefore water efficiency measures are proposed at policy CSD5 that limit water usage in new dwellings to 105 litres per person per day, or less.

This is equivalent of Code for Sustainable Homes level 4.

As Strategic Sites are considered to be exemplars and because of the greater economies of scale achievable on larger development the maximum level of usage has been reduced to 90 litres per person per day.

Adams Integra modelled water usage and their work shows that viability only starts to be effected at code level 5, which is not proposed.
**Infrastructure (question 2.7)**

Para 177 of the NPPF says-

*It is equally important to ensure that there is a reasonable prospect that planned infrastructure is deliverable in a timely fashion. To facilitate this, it is important that the LPA understand district-wide development costs at the time Local Plans are drawn up. For this reason infrastructure and development policies should be planned at the same time, in the Local Plan.*

Paragraph 157 of the NPPF says

*Cruically Local Plans should: plan positively for the development and infrastructure required in the area to meet the objectives, principles and policies of this framework.*

Policy SS5 of the Core Strategy stresses the importance of new development addressing infrastructure needs and for there to be reliable mechanisms to ensure that it will be provided at the time it is needed.

The policy recognises the need for infrastructure to be provided through section 106 agreements, developer contributions and CIL. The Council in its Local Development Scheme is committed to producing a CIL scheme.

Policies SS6 –SS8 cover the specific requirements for the 3 proposed strategic sites while policies CSD6 - CSD9 refer to the infrastructure requirements for Folkestone and Hythe generally and for the broad locations at New Romney and Sellindge.

The specific critical and necessary infrastructure requirements of the CS are set out at appendix 2.

A range of options exist for delivery -

i. CIL
ii. Strategic Site and Broad location delivery
iii. Appropriate section 106 requirements
iv. Regeneration and economic development Initiatives

It is therefore considered that the CS complies with NPPF in terms of infrastructure planning and delivery