

Local Development Framework Panel Meeting	
Meeting Date	8 February 2018
Report Title	Report on High Level Strategic Options for Housing Growth and Implications for Swale Local Plan Review
Cabinet Member	Cllr Gerry Lewin, Cabinet Member for Planning
SMT Lead	Emma Wiggins
Head of Service	James Freeman
Lead Officer	Gill Harris
Key Decision	Yes
Classification	Open
Recommendations	<ol style="list-style-type: none"> 1. Members receive the consultants' report at Appendix I to this item and take its content in to account in progressing the Local Plan Review; 2. Members are invited to agree that the scope of options identified in the report at Appendix I are appropriate for initial stakeholder engagement workshops; 3. That a consultation paper based on the findings of the consultants' report at Appendix I be prepared for engagement on the development challenges for Local Plan Review. 4. That a supplementary document canvassing the scope for new settlements (based on a prospectus of basic requirements for such) be prepared as a basis for targeted stakeholder engagement; 5. The draft papers for recommendations 3 and 4 are brought back to the next Panel meeting for agreement for this engagement; 6. That provisional dates are arranged for a series of stakeholder engagement workshops to support the engagement process; and canvass the idea of a new settlements and an associated prospectus; <p>Members' views are invited on whether they have any specific policy topics (particularly core policies or development management policies) which they would wish to see in the Local Plan Review, which could be trailed in the consultation paper at recommendation 3.</p>

1 Purpose of Report and Executive Summary

- 1.1 The purpose of this item is to present the consultants' report on the issues facing Swale which will need to be dealt with in the Local Plan Review to be adopted by Spring 2022. The consultants' report on this incorporates an examination of the options which could be considered to meet these challenges is appended. A number of high level spatial options are considered and compared, including options for new settlements to provide for the quantum of development required and supporting infrastructure.
- 1.2 The report is not a policy document and the new local plan will be supported by a full evidence base to guide decision making. Members are however, invited to note the report's contents and use them to inform the way forward, as the Local Plan review needs to run to a very tight timetable to achieve adoption by early 2022.
- 1.3 The immediate next steps proposed are to agree that it be used to draft a further document which can be used as a basis for engagement on the issues and challenges facing the Borough. A supplementary prospectus document focused on what new settlements may require is also recommended for stakeholder engagement and to act as a further 'call for sites' to supplement that already received. A draft of the prospectus would be brought to the next Panel meeting for recommendation for such an exercise. The relationship of this work to the likely programming and process for the Local Plan review is covered elsewhere on this agenda.
- 1.4 The item gives a guide to the consultants' study approach and findings and a guide as to where in the study various topics are to be found, but Members are advised to bring their copy of the study to the meeting.

2 Background

- 2.1 Members will recall that the Bearing Fruits Local Plan (adopted July 2017) contained a main modification from the Inspector that an early review of the plan be undertaken and adopted by April 2022, specifically to address difficult transport infrastructure issues beyond that date. At Minute 44, Members agreed a recommendation to commence early review of the plan with a further report to Panel to scope the extent and timescale of the review. A report elsewhere on this agenda deals with the timescale and other drivers for early review. This item deals with the scoping of the technical issues which the next Plan will need to grapple with and presents potential ways forward for high level potential strategic options to address those issues. At this stage they are **not** presented as policy options, but do present ideas which warrant further canvassing to assess what is possible and deliverable given the challenges. The consultants' report at Appendix I is intended to inform the way forward for the plan review and initial stakeholder engagement. The document therefore has no policy status and is

not being recommended as such in this report. However, it does offer a clear view of the development challenges the Borough faces and advice for Members on how a new approach, using new settlements might compare with continuing our existing Local Plan development strategy into the medium and longer term.

- 2.2 Members will also be aware that the ideas contained in the consultants' report were presented at a workshop in December 2017. The paper used to inform that workshop has now been completed and is presented as Appendix I. The workshop reached a level of consensus that the Council should consider whether the introduction of new settlements for the Borough and consequently new options for a future development strategy was a reasonable way forward. The document is therefore presented as a starting point for developing a longer term vision, but much work remains to be done in compiling evidence and testing options.
- 2.3 Officers have already embarked on the evidence base collection and updating which is necessary to inform any Local Plan Review and will be reported to Panel over the next year or so. This will inform the choice of development strategy for the Local Plan Review and support the detailed policies and proposals which may be included in it.
- 2.4 The remainder of this report offers a brief summary of the key findings of the consultants' report (cross referenced to the appropriate pages in the report at Appendix I) and the way forward for the Local Plan process.

What was the Purpose of the Study – A Fresh Approach?

- 2.5 The next Swale local plan will need to at least roll forward local plan provision for development needs for a further five years beyond the current adopted Plan time frame to 2037/38. From 2022 onward, the expectation is that HCLG calculated housing targets are likely to be applied. There are a number of challenges and drivers which suggest that a longer term perspective may be more appropriate and, depending on the preferred approach to dealing with them, potentially a new plan rather than a simple roll forward of existing policy and development strategy. These are decisions which will need to be made in the near future if Swale is to deal with the challenge of increased growth which is of a high standard and properly supported by essential infrastructure.
- 2.6 The drivers for considering change include;
- The need to review the local plan by 2022 (and take the horizon date to at least 2037/38) to ensure that sufficient supporting infrastructure is in place to meet development already allocated;
 - Concerns about air quality
 - Development targets are likely to go up - government is already consulting on a new method of calculating these, which would imply a 36% increase (on the Bearing Fruits Local Plan target) to 1054 dwellings per annum.
 - Swale is running out of employment land

- Migration from London is likely to continue and could be actively sought as part of the Greater London Plan review; and
- there could be pressures from other councils unable to accommodate their own prescribed growth levels.

2.7 Consequently, it would be prudent to start looking at longer term solutions for sustainable growth strategies which could endure for further rounds of local plan review beyond this one. The Bearing Fruits Local Plan adopted in 2017 continued a development strategy that has been in place for over 25 years. Given the challenges and quantum of development which is likely affect Swale, now is the right time to pose fundamental questions as to whether the current strategy remains the most appropriate for the Borough moving forward and whether new or alternative approaches are needed.

2.8 Pages 16-17 of Appendix I describe how different approaches to meeting development needs have been used over the last 25 years or so and how, particularly since the Housing White Paper: Fixing our Broken Housing Market (Feb 2017), there has been a growing interest in using new settlements to solve the housing crisis in a sustainable way which also provides good places to live.

What issues does Swale need to take into account to ensure a prosperous future?

2.9 Although, existing and future issues with housing provision are well documented and quantifiable, pages 21-28 of Appendix I deal with the broader economic and social changes which are likely to affect everyone over the next 20 years or so. Whilst economic trends are notoriously difficult to predict, Swale will need to embed good quality companies and highly skilled labour in the local economy. This will in turn, need to be supported by:

- High quality housing
- Good links to large labour markets
- Superb environments - especially natural, recreational and lifestyle amenities;
- Strong town centres, facilities and social infrastructure.

With these basic ingredients in place to upgrade the image of Swale as a place to live and work, Swale maximises its ability to flex and change over time in order to prosper.

What kind of settlements strategy would enable Swale to plan for 'good growth'?

2.10 Pages 31 – 36 of Appendix I offer some background on the key principles of garden city or garden village development. The critical difference between the 'garden village' status and other strategic scale developments is that land value increases created as development progresses is captured for the benefit if both landowners and the community and allows for infrastructure investment and long term stewardship of shared assets (for example, green infrastructure). The design and layout appropriate for Swale would need to be worked out through formally adopted master planning and design codes.

- 2.11 The scale of size of new settlements and the supporting infrastructure required is discussed at pages 39-45 of Appendix I. A new settlement of 5,000 dwellings is of sufficient scale to support a reasonable range of social infrastructure (at an estimated cost of £14,000 per dwelling). A larger settlement of 10,000 dwellings could be scaled up pro rata. Utilities and transport infrastructure costs are location specific, but as an example in Swale, these could be substantial to support an alternative to the A2 road corridor, with an estimated £200M to complete the Sittingbourne Northern Relief Road; construct an A2/M2 link and a Junction 5A. Building 15,000 new homes would incur transport infrastructure costs of £13,000 per dwelling, with other utility costs on top. A total estimated infrastructure bill of £30 – 50,000 per dwelling would not therefore be unreasonable and is comparable to experience elsewhere in the UK. It is vital to send a clear message to developers and landowners (which is expressed throughout the consultant's study) that without this considerable infrastructure spend, the development opportunities do not exist and should therefore be factored into any assumptions around land value expectations or bids.
- 2.12 The space required for a settlement of 5,000 dwellings would be of the order of 230 hectares, to include all built development land uses and open space (the assumptions for this are set out at page 40 of Appendix I).

Where could new settlements be located in Swale?

- 2.13 Pages 47- 74 of Appendix I set out the 'sieves' used for assessing suitable locations for new settlements in Swale. These were based on:
- Environmental constraints where development is generally avoided;
 - Where the market is willing to invest; and
 - Infrastructure constraints, which indicate where it is efficient to grow.
- Whilst it is highly unlikely that there will never be a 'perfect' solution, the sieving exercise is an extremely useful one for narrowing down to reasonable alternatives.
- 2.14 The findings were that
- In environmental terms the most unconstrained area is the band of land running east west through the centre of Swale and north and south of the A2 corridor.
 - Development is likely to be most viable in market terms to the south and south east of Sittingbourne and south and south east of Faversham. Sheppey is unlikely to be as popular with the market and subsidy is unlikely to be available in the long term to make it so.
 - Changes to transport infrastructure in particular could fundamentally impact development strategy choices. Provision of an A2/M2 link could unlock a large amount of development land to the south and east of Sittingbourne or south of Teynham as well as help address air quality and congestion issues on the A2 corridor. Locations around rail links could be

particularly sought after by skilled workers who need access to wider labour markets.

What development scenarios could Swale consider in response to the sieving exercise?

2.15 Pages 77 – 109 of Appendix I test four basic development strategies against their potential to deliver economic objectives; their viability and deliverability, given infrastructure costs; and environmental considerations. A Red – Amber – Green (RAG) rating was undertaken for each development scenario and the four are compared together at page 109. Different combinations of the scenarios or hybrids could be pursued to deliver 15,000 dwellings over the longer term. The four basic alternatives and sub variants are as follows:

Scenario	Description	Potential Variations
1	Business as usual: maintains the exiting spatial strategy as per the Bearing Fruits Local Plan (2017), with further growth at the fringes of the main urban settlements. (pages 84-86 Appendix 1). Requires major infrastructure provision but performs poorly on deliverability. Fails to reposition Swale for the future and creates few major advantages.	None
2	Sittingbourne and Kent Science Park: (pages 88-93 Appendix 1). Most likely to deliver new transport infrastructure (A2/M2 link); address AQ issues; and economic objectives (although little for Sheppey). Impacts on rural land and Areas of High landscape Value.	2a Two new villages of 5,000 dwellings one to south of town around Science Park and one two southeast along A2/M2 link road 2b Two new villages of 5,000 dwellings each to south and south west of town – one focused on Science Park. Linked by access road to A2/M2 link. 2c One new town of 10,000 dwellings to south east of Sittingbourne 2d One new town of 10,000 focused around Teynham with the A2/M2 link road further east and a link road to Science Park
3	Faversham extension and new villages: (pages 96-100 Appendix1). Likely to perform well in terms of economic objectives and market viability. Impacts rural	3a Faversham Strategic Development Area - extension to town of 5,000 units to east and south east. 3b Two new villages of 2,500

	land with 3c in particular affecting AONB setting.	dwellings each south of M2 and along A251. Could be combined with Variant 3a 3c New town of 10,000 dwellings around A251 south of Faversham.
4	Western Swale (Upchurch and/or Newington): (pages 102-104 Appendix I). Performs poorly on deliverability as bypass likely to be required to resolve congestion and AQ issues and does not address issues on other parts of A2 corridor.	Expansion of 2,500 dwellings at one or both of the villages

When Could New Settlements Deliver?

- 2.16 The Government's likely new housing target for Swale is 1054 dwellings per annum. Page 121 of Appendix I sets out an indicative housing delivery trajectory based on the development scenarios contained in the consultant's report. The table indicates that new land for at least 7,500 dwellings would need to be found. This is over and above the allocations at identified within the Bearing Fruits adopted Local Plan. Assuming a new local plan is adopted in 2022, it would need to carry forward allocations already made (in the Bearing Fruits Plan) to cover the period to 2031 (subject to review of their deliverability) and also roll forward the plan period. Additionally, it will also have to address the higher development targets proposed by DCLG from 2022 onwards. It would also have to address any shortfall in delivery on the current development target from the period 2014 - 2022. Counting all existing allocations as carried forward, plus new sites, the new plan would therefore need to identify land for something in the order of 15,800 dwellings. The example given at Appendix I would involve at least one additional major new allocation (at an existing settlement), alongside at least two new major locations in the form of new settlements. Numerically, three new settlements would require the allocation of a much larger overall number of dwellings than required for the next plan period, however, the lead in time for new settlements, due to their complexity, would mean that a much lower number of dwellings would be delivered in the next (2022 – 2037) plan period. This potentially means that were new settlements to be followed as an approach by the Council, it would be putting down the markers for a development strategy that would meet development needs over a number of successive local plans.
- 2.17 In addition to early planning, the report (Appendix I pages 125-135) also indicates the importance of considering more effective delivery vehicles for new developments, which are more reliable at capturing the uplift in land value to ensure that infrastructure can be provided. Page 133 is a stark reminder that development cannot proceed without this. Examples of delivery vehicles which could be considered include a role for the Council as a Master developer; joint ventures; local development agreements; and locally accountable development corporations. However, not all development sites would come under new

settlements, so some form of CIL would still be necessary to ensure such developments make proper contribution to key infrastructure requirements.

- 2.18 The consultants' view on the next steps intertwine the Local Plan process and the process to establish and progress new settlements and imply a much more proactive entrepreneurial role for the Council. These are identified (Appendix I page139) as:
- Undertake early work on a delivery model
 - Early work on a planning strategy
 - Create a design brief for the new settlement
 - Use such a design brief (based in part on the current study) to test appetite for such a proposal with developers and landowners (noting the need to manage expectations around land values by highlighting the need to pay for infrastructure)
 - Promoted sites meeting the design brief criteria could then form part of the Issue and Options / Preferred Option stage of the Local Plan process.

3 Proposals

- 3.1 The consultants' study has provided a good overview of the opportunities and challenges for meeting Swale's new development requirements for the medium and longer term. These now need to be taken forward and the new Local Plan process crystallised as a matter of some urgency.
- 3.2 Some of the challenges which the next Swale Local Plan will have to tackle are already clear, including the limited capacity of the local transport network and connections to the strategic road network; plus provision of other social and physical infrastructure; plus the additional provision which will be needed to support a 35% increase in annual housing targets signalled by the Government's recent 'Planning for Homes Consultation'. Other changes such as economic trends, labour market changes and the impact of new technology are less clear, but demand a flexible approach and new thinking.
- 3.3 Members may also wish to consider what if any policy areas they would wish to review (bearing in mind the need to retain compliance with national planning policy). Appropriate questions or paragraphs could then be including in a scoping consultation document.
- 3.4 The NPPF already advises local planning authorities to maintain up to date local plans and this has been formalised to five-yearly reviews, through an amendment to statutory regulations to commence on 6 April 2018. Consequently, although a clear exposition of the advantages of pursuing new settlements in Swale has been set out in Appendix I, whatever development strategy Members should wish to pursue will need to be evolved into policy and appropriate land allocations through an evidenced Local Plan in the first instance.

- 3.5 The consultants' report offers a high level comparison of a four basic development strategy approaches, including continuation of the development strategy in the Bearing Fruits Local Plan. This high level evaluation concludes (page 107 Appendix I), that pursuit of one or more new settlements, with appropriate governance and delivery vehicles, performs best in terms of potential to achieve good quality development and the necessary supporting infrastructure over the medium and longer term. This would need to be in addition to building out the allocations in the recently adopted Bearing Fruits Local Plan to ensure that the Government's tough new annual housing targets could be accommodated in the short to medium term. This would essentially require a new Local Plan and development strategy rather than a simple review of Bearing Fruits. However, much more work remains to be done on choice of appropriate sites, master planning and supporting infrastructure provision before a 'preferred option' could be identified, evidenced and promoted through the Local Plan process.

Recommendations

- 3.5 The scope envisaged for initial engagement on the way forward would be in accordance with the new Statement of Community Involvement and could involve some opinion gathering from the general public. However, in order to progress the Local Plan and test feasibility and market appetite for these potential options, some targeted stakeholder and landowner engagement will be needed alongside gathering of the evidence base and any broader engagement on the challenges before us. The costs of the physical and social infrastructure costs outlined in para 2.11 above are a critical element of the process and this type of stakeholder engagement is therefore extremely important to helping establish a feasible way forward.
- 3.6 The recommended proposals to advance the Local Plan work from this point are therefore as follows:
1. Members receive the consultants' report at Appendix I to this item and take its content in to account in progressing the Local Plan Review;
 2. Members are invited to agree that the scope of options identified in the report at Appendix I are appropriate for initial stakeholder engagement workshops;
 3. That a consultation paper based on the findings of the consultants' report at Appendix I be used for engagement on the development challenges for Local Plan Review.
 4. That a supplementary document canvassing the scope for new settlement(s) (based on a prospectus of basic requirements for such) be prepared as a basis for targeted stakeholder engagement;

5. The draft papers for recommendations 3 and 4 are brought back to the next Panel meeting for agreement for this engagement;
6. That provisional dates are arranged for a series of stakeholder engagement workshops to support the engagement process; and canvass the idea of new settlements and an associated prospectus;
7. Members' views are invited on whether they have any specific policy topics (particularly core policies or development management policies) which they would wish to see in the Local Plan Review, which could be trailed in the consultation paper at recommendation 3.

Next Steps

- 3.7 Subject to Member's agreement to these initial recommendations, the next steps in the Local Plan process would be to
- Draft appropriate documents for recommendation for initial engagement
 - Report back the results of the public engagement to Panel alongside the other evidence gathering which is ongoing;
 - Over the next 10 months or so, there will be assessment of submitted sites (based on the prospectus used for stakeholder consultation) alongside the evidence base for drafting the best solutions to identified development and supporting infrastructure needs; and this would feed into
 - An Issues and Options incorporating a Preferred Option document is intended to be reported to January 2019 LDF Panel for recommendation for general public consultation. Initial programming proposals are the subject of a separate item on this agenda.

4 Alternative Options

- 4.1 The need to progress the Local Plan review to achieve adoption by Spring 2022 implies a very challenging timetable, compounded by increased development challenges signalled by Government and existing infrastructure challenges to delivery. The report at Appendix I is an initial step at identifying possible alternative options for the way forward. The recommendations at Section 3 above allow for Member's comment on their scope, which can be incorporated into any subsequent engagement or consultation exercises. In terms of the practical steps recommended to advance the local plan process and keep it on schedule, no other practicable alternatives are identified.

5 Consultation Undertaken or Proposed

- 5.1 The recommendations at Section 3 propose an initial key stakeholder engagement exercise which is essentially part of the initial evidence gathering and feasibility testing for a new Local Plan. The opportunities for general public consultation will come once this basic work is done and are set out elsewhere on

this agenda. Engagement and consultation at each stage will be in accordance with the new Statement of Community Involvement (recommended for adoption elsewhere on this agenda) and the Statutory Regulations governing the production of local plans.

6 Implications

Issue	Implications
Corporate Plan	Supports the Council's corporate priorities for a Borough and a community to be proud of.
Financial, Resource and Property	The timescale for adoption of a new local plan by 2022 is much more concentrated than that for the recently adopted 'Bearing Fruits' plan; with considerable technical challenges and evidence required. Purchase of the necessary expertise will exceed the set Local Plan budget, particularly during 2018-19. A bid for an additional £250,000 has been made to cover this for consideration by Strategic Management Team and Cabinet, as well as making a bid for additional funding through the new DCLG Planning Delivery Fund.
Legal and Statutory	The local plan will be produced in accordance with Statutory Instrument No.767 The Town and Country Planning (Local Planning) (England) Regulations 2012 as amended by Statutory Instrument No.2017 1244 The Town and Country Planning (Local Planning) (England) (Amendment) Regulations 2012.
Crime and Disorder	None identified at this stage.
Environmental Sustainability	The Local Plan will be supported at key stages throughout its production by Sustainability Appraisal / Habitat Regulations Assessment.
Health and Wellbeing	Healthcare related infrastructure will be part of the physical and social infrastructure identified as necessary to support new development proposed by the new plan.
Risk Management and Health and Safety	None identified at this stage.
Equality and Diversity	An equalities statement will be provided at key stages of the plan.
Privacy and Data Protection	None identified at this stage (noting preparation for GDPR provisions will involve assessing status of our Limehouse consultee database early in 2018).

7 Appendices

7.1 The following documents are to be published with this report and form part of the report:

- Appendix I: Swale Borough Council: Choices for Housing Growth January 2018 (Peter Brett Associates)

8 Background Papers

None