

By: Paul Crick – Director of Planning and Environment
To: Cabinet Member for Environment, Highways & Waste
Date: 20th September 2011
Subject: KCC Representations on Shepway Local Development Framework, Core Strategy

Classification: Unrestricted

Reference: 11/01661

Summary

This report considers Shepway District Council's draft Core Strategy which has been published prior to its submission to the Secretary of State, and recommends a response on behalf of the County Council.

Recommendation :

The Cabinet Member for Environment, Highways & Waste is asked to note the proposed policies of the Shepway Core Strategy, and to agree the proposed representations by KCC in section 5 of this report, together with a schedule of detailed points.

1 BACKGROUND

1.1 Shepway District Council consulted on a *Preferred Options* document in July 2009, and KCC responded fully. There is now an opportunity to make representations on the 'soundness' of the Core Strategy in order that Shepway District Council can consider what, if any, changes should be made prior to submitting it to Government. After submission the Core Strategy will be subject to an Examination in Public. At the present stage in the planning process any changes would normally be minor but if substantial a further consultation might be needed before submission.

1.2 The Core Strategy has been prepared in general conformity with the South East Plan and existing national Planning Policy Statements and Guidance. However, they will be replaced by the *National Planning Policy Framework (NPPF)* which is likely to be the basis on which a Planning Inspector will consider the soundness of the Core Strategy at its Examination in Public.

1.3 The Core Strategy can be broadly supported. The most significant changes that it is proposed KCC requests are to add policies for Lydd (London Ashford) Airport and the Dungeness power stations sites. Outline policies for these locations were included in the *Preferred Options* document of July 2009 but are now omitted.

2 Relevant priority outcomes

2.1 Shepway DC will consider the representations it receives and in the light of them decide whether it needs to recommend to the Inspector any amendments that are necessary. The priority outcome for KCC is that Shepway DC should take full account of the implications for KCC service provision in their decision.

3 Financial Implications

3.1 The decisions to be taken by Shepway DC may have long term financial implications for KCC, depending on the mechanisms in place and the funding available in the future for infrastructure and service provision.

4 Legal Implications

4.1 Shepway DC is the responsible authority for the Local Development Framework and decisions on the scale and location of development. KCC provides information to Shepway as part of the evidence gathering that the District Council must undertake to inform its decisions.

5 KCC's proposed response to Shepway District Council

(i) The sub region context

5.1 The *Localism and Decentralisation Bill* will introduce a duty on public bodies to co-operate across administrative boundaries in planning matters. It is **recommended** that the Core Strategy demonstrates that such cooperation exists by reference to the emerging *East Kent Growth Strategy*.

(ii) The Strategy

5.2 The Core Strategy identifies a *Strategic Corridor* between the North Kent Downs AONB to the north and the rural and coastal Romney Marsh to the south that includes the main urban area of Folkestone and Hythe, and the M20 and Ashford/London railway. *Policy SS1* proposes that the majority of new development takes place within the Strategic Corridor, with priority given to previously developed land. KCC supported a similar pattern of development in the *Preferred Options* document of July 2009 with 67% of housing development in the Folkestone and Hythe area, 23% in the "North Downs" area including the *Strategic Corridor*, and 10% in the Romney Marsh area. The Submission document makes little change to this distribution, and it is **recommended** that KCC continues to support this pattern of development .

(iii) The proposed number of new dwellings

5.3 KCC conditionally supported a range of 6-8,000 dwellings in the *Preferred Options* document of July 2009, compared to 5,800 in the South East Plan, but felt that the factors that determine a higher value should be set out. *Policy SS2* sets a target of 8,000 new dwellings 2006-26, and a minimum of 7,000 dwellings. This target is preferred by Shepway for the following reasons:

“a more outward looking perspective is required to...make the District competitive against other locations on the coast..”(para. 4.31)

“evidence ...suggested that future housing needs and potentially land availability were greater than identified in the South East Plan” (para. 4.34)

“(it) would result in a rate of house building in line with trends of recent decades. ...

it is expected to lead to a more manageable change in the social balance and labour supply and only limited decrease in the size of the labour force (-3.0%)” (para. 4.47).

“.. to meet objectives .. will require housing and development policy to support a move away from in-migration of predominantly older groups” (para. 4.48).

5.4 Shepway DC have taken a very positive approach by pursuing a target above the South East Plan. It is therefore **recommended** that KCC supports the proposed housing target, as consistent with the aims of the draft NPPF, provided this does not have a detrimental impact on other planning considerations.

(iv) The Location of new housing

5.5 Approximately 7,000 dwellings will be located in the *Strategic Corridor* (para. 4.46), and at least 65% are planned on previously developed land (Policy SS2). The Core Strategy allocates three *Strategic Sites*, two of which are previously developed land within the Folkestone urban area (*Folkestone Seafront* for up to 1,000 dwellings, and *Shorncliffe Garrison* for around 1,000 dwellings : Policies SS6 and SS7).

5.6 However, development outside the main urban area is necessary if the target of 8,000 dwellings is to be achieved, and the third strategic site is at *Folkestone Racecourse* where it is planned to build a new racecourse and improve the venue with a conference/leisure facility and include enabling development of up to 820 dwellings (Policy SS8). Two other rural locations (New Romney and Sellindge) are proposed for smaller amounts of residential development.

5.7 KCC supported the proposal for *Folkestone Racecourse* in response to the consultation of July 2009 on the basis that it could capitalise on improved rail services, secure the long-term future of *Folkestone Racecourse*, and provide additional services for the residents of Westenhanger, Newingreen and Stanford.

5.8 It is **recommended** that KCC continues to support mixed development of the racecourse subject to developer funding of necessary community infrastructure and services, including additional primary school capacity and improved access. It is recognised that viability of the proposals may be affected by the need to provide significant community infrastructure and improved access.

(v) Flood risk

5.9 The development proposed at New Romney is near an area of higher flood risk (Zone 3a). However the site selected is “relatively free from tidal flood risks” and KCC’s Flood Risk Manager has confirmed the document contains suitable policies to ensure that development will need to meet the requirements of both the Sequential and Exception Tests as set out in current policy (PPS25). However, the details of the Sequential Test for Shepway are not included in the Core Strategy or the *Strategic Flood Risk Assessment*, and the appropriate application of this test cannot be judged. It is **recommended** that the details of the Sequential Test be published.

(vi) Economic Regeneration and Employment Land

5.10 The Core Strategy aims to deliver a flexible supply of employment land (para. 3.6) and states that the quantity of employment land is “significant” (para. 4.58). Figure 4.3 of the Core Strategy indicates that the main employment opportunities provide about 50 hectares of business land, notably 23 hectares at Link Park near Lympne, small sites in Folkestone and about 9ha at both Hawkinge and New Romney.

5.11 Policy SS2 seeks to protect “sufficient” existing allocated sites from development with other uses, and sets a target for the development of 20 hectares of land with business uses from 2006 to 2026, of which 6 hectares has already been completed (footnote page 45). The Core Strategy identifies limited additional employment land; Policy CSD8 includes expansion of an existing industrial estate at New Romney, and Policy CSD6 refers to opportunities in central Folkestone for major office development.

5.12 It is accepted that there is a need to improve the quality and choice of employment in Shepway, but there are limited opportunities to find new employment land. However, it is **recommended** that Shepway be asked to clarify the scale and character of employment land currently available for the plan period, and the additional supply to be provided by the plan. The reasons for the target of 20 hectares should also be clarified, and should not limit the development of the sites available.

(vii) London Ashford Airport : Lydd

5.13 The proposed submission draft of the Core Strategy states that the District Council resolved in 2010 to positively support planning applications to lengthen the runway and build a new passenger terminal in view of the employment benefits (para. 5.115). KCC also supported the planning applications at the Public Inquiry on economic grounds, and the planning Inspector’s report is awaited.

5.14 The Core Strategy states that if the runway extension and new terminal were implemented they would provide welcome new employment, and the strategy for the Romney Marsh would remain applicable (para. 5.118). However, it does not include a policy for Lydd Airport, and this approach provides no guidance for the consideration of any future proposals for development at the airport that may come forward.

5.15 It is **recommended** that, consistent with the *Preferred Option* of July 2009, KCC should ask Shepway to include a policy for Lydd Airport in the Core Strategy that supports aviation within operational, environmental and access constraints, and recognises the potential for employment uses at the site.

(viii) Dungeness Power Station and low carbon energy production

5.16 The Core Strategy refers to the positive approach taken by Shepway District Council towards the potential for a new Dungeness C nuclear power station, and the economic benefits it would bring, and the Council's willingness to overcome the concerns of Government for the impact on international habitats, as expressed in the draft *National Policy Statement for Energy Infrastructure* (para. 5.115). KCC has supported Shepway District Council in its lobbying on this matter.

5.17 However the Core Strategy does not acknowledge that the final version of the *National Policy Statement for Energy Infrastructure* has now been published and confirms that Dungeness is not included in the locations for new nuclear power stations in view of concerns raised by Natural England. Also, the draft Core Strategy does not include a policy for the existing power station sites, the land that could potentially be used for a new plant, or low carbon and renewable energy uses in the District.

5.18 It is **recommended** that KCC request Shepway District Council to:

- (i) update the draft Core Strategy with regard to the prospect of a new nuclear power station at Dungeness, and the future of the existing power station sites, including their decommissioning.
- (ii) recognise that KCC's Minerals and Waste Development Framework will include policies for managing the waste generated by the decommissioning of the existing power stations; and
- (iii) consider a new policy that would safeguard the site for a new nuclear power station should the need arise, and recognise the possible potential of the existing power station sites for low carbon or renewable energy uses, as in the July 2009 consultation.

5.19 On energy efficiency and renewable energy generally the current draft Core Strategy relies upon improvements being made via the building regulations and sustainable building codes without any policy to support and guide renewable energy projects. It is therefore also **recommended** that the Core Strategy should include policy support for sustainable energy in local communities and appropriate parts of the District.

(ix) Operation Stack

5.20 There was no specific mention in the *Preferred Options* document of July 2009 to Operation Stack, and in relation to paragraph 2.16 of that document KCC requested that reference should be made to it "*as the scheme, which has been implemented over 75 times since its inception 20 years ago, can cause significant congestion and disruption on the A20 and on local roads in and around Folkestone...*".

5.21 In Appendix 2 of the submission draft Core Strategy in the list of *Strategically Necessary Infrastructure* there is a reference to participation “*in seeking options to (address) ‘Operation Stack’ issues in Kent*” with the broad timing given as 2021-26 but the main body of the document only goes so far as to quote (in 4.128) the relevant aim of the Transport Strategy which is as follows:

“to consider the use of intelligent transport systems and (so far as the M20 and A20 are concerned) to participate in any review carried out by the Highways Authority and the Highways Agency on Operation Stack”.

5.22 KCC has yet to consult Shepway District Council on its proposals for Operation Stack but it is **recommended** that KCC request that an up to date statement be included in the Core Strategy with reference to the options being considered and that it includes a stronger commitment in principle to help find a solution.

(x) Infrastructure planning

5.23 A key purpose of the Core Strategy is to coordinate the provision of infrastructure and development. At present funding for infrastructure and services that support development is provided largely under Section 106 legal obligations, agreed with developers as part of planning permissions.

5.24 From April 2014 funding from Section 106 obligations will be largely replaced by the *Community Infrastructure Levy* (CIL) under which a charge based on the floorspace to be developed will be collected by the District Council when development commences. The *Localism and Decentralisation Bill* allows CIL revenues to be passed to service providers such as KCC.

The submission draft Core Strategy (Policy SS5) states that:

“CIL will be introduced to ensure sufficient resources... to meet the infrastructure needs of the District... identified in Appendix 2”.

5.25 This policy satisfactorily establishes that development contributions will be sought for the necessary infrastructure, including social/community facilities, in order to support the development proposed in the strategy. Elsewhere (para. 4.114) it confirms that the majority of developer contributions collected by Shepway are passed to KCC for schools and other services. The policy also recognises the need for continued reliance on development contributions via specific legal agreements until the introduction of CIL is complete.

5.26 Appendix 2 of the Core Strategy sets out the infrastructure needed, including the broad timing and the lead agencies responsible. This and the document as a whole are for use by service providers to plan investment and to bid for funds (para. 4.120 and 121).

5.27 Policy CSD10 recognises that implementation of the Core Strategy will fall on other organisations, including the County Council. It is **recommended** that KCC requests that Policy SS5 and the text acknowledge specifically that KCC services to

support new development must be funded by developer contributions, and that it will be necessary for Shepway to pass CIL revenue to KCC for schools, highways and other services.

(xi) Community Infrastructure

5.28 The priority for funding social, community and education investment will be: *“that which is critical or necessary for the allocated strategic sites and other major developments. Shepway will work closely with County and other agencies...”* (para. 4.134).

5.29 KCC and Shepway DC are working together to forecast the pupils and clients that will be generated by 8,000 additional dwellings, the KCC services they will need, and their timing. The capital and revenue implications for KCC will then be determined. Meanwhile, the Core Strategy is based on the most recent information that KCC has provided to Shepway, and the following assessment of service needs:

Schools

5.30 Appendix 2 of the Core Strategy lists primary school capacity at Westenhanger (the racecourse) and Shorncliffe, and numerous highway works, but the policies for the strategic sites, which are key parts of the plan, do not fully reflect the need for KCC services.

5.31 The existing local surpluses and deficits of school places are not a large enough to influence the location of development, and are expected to become negligible within a few years because of growth of the local school age population.

5.32 The development of Folkestone Seafront (Policy SS6) and Shorncliffe Garrison (SS7) will together require developer contributions to support the equivalent of a new two Form Entry primary school. A new primary school will be required at Shorncliffe Garrison, and there could also be expansion of existing schools in the Folkestone area. The Core Strategy policy for Folkestone Seafront does not mention this need and should be amended.

5.33 New housing at Folkestone Racecourse will require at least a new one form entry primary school. Smaller scale housing development nearby at Sellindge will also require additional school places, ideally via an expansion of Sellindge Primary School if land can be purchased. KCC needs a flexible solution that would allow at least a new one-form entry primary school at the racecourse site, and in addition retains the options of either extending Sellindge Primary School OR providing a new 2 form-entry primary school at the racecourse. KCC requires that any development at Sellindge only be granted permission if additional primary school places will be provided at Sellindge Primary School, or at a new school on the racecourse.

5.34 It is **recommended** that KCC proposes amendments to the Policies for Strategic Sites (SS6, SS7, SS8) and Sellindge (Policy CSD9), and to the supporting text, to correctly identify the primary school capacity that will be required, the circumstances under which additional primary school places for Sellindge may have

to be provided at the racecourse site, and to confirm that developer contributions will be needed for them .

Social and Community services

5.35 Contributions will be required where additional demand arises from proposed new housing for *youth, adult learning and library services*, to maintain their capacities at current planned levels. The implications of 8,000 new dwellings have yet to be assessed but could include capital costs, and/or additional staffing, operating hours, stock and equipment or other costs for the early years of development when providing services would otherwise be uneconomic. Costs will be assessed on a case by case basis using the KCC's latest models of service delivery and the availability of funding.

5.36 The services that would be provided by KCC *Families and Social Care* (FSC) include the elderly and those with learning and physical disabilities. FSC have indicated the investments they would wish to make in Shepway based on the South East Plan target of 5,800 dwellings. In summary these are:

- Community Hubs with adult changing facility at Folkestone
- Adult changing facilities at Nichols Quarry and Hythe
- Co-location with Health at Folkestone and Hythe
- New telecare adaptations to individual homes/ assistive technology
- Building community capacity in rural areas to provide accessible and localised services.

5.37 These would be funded by a combination of FSC capital and developer contributions. The detailed implications of 8,000 new dwellings have yet to be assessed, but FSC are satisfied they have identified the relevant community infrastructure for the District as a whole, and for specific site allocations, to meet the needs of the changing and ageing population.

Transport

5.38 Policy SS5 promotes the aim of Shepway Transport Strategy to provide a choice of means of transport, and the location of major development within the urban area will assist this (paras. 4.128-9).

5.39 Traffic at a number of junctions will exceed their capacity by 2026, largely due to background growth, especially at Folkestone/Hawkinge. There are three junctions where capacity could be exceeded by development of the strategic sites:

- Newingreen (near Lympne)
- Scanlons Bridge (Hythe)
- New Romney

5.40 Capacity problems may also arise at M20 Junction 12 and the associated local junction, the junction of A20 and A260 at Hawkinge. Access to and parking at the stations with HS1 services in Folkestone are also limited.

5.41 The policies of the Core Strategy for Strategic Sites refer to the necessary highway improvements, and Appendix 2 is comprehensive in listing where works will be required. In a number of cases there may not be an agreed scheme. Shepway DC is working with KHS and developers to overcome the junction problems. Interim solutions are being explored to mitigate the impact of development at the strategic sites, before CIL can be used to fund the necessary final schemes.

(xii) Minerals and waste

5.42 The document correctly reflects the presence of Minerals and Waste Local Plan allocations in the District (paragraphs 4.136-7). It also recognises the significance and relationship of the Core Strategy to the emerging Kent Minerals and Waste Development Framework and KCC's lead role in this.

6 Recommendation

The Cabinet Member for Environment, Highways & Waste is asked to note the proposed policies of the Shepway Core Strategy, and to agree the proposed representations by KCC in section 5 of this report, together with a schedule of detailed points.

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Background Documents

Shepway Core Strategy Proposed Submission Document July 2011 – Shepway District Council

Shepway Local Development Framework Core Strategy Preferred Options Consultation 2009.

Annex 1 : KCC Services and Rural Areas

1 The County Council continues to follow a Manage and Invest approach originally set down in RSS policy CC7. The substantial reductions in public expenditure introduced by the Government following the comprehensive spending review, has constrained the provision of public services. Considerable reliance is now placed on securing private sector funding to support the additional services and facilities arising from new development. The County Council now adopts a three step approach:

- Managing the provision of existing services to enhance service delivery in a cost effective way and identifying surplus capacities which might meet indigenous needs.
- Examining alternative sources of funding to support service delivery. In the future this may include promoting, alongside District and Borough Council's, the Community Infrastructure Levy; Regional Growth Fund, Tax Incremental Financing and European funding streams.
- Securing private sector financial contributions or development in kind through section 106 obligations, to meet the additional needs arising from new developments.

2 The success of these various approaches can be strongly influenced by the location of new development. It is essential that the Borough Council's overall planning strategy and the subsequent residential site selection process, is influenced by the need to ensure that development sites can be serviced in an efficient and cost effective manner. To secure this, the Borough Council should have regard to the County Council's advice as to where existing surplus capacities have been identified in service provision, and where new infrastructure investment is proposed.

3 While economies of scale may usually be achieved by focussing new development within the larger built up areas, surplus capacities may exist in rural areas. It is essential to consult KCC's service providers for upto date assessments of current and future capacity in urban and rural areas.

4 KCC will need to carefully consider the cumulative impact of smaller sites on the delivery of infrastructure and services, especially in rural areas. The provision of rural housing on exception sites to meet specific local housing needs helps support the rural community. KCC is also concerned to support rural businesses through the provision of fast broadband in new developments, the retention of rural employment sites, and the introduction of live and work accommodation.