



Strategic Planning & Research Unit

**For and on behalf of
MLN (Land and Properties) Ltd**

**Swale Borough Council – Local Plan
Resumed Hearings MIQs Matter 2
Overall Approach**

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Strategic Planning & Research Unit

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1.0 INTRODUCTION

- 1.1 These representations have been made on behalf of MLN (Land and Properties) Limited in respect of their interests in the land at Scocles Road (Site SW133), in response to the Inspector's MIQs for the resumed hearings.

2.0 OVERALL APPROACH: DEVELOPMENT TARGETS, THE SETTLEMENT STRATEGY AND THE DISTRIBUTION OF DEVELOPMENT

Matters 2.1 to 2.5 taken together

- 2.1 Our position on this matter is set out in the representations to the Main Modification consultation, in broad terms we are generally supportive of the Modifications proposed by the Council.
- 2.2 In particular we consider that MM40 will support the Council's regeneration and growth objective for the Thames Gateway. This will be achieved by increasing the quantum of development within this area of the borough.
- 2.3 We note that if further sites are required to demonstrate a 5 year or whole plan housing land supply there should be no deviation from this strategy. There are sites within this area (SW133 being one of them) that can easily support this strategy in a sustainable way. Therefore our support is given to MM56 which sets out the distribution of what can be delivered by each site, within the plan period, not the capacity of the site.

Main Modification 17

- 2.4 As set out in Modification Consultation, Local Plan paragraph 4.1.7 assumes that only brownfield sites can play a positive role in rejuvenating settlements. It is clearly evident that greenfield sites can play a positive role in achieving this objective. This paragraph should be amended.

Main Modification 58

- 2.5 As set out in the Modification Consultation, we do not consider the Plan should be reliant upon windfalls to such an extent. We acknowledge that windfall residential development does happen, however we question the role that this can play in the delivery of the Council's strategy.
- 2.6 We consider that a more appropriate strategy would be to allocate sites that would replace the allowance made for windfall development. The typical nature of windfall is of smaller sites which are unlikely to bring forward wider benefits; for example the delivery of affordable housing, or contributing to a highways scheme.
- 2.7 The allocation of SW133 can clearly support the Council's strategic objective of higher growth within the Thames Gateway, but importantly it can deliver wider sustainability objectives; in particular the delivery of approximately 90 affordable homes (20% of 450 total dwellings). It is our understanding that no sites within Minster are expected to deliver affordable housing.

The Local Plan Expert Group and DCLG 2014-based Projections

- 2.8 As set out in table 1, it is clear the DCLG figures, the starting point in the calculation of FOAN, is 850 dwellings per annum, higher than the proposed level of housing need in the submitted and proposed modified Plan. There is no evidence, or justification put forward by the Council that adequately justifies not using this up to date information. This is a significant change from the submitted Plan, and given the plan is still under examination it is entirely appropriate to consider this new information.
- 2.9 Furthermore, if taking the approach advocated by LPEG, the need increases to 1,122 dwellings per annum. One of the drivers for this increase is the poor affordability ratio within Swale and the level of affordable housing need.

A summary of the LPEG approach

- 2.10 It is pertinent to note the recommendations to Government from the Local Plans Expert Group, (established by the Communities Secretary and the Minister of Housing and Planning), which was given a remit to consider how local plan making can be made more efficient and effective.
- 2.11 In paragraph 11.4 the LPEG recommend;
- “that the NPPF makes clear that local plans should be required not only to demonstrate a five-year land supply but also focus on ensuring a more effective supply of developable land for the medium to long term (over the whole plan period), plus make provision for, and provide a mechanism for the release of, developable Reserve Sites equivalent to 20% of their housing requirement, as far as is consistent with the policies set out in the NPPF. Reserve Sites represent land that can be brought forward to respond to changes in circumstances.”*
- 2.12 Therefore, the provision of additional allocations beyond the bare minimum to meet the present housing requirement would be in line with the guidance being offered to government from the LPEG.
- 2.13 The LPEG also provide suggestions on how to amend the NPPG to provide greater clarity in the preparation of the OAN, the main points are summarised below:
- a. Changes proposed: Paragraph: 003 Reference ID: 2aS003S20140306:
- i. The total number of homes needed in an area can be greater than the number that might be assumed based solely on estimates of population change.
- ii. The FOAHN does not include the need for specialist types of accommodation such as student accommodation, care homes and other uses falling within the C2 Use Class. The SHMA, should carry out separate assessments of the need for C2 accommodation, but the outcomes of this should not be integrated with the FOAHN.
- iii. Affordable housing need: this is the scale of affordable housing need based on the methodology outlined in this guidance. An adjustment to address affordable housing need should form part of the FOAHN.

- iv. Demographic Starting Point: this is the scale of housing that would be sufficient to meet the number of households estimated through the use of official projections and limited adjustments based on sensitivities using a ten year migration trend and adjustments to the household representative rates for those aged 25 to 44.
 - v. Market Signals: for the purposes of assessing FOAHN, this should be based on two housing market indicators drawing on official data on house prices, rents and incomes.
 - vi. Unmet Need: This is the amount of FOAHN that the housing requirement of an individual area (either at HMA or local authority level) would not meet. Unmet needs from one local authority area should be met elsewhere within the HMA subject to the provisions of paragraph 14 of the National Planning Policy Framework. If an HMA is unable to meet its FOAHN, then these unmet needs should be met in adjacent HMAs, subject to the provisions of paragraph 14 of the Framework.
- 2.14 In respect of evidence on migration, the report recommends that either the DCLG or most recent 10 Year Migration projection taken from most recent MYE should be used (Paragraph: 017 Reference ID: 2aS017S20140306)
- 2.15 It is recommended that household formation rates are adjusted for 25 – 44 year cohorts adjusted to the midpoint between the 2008 and the latest DCLG projections (proposed amendment to paragraph: 015 Reference ID: 2aS015S20140306).
- 2.16 In terms of responding to Job Growth and Economic activity, the proposed changes to paragraph: 018 Reference ID: 2aS018S20140306 suggest that plan makers may choose to use estimates of future employment growth to justify a plan adopting a housing requirement in excess of the FOAHN for housing but this is a policy matter for plan makers in setting the housing requirement.
- 2.17 Where plan makers choose to set a policy on housing requirement in excess of the FOAHN, based on employment growth, this should be based on applying the changes in economic activity rates that are projected in estimates produced annually by the Office for Budget Responsibility, applied to the local baseline rates of economic activity. The existing commuting ratio should be applied, based on a comparison of economically active residents drawn from the Annual Population Survey and the number of jobs drawn from BRES.
- 2.18 In terms of the approach to measuring affordability LPEG refer to new tables to be published by the DCLG to provide the following measurements but in the meantime the advice is that the latest available information on these measures should be used. The recommended measures are as follows:
- a. House price affordability – the ratio of median quartile house prices to median earnings ('The House Price Ratio') and
 - b. Rental affordability – lower quartile rental costs as a percent of lower quartile earnings ('the Rental Affordability Ratio').
- 2.19 The Report goes onto state that the new CLG Live Tables will apply an average over the most recent three years of data, to allow for any anomalies and volatility which

may occur from one year to the next. In the event the CLG Live Tables are not available or up to date at the time of plan preparation, plan makers should use the latest available source data to generate their own indicators.

- 2.20 In considering the appropriate response to market signals the proposed alterations to paragraph: 019 Reference ID: 2aS019S20140306 suggest the following upward adjustments for market signals based on the data published by DCLG, using the following benchmarks
- a. Where the House Price Ratio is less than 5.3 and Rental Affordability Ratio is less than 25%, no uplift is required
 - b. Where HPR is at or above 5.3 and less than 7.0, AND/OR the RAR is at or above 25% and less than 30%, a 10% uplift should be applied
 - c. Where the HPR is at or above 7.0 and less than 8.7, AND/OR the RAR is at or above 30% and less than 35%, a 20% uplift should be applied and
 - d. Where the HPR is at or above 8.7 AND/OR the RAR is at or above 35%, a 25% uplift should be applied
- 2.21 In response to adjustments for Affordable Housing, the Report advises that where the total number of homes that would be necessary to meet affordable housing is greater than the figure arrived at based on the demographic starting point and application of market signals, an upwards adjustment should be made of either 10% or, if lower than 10% they should be met in full, to arrive at a figure for FOAHN. If the figure required to deliver the affordable housing requirement is however lower, then the market adjusted demographic figure should be considered to be the OAN (Output B).

Table 1 Outcomes of applying the LPEG approach to DCLG 2014 household projections for Swale Borough

Stage	Step	OAHN Process	Growth 2011-2031 per annum
A. Demographic Starting Point	1	Latest DCLG household projection (2014 – based ONS SNPP) Paragraph 1.18 of Update	850
	2	10-year migration trend (2005-2015) scenario dwgs	805
	3	DCLG household projection (2014 – based ONS SNPP) (50% 25-44 HFR return to 2008-based HFRs) dwgs	<i>not applied</i>
	4	OUTPUT A: Demographic starting point (Dwellings)	850
B. Market Signals	1	Ratio of median quartile house prices to median earnings (3 year average)	7.16
	2	Upward adjustment required to Output A	20%
	3	OUTPUT B: Demographic starting point plus market signals adjustment dwelling	1,020
C. Affordable Housing Need	1	Estimate affordable need based on standard methodology (dwellings) (SBC/PS/057/Matter4.11 paragraph)	198
	2	Total number of dwellings necessary to meet affordable needs (as the likely rate of delivery at 13.7% of market housing impact of Policy DM8 as set out in SBC/PS057 Matter 4.11 paragraphs 19 and 22).	1436
FULL OAHN	3	OUTPUT C: Number of dwellings required to meet affordable housing need (dwellings)	1436
	1	If C is greater than B then OAHN is the lower of meeting either 1) Output C in full, or 2) Output B plus 10%?	Output B plus 10%
	2	Output B plus 10%	1,122
	3	FULL OBJECTIVELY ASSESSED HOUSING NEED FOR TELFORD AND WREKIN 2014-2032	1,122

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