

Swale Borough Council Local Plan Examination Statement

Matter 9: Monitoring and delivery of housing supply

This statement has been produced as part of the examination of the Swale Borough Local Plan: Bearing Fruits 2013 and its Proposed Main Modifications June 2016. It answers the Inspector's questions relating to Matters 9.1-1.3.

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9. **Monitoring and delivery of housing supply**

1. This statement should be read in conjunction with the Council's responses within SBC/PS/117.
2. The Modified Plan is based on the deliverability of sites commencing from 2014/15. As can be seen from Matter 9.3, SBC/PS/113 presents a new trajectory and land supply position for the 2015/16 monitoring year. Arising from this, some additional modifications might be required to the Local Plan, with possible updates to the IDS.
3. As the land supply and trajectory position have not been examined, the Council has held back from drafting any additional modifications. However, as appropriate, possible areas are highlighted and can be drafted, if appropriate, before the close of the Examination.

Matter 9.1 Does the modified Plan, supported by the IDS, identify the infrastructure needed to deliver the Plan and does it set out a robust and coherent framework to monitor progress?

4. See also 9.2 below.
5. The IDS (SBC/PS/103) identifies the infrastructure needed to deliver the Local Plan. There have been no indications as to the omission of any major elements and the main service providers are content. Chapter 8 at Table 8.2.1 provides the robust and coherent monitoring framework. They also include the indicators as recommended by the Sustainability Appraisal work.
6. In the case of infrastructure, MM313 provides monitoring indicator (criterion 1.e.) citing specific progress on the IDS. Indicators associated with Policy CP2 (Transport) and CP5 (Health) also link to progress with the IDS to be reported within the AMR. Regular updating of the IDS will re-inforce the monitoring framework of the Local Plan.
7. The housing trajectory provided within SBC/PS/113 does set out the effect of slightly longer expected lead-in times for some sites. This has little impact on the IDS because of its flexible indication of timescales and ease of updating. For Chapter 8 of the Local Plan, slippages in the time-scale could be reflected as modifications to MM289, MM295 and MM296. They have the effect of slightly reducing the level of infrastructure required within the first five years of the Plan from adoption (e.g. the SW Sittingbourne primary school and the Iwade GP surgery extension).
8. However, as explained by MM293, MM295 and MM296 are framed to illustrate the broad relationships between development and infrastructure. This relationship may well change across the plan period. To prevent dating of the Plan and to give more flexibility, assuming the Inspector is satisfied as to the soundness of the Plan on this matter, the contents of paragraphs 8.1.15 to 8.1.34 (inc. Tables 8.1.1 and 8.1.2) could be removed from the text of the adopted Local Plan and made part of the IDS (with a clear reference to the IDS left in the Plan). This would allow for the updated information to form part of the IDS itself and avoid the need for further

modifications to these MM. Alternatively, MM295 and MM296 could be left in the Plan simply as an illustration of the above relationships.

9. The Plan may also need to take account of the Highways Statement of Common Ground (SOCG) at SBC/PS/121. Any additional modifications are most likely to affect MM292 and MM295, but may require modifications to Policies New AX5, AX6, MU1 and New MUX1. As indicated in SBC/PS/113 (and elsewhere), this is likely to relate to A249 junctions, particularly at Key Street and the Grovehurst Interchange. The latter scheme is currently indicated by the IDS and Local Plan as a £37M project, but now confirmed as a much more modest interim improvement which enables the developments at NW Sittingbourne and Iwade to proceed earlier, whilst the more major project is pursued via a later public funding bid, supported by developer contributions.
10. Again, an alternative way to reflect this in the Plan, and to avoid such changes dating it, is for this to be addressed within an update to the IDS.

Matter 9.2 Do the implementation and delivery plan and the monitoring arrangements provide for collection of the necessary information to recognise the triggers for a review of the Plan?

11. Table 1 below matches the triggers from MM46 (Policy ST2) with the relevant indicators from Table 8.2.1 to demonstrate the adequacy of monitoring arrangements. The commentary includes discussion of any potential changes.

Table 1 Monitoring arrangements for Policy ST2

Policy ST2 review 'trigger'	Table 8.21 'indicator'	Commentary
Economic indicators suggest there is likely to be a significant change in the delivery of jobs or employment floorspace.	<ul style="list-style-type: none"> • Criterion 4 of MM313. • Indicators within CP1. 	The indicators are adequate and capable of measuring progress against the indicator. An additional indicator could be included to monitor information on the economic outlook for the delivery of jobs or floorspace, such as via an updated economic jobs forecast. However, as this information would be part of any SHMA/OAN work, it is not considered necessary to include it here as well.
Shortfalls in the five-year supply of housing land seriously compromise the ability of the Local Plan to achieve its housing target.	<ul style="list-style-type: none"> • Criterion 2 of MM313 via the HIA/AMR. • Indicators within ST4. 	These indicators are adequate. They do not explicitly consider whether CLG population forecasts may indicate a change needed to the OAN via preparation of a new SHMA and

Policy ST2 review 'trigger'	Table 8.21 'indicator'	Commentary
		<p>Local Plan. However, the issue is covered by criterion 1.g. of MM313 and in MM42. This would be undertaken in any event given the commitment to review the Plan within three years.</p> <p>Matter 2.3 has also indicated that the Council would not challenge the need for an additional (minor) modification to monitor provision at the planning area level.</p>
<p>There is tangible progress on the delivery of the longer-term regeneration opportunities identified by the Local Plan at the Port of Sheerness.</p>	<ul style="list-style-type: none"> None specific, but included within MM313. 	<p>As a longer-term opportunity, the commitment to a Local Plan review within three years will enable the Council to monitor progress. The term 'tangible progress' provides reasonable flexibility and would enable the Council to test such matters, such as actual adoption of the current draft Port Masterplan and the establishment of a relevant partnership with a timetable for progressing the project.</p> <p>No further indicator is necessary to deal with the Kent Science Park as it is unlikely that tangible progress would be demonstrated ahead of the timetable for a Local Plan review indicated by the Council's LDS.</p>
<p>There are significant delays in the commencement of major works to improve J5 of the M2 with the A249.</p>	<ul style="list-style-type: none"> None specific, but included within MM313. 	<p>This would be considered in conjunction with the monitoring of housing land supply and the degree to which a delayed improvement was holding back housing allocations. Given the timetable for a Local Plan review, the degree of significance in any delay would need to be carefully judged. In all likelihood, significant delay in</p>

Policy ST2 review 'trigger'	Table 8.21 'indicator'	Commentary
		this context would either be an announcement as to its cancellation or a long-term or indefinite delay.
Significant delays in the delivery of infrastructure within the Local Plan implementation and delivery plan/schedule risks significant harm to the creation of sustainable communities.	<ul style="list-style-type: none"> • Included within MM313 at criterion 1e.) citing specific progress on the IDS. • Indicators associated with Policy CP2 (Transport) and CP5 (Health). • Link to progress with the IDS to be reported within the AMR. 	Regular updating of the IDS will re-inforce the monitoring framework. The main infrastructure provision is at J5/M2. The criteria are sufficiently flexible to enable other critical infrastructure, particularly health and education, to be considered as appropriate.
Assessment under the Habitats Regulations indicates that detailed proposals at a Local Plan allocation are unable to protect the integrity and special interest of a European designated site and that this threatens the ability of the Council to maintain a five-year supply of housing land.	<ul style="list-style-type: none"> • Criterion 1f., and 2. • Indicators for ST4. • Criterion K of indicator for CP7. 	<p>Reporting on key sites with HRA or SAMMs implications within ST4 will be adequate to address this issue.</p> <p>A review of the evidence base associated with the SAMMs, if required, will be undertaken jointly with other partners as part of any Local Plan review.</p>
Other material changes in national Planning policy leave the plan significantly outdated or unable to provide a clear policy context on an important issue.	None specific.	No specific indicators are considered necessary on this issue.

Matter 9.3 Does the modified Plan include sufficient sites to enable the Council to demonstrate that there is a 5-year supply of sites that are available and deliverable?

12. The housing land supply position is set out in SBC/PS/113. This uses a justified, site-based and cautious approach to deliverability issues. It demonstrates a 5.4-year supply, following the Liverpool method of calculation to deal with shortfalls and a 5% buffer to address the backlog. The overall approach has been independently reviewed.

13. Some parties have cited the Council's contingencies section within Chapter 8 (MM301-304) to indicate that it will not be able to achieve a five-year supply. However, this is a section intended to highlight and help manage the risks across the Plan period as a whole. These risk factors have already been built into SBC/PS/113.
14. Respondents have also argued various means to increase the likelihood of the Council not being able to demonstrate a five-year supply. Despite the interim findings on the Local Plan, these include arguing for the use of the Sedgefield Method to address shortfalls and a 20% buffer because of an alleged persistent under-delivery. Other approaches intended to increase the need for further provision include: increasing the OAN, extending the Plan period; increasing the lead-in times for allocations (in combination with the quicker delivery of omission sites); and the advocacy of extra contingencies.
15. The Council's approach to all the components of the land supply is set out in SBC/PS/113; suffice to say that it believes its position to be justified, robust and flexible. There are already contingencies in the total supply for the Plan period, including an over-supply of 723 dwellings and within the conservative allowance made for windfalls. In terms of contingencies within the five-year supply, caution has been applied to the lead-in time of sites and there has not been a slavish adherence to general assumptions. Such caution is reflected in the fact that the largest of the major land allocations only contribute to completions in the latter part of the five year period. Although many of the Council's assessments are in contrast to the greater optimism of allocation site promoters, its approach does enable greater confidence to be given to the supply position.
16. However, whilst a five-year supply has been immediately demonstrated, there are some medium term risks which need to be additionally managed. Some of these risks are highlighted by paragraphs 8.1.37-8.1.69 of the Modified Plan, especially in respect of paragraphs 8.1.39-40. The possibility of these risks emerging is revealed by the trajectory produced by SBC/PS/113 (Figs 9 and 10).
17. Although the new trajectory produces a similar overall 'shape' to those produced previously, the Council's more cautious approach has led to slight slippages and extended the period of lower forecast levels of delivery. As well as this slippage, the increased housing target leads to higher annualised peaks of deliverability within the middle years of the Plan than previously shown. This is in contrast to the desirable smooth transition indicated by the interim findings (paragraph 9 of ID/9c) and paragraph 8.1.63 of the Modified Plan. As explained by SBC/PS/113 (paragraphs 41-44 and 129-136), this is due to the accumulated totals of deliverable sites, as opposed to the trajectory trying to forecast and represent actual expected delivery.
18. If actual delivery increases, as suggested by paragraphs 137-141 of SBC/PS/113, at a steadier, but slower pace than that indicated by the deliverability trajectory, the risks highlighted by paragraphs 8.1.39-40 of the Modified Plan become a possibility. To manage the risks to the five-year supply, measures may be needed to be over and above those already indicated in the interim findings.

19. The management of this risk is suggested by paragraphs 142-144 of SBC/PS/113. Rather than use the annualised OAN rate across the Plan period, the evidence supports the use of a 'stepped' approach by which the annualised rate in the first, second and third parts of the Plan period are below, at and above the OAN respectively. Use of this approach maintains the overall commitment to achieving the OAN during the Plan period, whilst managing its exposure to risks that could affect the Local Plan strategy. The initial land supply position under this approach is that the Council has a more robust land supply position of 6.1 years (paragraph 123 and Table 8 of SBC/PS/113).
20. It is important to understand how the stepped approach fits with the soundness of the Plan and the need to deal with backlog/under-delivery and shortfalls.
21. Firstly, the stepped approach is not a means to deal with an issue of the Plan's unsoundness, such as in terms of its overall spatial strategy. Likewise, soundness is already demonstrated by the presence of a 5.4-year supply without the stepped approach. However, in the context of an otherwise sound strategy, its use might occur should the Inspector either conclude that the Council cannot demonstrate a five-year supply with no other appropriate means to remedy it, or that the Plan strategy requires support whilst Local Plan allocations are coming forward.
22. Secondly, if lower levels of delivery in the next three years materialise, shortfalls against an annualised OAN will be more significant than under the 'stepped approach'. Under the first scenario, pressures to use a 20% buffer for persistent under delivery will therefore be difficult to resist and will only serve to challenge the Plan's strategy. Use of the stepped approach is not an easy option for the Council as challenges to the supply may actually increase over time. However, in the shorter term, it limits risks to the strategy of the Plan from omission sites seeking to exploit the lead in times of some Local Plan allocations.
23. Thirdly, there is potentially greater flexibility as use of the stepped approach could mean the earlier reversion to the Sedgefield Method as conditions change.
24. In conclusion, the assessment of housing land supply is not just a simple choice between the Liverpool and Sedgefield Methods. The current trajectory reflects the Liverpool Method, but the limitations of both methods are well known. Given the evidence available about the potential availability of sites, some Local Plans have adopted an approved stepped approach to calculating the five-year housing land supply, including those discussed in SBC/PS/113a. Some sites cannot be expected to deliver earlier in the Plan period and therefore need to be protected from the pressure to develop other sites in preference to them.
25. Therefore, for Swale, not only does the stepped approach provide for greater flexibility, it offers better management of risks, particularly exposure to early challenges to the Plan strategy (Policy ST3), whilst its allocations are coming forward.
26. With this in mind, the latest document on housing land supply (SBC/PS/113) discusses the effect this stepped approach would have on the trajectory in Swale. If the Inspector considers that the agreed strategy of the Local Plan is threatened

or that the land supply is not sufficiently robust, then the solution would be to adopt the stepped approach.

Implications for the Local Plan

27. What are the implications for further modifications arising from the trajectory or use of the stepped approach? Firstly, the relationships between sites and infrastructure arising from any slippage are addressed by paragraph 8 above. These do not require modification in the Council's view.
28. Changes within paragraphs 8.1.63-65 of MM309 are less easy to avoid because the SBC/PS/113 trajectory does not reflect the text envisaged at the time of drafting; instead it is the accumulation of deliverable sites, as opposed to a trajectory of expected actual delivery. However, these would appear to be capable of being addressed by additional (minor) modifications.
29. The Council has further reflected on its position set out in SBC/PS/117 as to whether any housing trajectory should be included within Chapter 8 itself. Whilst it has no objection to its inclusion (particularly if it were judged to be an additional modification within MM309), it remains the case that as a snapshot in time, it would quickly become dated. The Council's preference remains for it to be separately published and monitored.
30. Of the stepped approach itself, it is advocated as a stepped rate and not as a stepped target requiring reflection in Policy ST2. Acceptance of a stepped rate would therefore essentially require the Inspector to make a recommendation to the Council that, moving forward, and as set out by SBC/PS/113, it be used for purposes of monitoring and calculating the Local Plan five-year supply.
31. Under this scenario, the scope for Main Modifications would be removed and that for further additional (minor) modifications much reduced. Additional (minor) modifications could be made to MM301, 304 and 309 to reflect the 'stepped approach'. However, as this is simply a method of land supply calculation to address the risks already highlighted by the Plan, it may be argued that such modifications are not necessary.
32. If the above is accepted, the scope for remaining additional modifications would be limited to the following:
 - 1) Paragraph 8.1.40 where reference to issues affecting the performance of the Plan for its first three years should read its first five years.
 - 2) Redrafting of paragraphs 8.1.62-65 in MM309, including deletion of 'taking as read' of developer forecast completions.
 - 3) Correction of point 4 in paragraph 8.1.69 as the Liverpool method is not a method to boost the supply of housing.